



Stock information Mexican Stock Exchange Ticker:

MEXICHEM\*

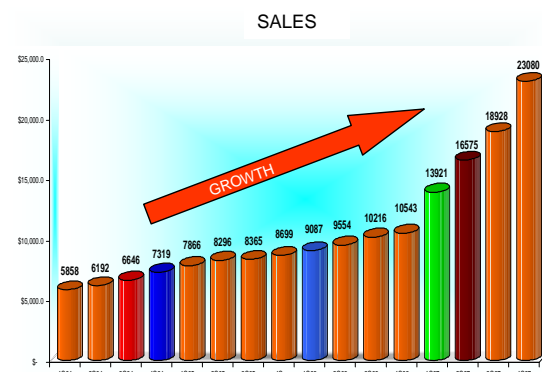
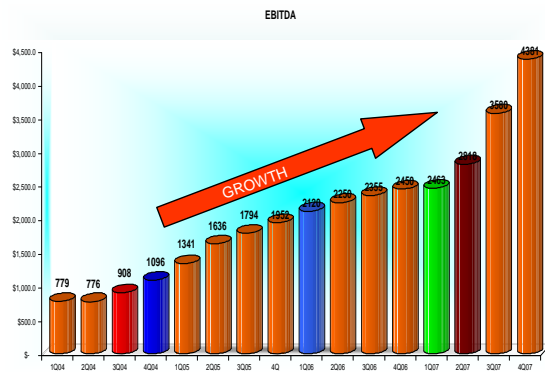
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**Consolidated Results**

Consolidated Million Pesos	4th Quarter			January - December		
	2007	2006	%Var.	2007	2006	% Var.
Net Sales	6,848	2,467	178%	23,080	10,417	122%
Gross Profit	2477	687	261%	7,693	3,072	150%
Net Majority Income	609	344	77%	2002	1188	68%
Operating cash flow (EBITDA)	1284	591	117%	4,381	2,481	77%
Free cash flow	1,493	844	77%	5,308	3,443	54%

The historical performance of sales and consolidated EBITDA shows the extraordinary growth that Mexichem is experiencing, including 2007 results.



- Acquisition Química Flúor
- Acquisition Primex
- Acquisition Bayshore
- Acquisition Amanco
- Acquisition PETCO

Volume and Prices	4th Quarter	January - December
Total Volume	19.0%	1.7%
Average Selling Price in pesos	5.0%	15.7%
Acquisitions	154.0%	104.6%

\*Not including Dermet

	12 MONTH	
	2007	2006
<b>DEBT</b>		
<b>Net Debt</b>	7,133	1,383
<b>Net Debt/EBITDA</b>	1.63	0.69
<b>Interest coverage</b>	6.43	12.65
<b>Average number of shares</b>	548,800,000	490,000,000

## Mexichem highlights

### Regarding growth

Throughout the fourth quarter of 2007, consolidated sales grew 178% compared to the same period a year before, totaling \$6.848 billion.

For 2007 as a whole, sales amounted to \$23.08 billion—122.0% above the figure for 2006. This significant increase is mainly due to the Group's expansion strategy through the acquisition of Amanco, Petco, and Frigoceol in February, March, and July 2007, which reported sales worth \$12.232 billion for 2007.

Fourth quarter EBITDA grew 117% to \$1.284 billion; throughout 2007, EBITDA amounted to \$4.381 billion—77% greater than in 2006. These excellent results are mainly attributed to the acquisitions, and to the fact that the industry's cycle remains stable, as well as to full capacity utilization of the plants, and costs and expenditure savings through the synergies implemented as a result of said acquisitions.

Net consolidated profit for the year grew 68% vs. 2006 for a total of \$2.002 billion pesos. The \$818 million growth is largely due to good operating results, as well as the performance achieved through the acquisitions.

### Regarding Costs

#### **Integrated Cost of Financing**

In 2007, the integrated cost of financing rose 134%; this was mostly due to a hike in interest paid as a result of the financing to purchase Amanco and Petco.

#### **Income tax**

Income tax amounts to \$677 million—29% higher than in 2006—due to better results in the period. Compensated by making better use of tax benefits, the effective rate was 26%.

### Regarding net debt

Net financial debt for 2007 ended at US\$653 million, displaying a Net Debt to EBITDA ratio of 1.63 times—better than the 2.0 times ratio that we had promised our investors at the beginning of the year.

In the period from March to December (when the acquisitions were made), US\$377 million were reduced through the payment of current debt, and anticipated payments on long-term debt as a result of the great cash flows that the company generated, and the capital increase of US\$158 million in May 2007.

### Dividends

On November 7, 2007, in a General Ordinary Shareholders' Assembly, the payment of a cash dividend of \$0.52 (fifty-two *centavos*) on each of the shares on the market was agreed upon. This payment is to be made in 4 installments on January 25, April 25, July 25, and October 24, 2008.

