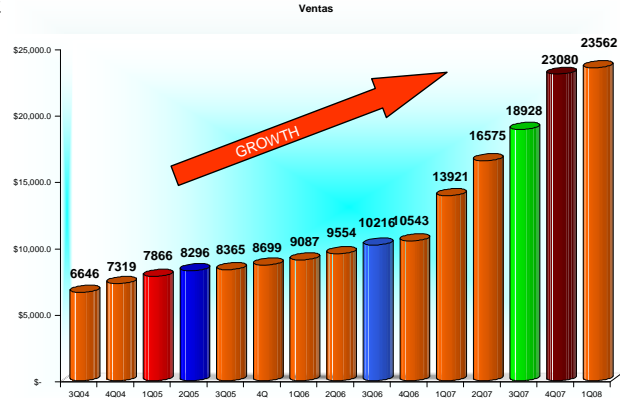
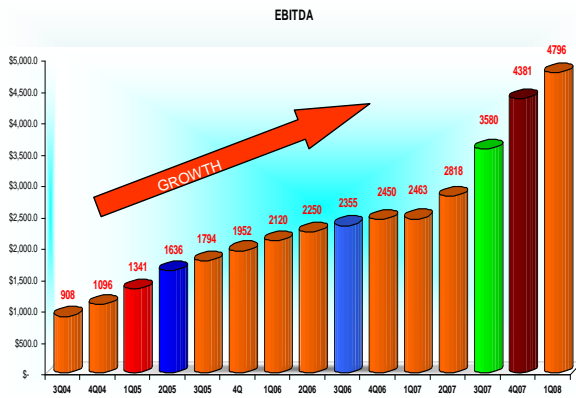


 <b>MEXICHEM</b> www.mexichem.com	Stock information Mexican Stock Exchange Ticker: <b>MEXICHEM*</b>
	Contact: <b>Investor Relations: Enrique D. Ortega Prieto</b> eortega@mexichem.com phone (52) 555366 4065

### Consolidated Results

Consolidated Million Pesos	First Quarter 2008			January-March		
	2008	2007	%Var.	2008	2007	% Var.
<b>Net Sales</b>	7,020.1	3,338.5	<b>110%</b>	7,020	3,338	<b>110%</b>
<b>Gross Profit</b>	2,186.9	1,061.9	<b>106%</b>	2,187	1,062	<b>106%</b>
<b>Net Majority Income</b>	441.6	332.8	<b>33%</b>	442	333	<b>33%</b>
<b>Operating cash flow (EBITDA)</b>	1,187.6	680.5	<b>75%</b>	1,188	681	<b>75%</b>
<b>Free cash flow</b>	834.6	587.5	<b>42%</b>	835	588	<b>42%</b>



- Acquisition Química Flúor
- Acquisition Primex

- Acquisition Bayshore
- Acquisition Amanco
- Acquisition PETCO

Volumes & Prices	First Quarter 2008	January-March
<b>Total Volumen</b>	<b>13.0%</b>	<b>13.0%</b>
<b>Average selling prices</b>	<b>36.0%</b>	<b>36.0%</b>
<b>Acquisitions</b>	<b>61.3%</b>	<b>61.3%</b>

\*Not including Dermet

Debt	Twelve months	
	2008	2007
<b>Net Debt</b>	<b>7,735</b>	<b>10,605</b>
<b>Net Debt/EBITDA **</b>	<b>1.61</b>	<b>2.64</b>
<b>Interest coverage</b>	<b>5.87</b>	<b>5.54</b>
<b>Outstanding Shares</b>	<b>548,800,000</b>	<b>490,000,000</b>

## **Mexichem highlights**

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### **Regarding Growth**

Mexichem continues to display its growth trend. For the first quarter of 2008, consolidated sales increased 110% vs. the same period a year before, to \$7.02 billion, showing the impact of its acquisitions.

A similar trend is clear in EBITDA in this first quarter, as it reached \$1.1876 billion pesos—75% more than in the same period of 2007.

In this period, the savings achieved through the restructure and synergies of the acquisitions are even clearer, partly compensating for the economic slowdown, and suspension of operations in our main client-supplier, PEMEX, which lasted over 35 days.

Net consolidated profit for the year increased 37% vs. 2007 for a total \$454 million pesos.

### **Regarding Costs**

#### **Integrated cost of financing**

In 2008, the integrated cost of financing rose by \$169 million pesos YOY, due to: an increase of \$151 million pesos in interest paid on the financing for the acquisition of Amanco and Petco (the loan was obtained in March 2007; thus, only one month was included in the results), a negative exchange effect worth \$55 million, and a negative monetary position effect worth \$20 billion; on the other hand, we had higher interest gains amounting to \$57 million pesos.

#### **Income tax**

Income tax amounted to \$152 million, practically flat from last year.

