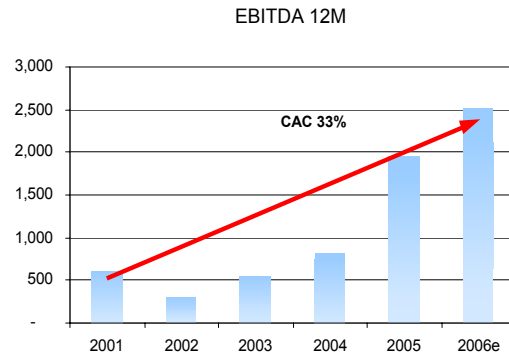
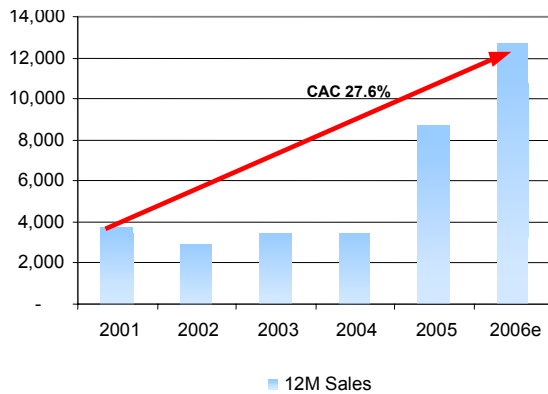


 MEXICHEM	Stock information	Mexican Stock Exchange	Ticker:	MEXICHEM*
	Contact:		Investor Relations: Enrique D. Ortega Prieto eortega@mexichem.com.mx phone (52) 55 5366 4065	
www.mexichem.com.mx				

Consolidated results

Consolidated Million Pesos	Second Quarter			January - June		
	2006	2005	Var.	2006	2005	Var.
Net Sales	3,121	2,299	36%	5,875	4,541	29%
Gross Profit	774	666	16%	1,504	1,231	22%
Net Majority Income	276	420	-34%	566	646	-12%
Operating cash flow (EBITDA)	602	544	11%	1,194	1,019	17%
Free cash flow	457	375	22%	908	790	15%

The performance history of sales and consolidated EBITDA shows Mexichem’s extraordinary growth, including the estimate for 2006.



Volumes and prices	
Total Volume	-0.9%
National Volume	-3.3%
Export Volume	5.9%
Average price pesos	5.2%

Second Quarter	
	-0.9%
	-3.3%
	5.9%
	5.2%

		Second Quarter	
		2006	2005
DEBT			
Net Debt	P\$	1,581	1,057
Net Debt/EBITDA		0.73	0.97
Interest coverage		8.01	7.22
Average number of shares		490,000,000	426,489,016

Mexichem highlights

On Growth

Consolidated sales in 2Q06 rose 36% YOY, to P\$3.1214 billion, mainly due to the Group's expansion strategy through the merger of Dermet de Mexico and Grupo Pochteca in April 2006, as well as excellent results in all of Mexichem's business lines which we have divided into 2 production chains (Vinyl-Chlorine Chain and Fluorine Chain) and one distribution chain (Dermet). EBITDA rose 11% to P\$602 million, and operating profit grew 16%, compared to the same quarter in 2005, as the industry's cycle remains stable, the plants are used at full capacity, and there have been cost savings from operating efficiencies as well as fixed cost reductions due to synergies in all of the Company's subsidiaries. Consolidated net profit is 37% lower than in 2005, totaling P\$265 million due to the P\$205.0 million additional profit generated by the divestiture of the Cable division in 2005.

On Costs

Net Financial Cost

In 2006, NFC rose 244%, from P\$27.7 million in 2005 to P\$95.3 million in 2006; this is mainly due to the f/x loss of P\$52.6 million as compared to an f/x gain in 2005 of P\$26.2 million.

Income tax and EPS

Income tax and employee profit sharing totaled P\$129.4 million, 30% below 2005.

On Debt

In 2006, financial debt rose by \$321 million pesos; mainly due to the US\$16 million used to purchase Bayshore and \$150 million pesos from the consolidation of Grupo Dermet's figures. As of June 30, 2006, 36% of the debt is in US dollars; the average maturity is 5 years.

Dividends

In November 2005, the payment of a P\$196 million dividend was agreed on, to be made in 2006 in accordance with the policy of 10% of the year's EBITDA. This dividend translates into P\$0.40 per share and is equivalent to a dividend yield of 3.0% on the stock's price at the end of 2Q06¹. In January and April, the first two of four installments on this dividend were made, equivalent to P\$0.20 per share.

Other Relevant Events

In May 2006, the two large projects in Mexichem Fluor were finished: the expansion of the Mine in San Luis Potosi where floating capacity has been doubled; and in Matamoros, the conclusion of the Fluorite purifier, with a total investment of US\$22 million.