### Other important events

In August 2007, construction of the new Chlorine plant in Santa Clara was completed, following a US\$70 million investment, changing its process from mercury to cells to membrane technology improving the quality and considerably cutting production costs.

In January 2008, the purchase of Plastubos and Dripsa was completed. Both these companies are located in South America and are devoted to the production of plastic irrigation pipes, increasing Mexichem's presence in the region.

In February 2008, we signed an agreement to acquire Prodesal, company located in Cali, Colombia, this company produces, salt for human and industrial consumption, chlorine, soda, an other chlorine derivates with sales in 2007 for 45 million dollars.

### **Operating and Free Cash Flow**

	4th Quarter			January - December		
	2007	2006	% Var.	2007	2006	% Var.
Operating cash flow and Free cash flow						
Operating profit	926	450	106%	3,281	1508	118%
+ Depreciation and amortization	358	140	156%	1100	973	13%
EBITDA	1,284	591	117%	4,381	2,481	77%
-Investment in fixed assets	-209	-253	-17%	-927	-962	-4%
Free cash flow	1,493	844	77%	5,308	3,443	54%

Free cash flow is greater by \$1.865 billion pesos year over year, due to the excellent operating results plus depreciation achieved in 2007 throughout our businesses.

### **Debt**

	12 MONTH	
	2007	2006
DEBT		
Net Debt	7,133	1,383
Net Debt/EBITDA	1.63	0.69
Interest coverage	6.43	12.65
Average number of shares	548,800,000	490,000,000

Net debt at the end of 2007 was \$7.133 billion vs. \$1.383 billion at the end of 2006. This is a result of the financing obtained for the acquisitions, less the payment on current loans and the anticipated payment of long-term debt. It is important to note that the Net Debt to EBITDA ratio ended at 1.63 times below international standards.

## Operating Results by Chain

### Vinyl-Chlorine Chain

	4th Quarter			January - December		
<b>Chlorine-Vinyl Chain</b>	2007	2006	% Var.	2007	2006	% Var.
<b>Net Sales</b>	3,220	2,020	59.4%	11,267	8,554	31.7%
<b>Operating cash flow (EBITDA)</b>	651	397	64.2%	2,147	1,771	21.2%
<b>Volume and Prices</b>	4th Quarter		January - December			
<b>Total Volume</b>	3.2%		2.3%			
<b>Average Selling Price in pesos</b>	21.3%		15.2%			
<b>Acquisitions</b>	34.9%		14.2%			

During the fourth quarter, sales in this chain totaled \$3.220 billion, 59.4% above 2006. EBITDA amounted to \$651.0 million, also above 2006 by 64.2%.

Likewise, sales and EBITDA for the whole of 2007 outdid 2006 by 31% and 21%, respectively.

The main products in this chain are: Chlorine, Soda, PVC Resins, compounds and plasticizers; the chain has 2 divisions: Chlorine-Soda and Vinyl.

With regard to PEMEX's performance, its chlorine consumption in the period was better than in the previous year, increasing from 126,714 tons to 133,746 tons in 2006—that is, a 5% increment. This made it possible to have a better price mix which, in turn, had a positive effect on operating profit.

### Fluorine Chain

	4th Quarter			January - December		
<b>Fluorine Chain</b>	2007	2006	% Var.	2007	2006	% Var.
<b>Net Sales</b>	546	447	22.0%	2,103	1,863	12.9%
<b>Operating cash flow (EBITDA)</b>	241	226	6.4%	928	839	10.6%
<b>Volume and Prices</b>	4th Quarter		January - December			
<b>Total Volume</b>	49.7%		10.0%			
<b>Average Selling Price in pesos</b>	-18.5%		2.6%			

Fourth quarter sales totaled \$546 million—up 22% from 2006. EBITDA was \$241 million, 6.4% greater than in 2006. With regard to total sales for the year, they ended at \$2.103 billion, and EBITDA closed at \$928 million—both figures above those in 2006 by 13% and 11%, respectively. This was a result of greater self-consumption of fluorite from our own mine. On the other hand, the drop in the average price during the fourth quarter was due to sales in the quarter in Asia, mainly to Japan, which were absent quarter on quarter in 2006. The average price in that region is lower than in the rest of the world.

## Fluid Conduction Chain

	4th Quarter			January - December		
	2007	2006	%Var.	2007	2006	% Var.
<b>Pipe Systems Chain</b>						
<b>Net Sales</b>	3,082	0		9,710	0	
<b>Operating cash flow (EBITDA)</b>	447	0		1,443	0	

Sales during the quarter totaled 3.082 billion pesos to reach 9.710 billion in the year, 7% higher than 2006, the EBITDA amounted 447 million during the quarter and for the year the figure was 1.443 billion pesos showing a sound increase of more than 52% year on year bases. The previous was the result of the synergies implemented during the year in: logistic, treasury, human resources, and, information technologies among others, as well as the organizational restructure that made easier and increased the speed and accuracy of the decision making process.