### **Regarding Net Debt**

Financial net debt for the end of the first quarter was \$7.735 billion, showing a significant \$2.87 billion peso reduction vs. the same quarter of last year, as a result of the amortization of the normal maturities and the anticipated payment of long-term debt. The Net Debt/EBITDA ratio is 1.61 times, better than the previous quarter's 1.63 times.

### **Dividends**

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

### **Other Important Events**

In this first quarter of 2008, Mexichem has carried out its acquisitions program as follows:

In January 2008, the purchase of Plastubos and Dripsa, companies located in South America devoted to the production of irrigation pipes, was completed; they will increase Mexichem's presence in the region.

In February 2008, an initial agreement was signed for the acquisition of Prodesal in Cali, Colombia. Prodesal is a company devoted to the production and sale of Chlorine, Soda, Hypochlorite, etc, with sales of over US\$45 million per year.

In March 2008, an agreement was signed for the acquisition of Tubos Flexibles S A de C V, a company located in Mexico that has been in the market for over 50 years producing pipes and connections made of PVC, CPVC, polyethylene, and polypropylene.

Also in March, the purchase of Quimir, SA de CV, located in Mexico and devoted to manufacturing intermediate products between soda and detergents, was announced.

The approximate sum of all these acquisitions is \$244 million dollars with an average multiple of 5.8 times.

These acquisitions are subject to approval from the competent authorities both in Mexico and in Colombia.

In April 2008, an agreement was signed with Cydsa for the purchase of its companies Policyd SA de CV (a maker of PVC resins) and Plasticos Rex SA de CV (a maker of plastic pipes). This agreement considers, as part of the payment, our Santa Clara Chlorine-Soda plant.

As of February 2008, Mexichem is part of the IPC sample in the Mexican Stock Exchange.

## Operating and Free Cash Flow

	First Quarter 2008			January-March		
	2008	2007	% Var.	2008	2007	% Var.
Operating cash flow and Free cash flow						
Operating profit	852	522	63%	852	522	63%
+ Depreciation and amortization	336	158	112%	336	158	112%
EBITDA	1,188	681	75%	1,188	681	75%
-Investment in fixed assets	353	93	280%	353	93	280%
Free cash flow	835	588	42%	835	588	42%

Free cash flow grew by \$247 million pesos, even despite higher CAPEX in this first quarter of 2008 YOY, due to the excellent operating results plus depreciation achieved in all our businesses.

## Debt

	Twelve months	
	2008	2007
Debt		
Net Debt	7,735	10,605
Net Debt/EBITDA **	1.61	2.64
Interest coverage	5.87	5.54
Outstanding Shares	548,800,000	490,000,000

Net financial debt for the end of the first quarter settled at \$7.735 billion, showing a significant reduction of \$2.87 billion pesos from last year as a result of the amortization of the normal debt maturity and the anticipated payment of long-term debt. The Net Debt/EBITDA ratio is 1.61 times—better than the ratio at the end of last quarter, which stood at 1.63 times.

## Operating Results by Chain

### Chlorine-Vinyl Chain

	First Quarter 2008			January-March		
	2008	2007	% Var.	2008	2007	% Var.
<b>Vinyl - chlorine</b>						
<b>Net sales</b>	2,540	1,373	85.1%	2,540	1,373	85.1%
<b>Operating cash flow (EBITDA)</b>	433	276	57.1%	433	276	57.1%
<b>Volumes &amp; Prices</b>	First Quarter 2008		January-March			
<b>Total Volumen</b>	21.0%		21.0%			
<b>Avegare selling prices</b>	11.0%		11.0%			
<b>Acquisitions</b>	53.1%		53.1%			

Sales in this chain totaled \$2.54 billion pesos in the first quarter, 85.1% above 2007. EBITDA amounted to \$433 billion, also above the same quarter of 2007 by 57.1%.

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 during this period was 37% lower than in the same quarter last year, due to a suspension of operations at its *Pajaritos* plant for 36 days due to maintenance.

### Fluorine chain

	First Quarter 2008			January-March		
	2008	2007	% Var.	2008	2007	% Var.
<b>Fluorine</b>						
<b>Net sales</b>	491	554	-11.5%	491	554	-11.5%
<b>Operating cash flow (EBITDA)</b>	202	258	-21.5%	202	258	-21.5%
<b>Volumes &amp; Prices</b>	First Quarter 2008		January-March			
<b>Total Volumen</b>	-11.0%		-11.0%			
<b>Avegare selling prices</b>	-0.6%		-0.6%			

First quarter sales totaled \$491 million pesos—11.0% below 2007. EBITDA amounted to \$202 million—21.5% lower than in 2007. These declines are due to a reduction in consumption from our clients in Asia, and to the sharp rises in raw materials—mainly sulfur, which is an important component in manufacturing hydrofluoric acid, whose price per ton skyrocketed from \$41.88 dollars to \$200 dollars, a 377% hike. It hasn't been possible to pass this increase immediately through to sales prices, yet it will be done throughout 2Q08. In addition, as part of the strategy to counter these effects, the Fluorine Chain acquired in April the Rio Verde fluorite mine which produces around 40 thousand tons of fluorite per year, to be fully used for the consumption of the Matamoros plant in the production of hydrofluoric acid.