Through this investment, Mexichem Fluor will be able to use fluorite from its own mine as of the second quarter of 2006, thus considerably impacting its production costs; also, through the capacity increase, it will be able to supply one of its main clients with 125 thousand tons per year in addition to the amount already supplied as per the current contract.

¹ The stock price on June 30, 2006 was P\$13.40 per share

Operating and Free Cash Flow

	SECOND QUARTER			JANUARY - JUNE		
	2006	2005	% Var.	2006	2005	% Var.
Operating cash flow and Free cash flow						
Operating profit	485	418	16	968	791	22
+ Depreciation and amortization	117	126	-7	226	228	-1
EBITDA	602	544	11	1,194	1,019	17
-Investment in fixed assets	145	169	-14	286	229	25
Free cash flow	457	375	22	908	790	15

Free cash flow rose P\$81.5 million in 2Q06 as compared to 2Q05, due to the increase in operating profit which resulted from the synergies achieved through the investment projects that have begun operations and are starting to show results.

Debt

	Second Quarter	
	2006	2005
DEBT		
Net Debt	P\$ 1,581	1,057
Net Debt/EBITDA	0.73	0.97
Interest coverage	8.01	7.22

Net debt at the end of June reached P\$1.581 billion as compared to P\$1.057 billion in 2Q05, as a result of the debt-financed acquisition of Bayshore's stock for US\$16 million and P\$150 million due to the consolidation of Dermet's figures.

Operating Results by Chain

Vinyl-Chlorine Chain

	Second Quarter			January - June		
	2006	2005	%Var.	2005	2004	% Var.
Chlorine- vinyl Chain						
Net Sales	2,141	1,900	12.70%	4,106	3,779	9
Operating cash flow (EBITDA)	438	437	0.23%	868	792	10

Volumes and prices	Second Quarter
Total Volume	8.7%
National Volume	-2.5%
Export Volume	10.0%
Average price pesos	3.0%

Sales in this chain during the second quarter totaled P\$2.141 billion, 12.7% higher than in 2005. Sales volume remained practically the same as in 2Q05, whereas EBITDA remained flat YOY at P\$438 million. PEMEX's chlorine consumption in this quarter improved over last year, resulting in a better price mix, which in turn had a positive effect on operating profit. This chain's average price in pesos rose 3% YOY, as the increase in crude oil prices continues to boost plastic prices.

Fluorine Chain

	Second Quarter			January - June		
Fluorine Chain	2006	2005	% Var.	2005	2004	% Var.
Net Sales	444	399	11%	847	761	11%
Operating cash flow (EBITDA)	185	141	31%	370	292	27%

Volumes and prices	Second quarter
Total Volume	-8.2%
National Volume	2.0%
Export Volume	-9.0%
Average price pesos	21.3%

Sales totaled P\$444 million—11.4% higher than in 2005. Volume reached 201 thousand tons—8% below the figure in 2005. EBITDA was P\$185 million, 31% greater than in 2005. The hydrofluoric acid purifier was finished, thus making it possible to use our own fluorite since May 2006; this solved the supply of the chain's primary raw material which is fluorite. It is important to note that this project is being carried out with proprietary technology by Mexichem's Research and Development department (CID). Prices in this chain rose 21.3% compared to the same quarter last year, as a result of the change in product mix due to the mine's floating capacity expansion and the market's current conditions.

Distribution Chain

Distribution	SECOND QUARTER		JANUARY - JUNE	
	2006	2005	2006	2005
Sales	530	0	922	0
EBITDA	10	0	18	0

Within our distribution chain, Dermet de Mexico's 2Q06 sales totaled P\$530 million and its EBITDA grew P\$9.7 million. Dermet is currently in the process of a financial and operative restructure which is beginning to show good results in its operating figures.

Outlook

Throughout the remainder of the year, the growth and efficiency projects which we have previously announced will continue to materialize in our 2 production chains and our distribution chain.

The Fluorine Chain in 2006 will work at its full capacity, thanks to the signing of medium-term contracts with important US and European clients. Through the use of the fluorite purifier, we will achieve the integration of the largest mine and the second largest HF producer in the world, thus becoming the only HF producer integrated with its main raw material in America.

Within the Vinyl-Chlorine Chain, through the integration achieved in the acquisition of Primex, we have become the largest Mexican integrated producer. The acquisition of a compound plant in the US (Bayshore Group) spreads our business scheme into the largest market in the world and is the start of the projects to expand into the US. The technology reconversion projects which we are carrying out in the Santa Clara plant will keep us among the five lowest cost producers in North America.

Margins will improve significantly through the synergies achieved with our products, as well as our operating and administrative processes throughout the whole value chain, resulting from the acquisitions we have performed.