## Outlook

The consolidation of Amanco and PETCO allowed us to achieve spectacular growth throughout 2007, taking Mexichem to new horizons of growth and geographical diversification. We are now a global Mexican company with presence throughout the American continent, which sets us in a unique position for a Latin American company, and gives us the opportunity to sustain the consolidated growth of the production chains, which are highly fragmented throughout Latin America. The key to growth is the construction industry where, despite the tough situation that the US markets are currently facing, and the threat of a recession, emerging markets have a wonderful chance to become the drivers of the global economy. In Mexico, the national infrastructure plan will be a wonderful driver to keep our economy afloat; in Brazil, the housing deficit and urban infrastructure works will boost the country's growth, as is also the case in Colombia, Peru, Venezuela, and virtually the whole of Latin America, and Mexichem will be there to promote the growth of the chemical industry through construction. We have announced that, throughout 2008, we will invest US\$300 million mainly in the vinyl-chlorine and fluid conduction chains, with yet another series of opportunities. We continue with our search for a joint venture in the Fluorine chain that will sustain the significant share that this chain has within Mexichem, and enable us to gain access to other higher value added products such as coolants and fluoropolymers. There are many challenges; however, we are stronger now than before; our competitive advantages are greater, and our vision of what we wish to achieve is clearer than ever. Throughout 2008, we will continue with our commitment to grow at least 20% in sales and 20% in EBITDA, which will surely lead us to achieve and surpass our goal and continue on the path of growth, consolidation, and the synergies that have been part of the success of Mexichem.

## Financial Information

### Mexichem S.A.B. de C.V.

In thousands of Constant pesos as of December 31, 2007

#### Consolidated Financial Statement

##### Mexichem S.A.B. de C.V.

In thousands of pesos of December 31st, 2007

INCOME STATEMENT	January - December			4th Quarter		
	2007	2006	Variation	2007	2006	Variation
Net Sales	23,080,341	10,417,126	122%	6,847,742	2,467,365	178%
COGS	15,387,144	7,345,465	109%	4,370,253	1,780,390	145%
Gross Profit	7,693,196	3,071,641	150%	2,477,489	686,975	261%
<b>Operating Expenses</b>	<b>4,412,066</b>	<b>1,083,562</b>	<b>307%</b>	<b>1,551,631</b>	<b>236,553</b>	<b>556%</b>
Operating income	3,281,131	1,988,079	65%	925,858	450,422	106%
Net Financial (Cost) Revenue	352,031	150,355	134%	123,377	9,844	1153%
Other expenses	222,004	124,037	79%	(43,036)	(30,150)	43%
<b>Profit before Taxes and E.P.S.</b>	<b>2,707,096</b>	<b>1,713,687</b>	<b>58%</b>	<b>845,517</b>	<b>470,728</b>	<b>80%</b>
Provisions for Taxes and E.P.S.	676,532	525,445	29%	242,132	125,461	93%
<b>Income from continuing operations</b>	<b>2,030,565</b>	<b>1,188,242</b>	<b>71%</b>	<b>603,385</b>	<b>345,267</b>	<b>75%</b>
Discontinued operations	(10,354)	-	0%	3,499	(1,563)	0%
<b>Consolidated Net Income</b>	<b>2,020,211</b>	<b>1,188,242</b>	<b>70%</b>	<b>606,884</b>	<b>343,704</b>	<b>77%</b>
Net Minority Income	18,701	-	0%	(1,939)	-	0%
<b>Net Majority Income</b>	<b>2,001,510</b>	<b>1,188,242</b>	<b>68%</b>	<b>608,823</b>	<b>343,704</b>	<b>77%</b>
EBITDA	4,380,709	2,480,512	77%	1,284,248	590,660	117%

#### Consolidated Balance Sheet

Balance Sheet	To December 31st, 2007		
	2007	2006	Variation
<b>Total Assets</b>	<b>26,526,000</b>	<b>9,679,252</b>	<b>174%</b>
Cash and temporary investments	1,550,286	437,412	254%
Accounts receivable	4,538,343	1,876,300	142%
Inventory	2,558,050	850,208	201%
Other current assets	415,052	77,936	433%
Long-term assets	17,464,269	6,437,396	171%
<b>Total Liabilities</b>	<b>16,826,387</b>	<b>4,849,184</b>	<b>247%</b>
Current liabilities	8,323,580	2,766,451	201%
Long-term liabilities	8,502,807	2,082,733	308%
<b>Consolidated Equity</b>	<b>9,699,613</b>	<b>4,830,068</b>	<b>101%</b>
Minority Equity	68,809	-	0%
Majority Equity	9,630,804	4,830,068	99%