## Transformed Products Chain

	First Quarter 2008			January-March		
Transformed Products Chain	2008	2007	% Var.	2008	2007	% Var.
Net sales	3,989	1,412	182.6%	3,989	1,412	182.6%
Operating cash flow (EBITDA)	612	180	240.7%	612	180	240.7%
Volumes & Prices	First Quarter 2008		January-March			
Acquisitions	182.6%		182.6%			

Sales in the quarter totaled \$3.989 billion pesos, 183% higher YOY. As for EBITDA, it reached \$612 million pesos in the period, growing over 240%; this is due to the fact that the same quarter of 2007 only included one month of Amanco. On the other hand, in 2008, there is also the effect of the synergies achieved in logistics, treasury, human resources, and information technologies, among others, as well as the organizational restructure that eased and increased the speed and precision of the decision-making process.

## Outlook

The strategy of growth, geographical diversification, and consolidation of the industry in the countries with the highest growth and profitability in Latin America, as well as in the products that give the greater added value to our main raw materials—Salt and Fluorite—has been successfully carried out. As we have previously mentioned, throughout this first quarter we have performed the acquisitions we had programmed, which will bring us the levels of growth, efficiency, and profitability that we set for this year, achieving our 20/20/20 vision (20% increase in sales, 20% in EBITDA, and 20% in ROE).

The geographical diversification we have has given us a competitive edge in face of the problems in the global economy. Thus, the risk diversification through the diversification of sales in different countries in Latin America whose governments, as in Mexico, have established programs against cycles, focusing on maintaining an economic growth rate through programs of public investment in infrastructure, together with the boom of the housing industry in countries such as Mexico, Brazil, Colombia, Venezuela, Ecuador, Peru, and Panama, will afford us the necessary support for Mexichem's growth.

In the second quarter of the year, we will continue consolidating the companies we have acquired, and end the acquisitions program that we set for this year. We continue negotiating a Joint Venture where the Fluorine Chain will keep the significant participation it has within Mexichem, and that will allow us to gain access to other products with greater added value, such as coolants and fluoride polymers. We continue with our basic strategy and are still working to achieve the integration of all the links in the production chains we currently have. The challenges are many; however, we are stronger today than we were yesterday, our competitive edge is greater, and our vision of what we hope to achieve is clearer than ever, which will lead us to achieve and even surpass the goal we have set to continue to grow and consolidate synergies that have been part of Mexichem's success.

## Financial Information

### Mexichem S.A de C.V

In thousands of pesos (2007 at December 2007 pesos, and 2008 at historical values)

#### Consolidated Financial Statement

	Up to March 31		
Balance Sheet	2008	2007	Variation
<b>Total Assets</b>	<b>26,473,659</b>	<b>24,148,480</b>	<b>10%</b>
Cash and temporary investments	1,129,103	1,079,647	5%
Clients	5,345,829	4,730,607	13%
Inventories	3,196,793	1,902,656	68%
Other current assets	482,699	1,320,458	-63%
Long-term assets	16,319,235	15,115,112	8%
<b>Total liabilities</b>	<b>17,642,553</b>	<b>18,768,086</b>	<b>-6%</b>
Current liabilities	9,365,902	15,483,439	-40%
Long-term liabilities	8,276,651	3,284,647	152%
<b>Consolidated stockholders' equity</b>	<b>8,831,106</b>	<b>5,380,394</b>	<b>64%</b>
Minority stockholders' equity	142,459	239,974	-41%
<b>Majority stockholders' equity</b>	<b>8,688,647</b>	<b>5,140,420</b>	<b>69%</b>

## Income Statement Consolidated

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

In thousands of pesos (2007 at december 2007, and 2008 at historical values)

Income Statement	January-March		
	2008	2007	Variation
Total Sales	7,020,127	3,338,468	110%
Cost Of Sales	4,833,267	2,276,611	112%
<b>Gross Profit</b>	2,186,860	1,061,857	106%
Operating Expenses	1,335,043	539,595	147%
<b>Operating Income</b>	851,817	522,262	63%
Financial Cost	189,383	20,180	838%
Other Expenses	55,757	10,177	448%
<b><u>Income from continuing operations before provisions</u></b>	606,677	491,905	23%
Provision for income tax	152,390	154,459	-1%
<b><u>Income from continuing operations</u></b>	454,287	337,446	35%
Discontinued operations	0	-4,694	
<b>Consolidated net income</b>	454,287	332,752	37%
Minority stockholders	12,675	0	
Majority stockholders	441,612	332,752	33%
<b>EBITDA</b>	1,187,610	680,547	75%