Investments

Within our investment plans for the next 36 months, we have considered investing US\$400 million of which US\$120 million are being invested this year.

The projects that have already come into being this year are: the expansion and integration of the Vinyl-Chlorine Chain through the acquisition of Bayshore; the floating capacity expansion of the mine; the fluorite purifier; the merger of Dermet and Pochteca; and we will continue to carry out the projects we have announced, including those to achieve a proper geographical diversification, basically throughout North and Latin America, in addition to efficiency projects which will result in operating improvements and cost reductions.

Financial Information

Consolidated Balance Sheet

Mexichem S.A de C.V

In thousands of pesos of June 30, 2006

Balance Sheet	To June 30, 2006		Variation
	2006	2005	
Total Assets	9,446,609	8,983,281	5%
Cash and temporary investments	276,790	1,508,851	-82%
Accounts receivable	2,384,009	1,763,162	35%
Inventory	983,076	618,092	59%
Other current assets	209,134	29,080	619%
Long-term assets	5,593,600	5,064,096	10%
Total Liabilities	5,230,613	5,912,372	-12%
Current liabilities	3,170,517	2,903,610	9%
Long-term liabilities	2,060,096	3,008,762	-32%
Consolidated Equity	4,215,996	3,070,909	37%
Minority Equity	-60,267	0	
Majority Equity	4,155,729	3,070,909	35%

Consolidated Income Statement

Mexichem S.A de C.V

In thousands of pesos of June 30, 2006

INCOME STATEMENT	January - June			Second Quarter		
	2006	2005	Variation	2006	2005	Variation
Net Sales	5,874,867	4,540,788	29%	3,121,448	2,298,545	36%
COGS	4,370,869	3,309,719	32%	2,347,892	1,632,947	44%
Gross Profit	1,503,998	1,231,069	22%	773,556	665,598	16%
Operating Expenses	535,922	440,275	22%	289,018	247,306	17%
Operating Income	968,076	790,794	22%	484,538	418,292	16%
Net Financial (Cost) Revenue	125,440	92,389	36%	95,292	27,670	244%
Other Expenses, Net	-13,118	-15,504		-5,867	-5,661	
Profit before Taxes and E.P.S.	855,754	713,909	20%	395,113	396,283	0%
Provisions for Taxes and E.P.S.	302,048	327,768	-8%	129,433	185,085	-30%
Income from continuing operations	553,706	386,141	43%	265,680	211,198	26%
Discontinued operations	0	-259,724	-100%	0	-209,205	-100%
Cumulative effect of a change in accounting principle	0	0		0	0	
Consolidated Net Income	553,706	645,865	-14%	265,680	420,403	-37%
Net Minority Income	-12,167			-10,135		
Net Majority Income	565,873	645,865	-12%	275,815	420,403	-34%
EBITDA	1,194,121	1,019,185	17%	601,678	544,226	11%

Some figures in US dollars

Consolidated Million Dollars	Second Quarter			January - June		
	2006	2005	%Var.	2006	2005	% Var.
Net Sales	274	207	32	515	409	26
Gross Profit	68	60	13	132	111	19
Net Majority Income	24	38	-36	50	58	-15
Operating cash flow (EBITDA)	53	49	8	105	92	14
Free cash flow	40	34	19	80	71	12

Main Indicators Million us dollars	2Q06 (1)	2Q05 (2)	Change (1)/(2)	2006 (3)	2005 (4)	Change (3)/(4)
Net Revenue	\$ 274	207	32.3%	515	409	26.07%
EBITDA	\$ 53	49	7.7%	132	111	19.05%

DEBT US MILLION DOLLARS	Second Quarter	
	2006	2005
Net Debt	\$ 139	95
Net Debt/EBITDA	1.05	0.86
Interest coverage	8.01	7.22
Average number of shares	490,000,000	426,489,016

Million dollars	Second Quarter			January - June		
Chlorine- vinyl Chain	2006	2005	%Var.	2006	2005	% Var.
Net Sales	188	171	10	360	340	6
Operating cash flow (EBITDA)	38	39	-2	76	71	7

Million dollars	Second Quarter			January - June		
Fluorine Chain	2006	2005	%Var.	2006	2005	% Var.
Net Sales	39	36	9	74	69	8
Operating cash flow (EBITDA)	16	13	28	32	26	23

Million dollars	Second Quarter			January - June		
	2006	2005		2006	2005	
Distribution Chain						
Net Sales	47	0		81	0	
Operating cash flow (EBITDA)	1	0		2	0	

Million dollars	Second Quarter		
	2006	2005	% Var.
Operating cash flow and Free cash flow			
Operating profit	42	38	13
+ Depreciation and amortization	10	11	-9
EBITDA	53	49	8
-Investment in fixed assets	13	15	-16
Free cash flow	40	34	19