



MEXICHEM

Contact:

www.mexichem.com.mx

Investor Relations: Enrique D. Ortega Prieto
eortega@mexichem.com.mx phone (52) 555251 5998

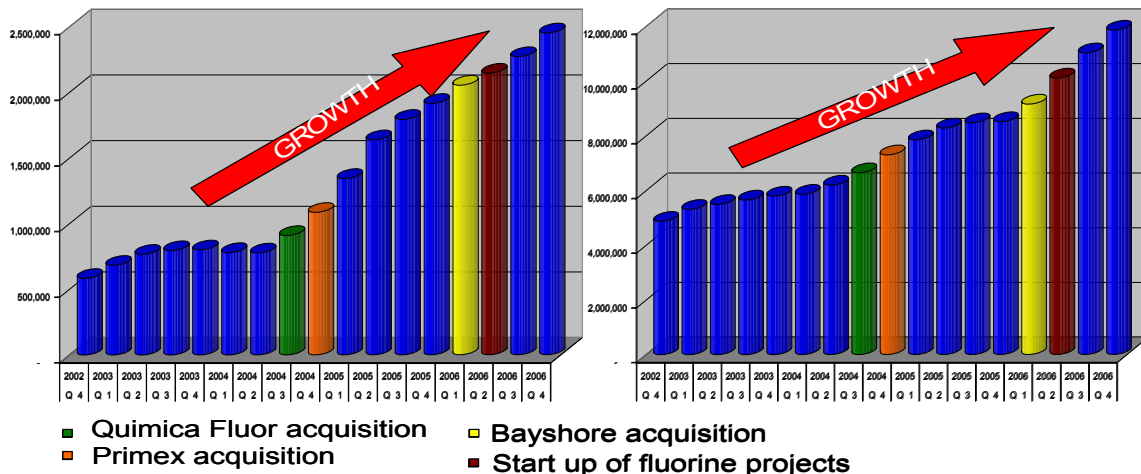
Consolidated Results

Consolidated Million Pesos	Fourth Quarter			January - December		
	2006	2005	% Var.	2006	2005	% Var.
Net Sales	2,939	2,292	28%	12,088	9,258	31%
Gross Profit	735	617	19%	3,211	2,515	28%
Net Majority Income	333	239	39%	1,146	667	72%
Operating cash flow (EBITDA)	585	481	22%	2,444	2,060	19%
Free cash flow	332	392	-15%	1,481	1,822	-19%

The historical performance of both sales and consolidated EBITDA shows the extraordinary growth Mexichem is experiencing, including 2006 results.

EBITDA 12M

Sales 12M



Volumes and prices

Fourth quarter

Total Volume

-2.6%

Average price pesos

-4.2%

*These numbers do not include Dermet

DEBT

12 Months

Net Debt

P\$

2006

2005

1,383

996

Net Debt/EBITDA

0.57

0.48

Interest coverage

12.65

6.34

Average number of shares

490,000,000

490,000,000

Mexichem Highlights

On Growth

Consolidated sales in 4Q06 rose 28% YOY, to \$2.939 billion. By yearend 2006, sales totaled \$12.088 billion—31.0% more than in 2005. The increase is mainly due to the Group's expansion strategy in acquiring Dermet on November 30, 2005, and the merger with Grupo Pochteca on March 31, 2006, both reporting sales in 2006 for a total \$2.070 billion, as well as the acquisition of Bayshore in March 2006, with sales of \$290 million by the end of 2006.

EBITDA grew 22% to \$585 million; operating profit increased 27%, compared to 4Q05. For 2006 as a whole, operating profit rose to \$1.959 billion—23% higher than in 2005; EBITDA totaled \$2.444 billion, 19% greater than in 2005. These excellent results are mainly attributed to the fact that the industry cycle remains stable, full capacity utilization of the plants, and cost savings through operating efficiencies in the plants and a reduction of fixed costs through the implementation of synergies in all the company's subsidiaries.

Net consolidated profit increased 39% compared to the same quarter in 2005 for a total of P\$333 million; the total by 2006 yearend was \$1.146 billion—72% above the total for 2005. The \$478 million growth is mainly due to good operating results, as well as to the fact that, in 2005, this profit includes the net revenue from the divestiture of the cable and wire business for P\$268 million, and the expense due to an extraordinary item derived from the pre-payment of convertible bonds for a total P\$652 million.

On Costs

Net Financial Cost

In 2006, the net financial cost decreased 9%, mainly due to a negative F/X effect for \$52 million, a reduction in interest payments net of interest gained for a total \$93 million due to a debt reduction, and a \$23 million negative effect in monetary position.

Income tax and Workers' profit-sharing

The income tax and workers' profit-sharing totaled \$603 million, 114% above the figure for 2005, due to an excellent profit.

On Debt

Financial debt shows a \$231 million increase compared to 2005 yearend; this is due to the net effect of the payment of debt in 2006, less the loans obtained to purchase Bayshore and Pochteca. By December 31, 2006, 32% of this debt is in US dollars; the average maturity is 5 years.

Dividends

In 2006, a dividend of P\$196 million, equivalent to \$0.40 per share, was paid; on December 6, 2006, a dividend payment for 2007 worth \$0.44 per share, as per the policy of paying a maximum 10% of EBITDA, was declared.

Other Relevant Events

In March 2006, the purchase of all of the shares of Bayshore—a US-based company in the business of producing and selling compounds for the plastic industry. The price was US\$16 million.

On March 31, 2006, Pochteca and Dermet de Mexico were merged.

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

Following this investment, Mexichem Fluor has been consuming fluorite from its own mine since 2Q06, having a considerable impact on its production costs. Likewise, the capacity expansion will make it possible to supply one of its main clients with 125 thousand tons per year, in addition to the current contract.

On February 22, 2007, Mexichem announced through the Mexican Stock Exchange the signing of a Letter of Intent to acquire the control of PETCO (Petroquímica Colombiana, S.A.), a company that produces PVC resins, and the acquisition of 100% of the shares of Grupo Amanco, a leading industrial conglomerate in Latin America in the production and sale of solutions for fluids conduction.

Operating and Free Cash Flow

	Fourth Quarter			January - December		
	2006	2005	% Var.	2006	2005	% Var.
Operating cash flow and Free cash flow						
Operating profit	451	356	27	1,959	1,594	23
+ Depreciation and amortization	134	124	8	485	465	4
EBITDA	585	481	22	2,444	2,060	19
-Investment in fixed assets	253	89	184	963	237	306
Free cash flow	332	392	-15	1,481	1,822	-19

Free cash flow decreased P\$341 million YOY, due to the increase in investment in fixed assets for the new projects that have begun operations and are starting to show their effects on the company's results.

Debt

	P\$	January - December	
		2006	2005
DEBT			
Net Debt		1,383	996
Net Debt/EBITDA		0.57	0.48
Interest coverage		12.65	6.34
Average number of shares		490,000,000	437,238,046

Net debt at the end of 2006 was \$1.383 billion vs. the \$918 million from the same period in 2005. This is the result of the net effect of the pre-payment of part of the 2005 debt and the net payment of quarterly amortizations, as well as the acquisition of new debt to purchase Bayshore and Pochteca.

Operating Results by Chain

Vinyl-Chlorine Chain

	Fourth Quarter			January - December		
	2006	2005	% Var.	2006	2005	% Var.
Vinyl - Chlorine Chain						
Net Sales	1,947	1,952	0%	8,229	7,816	5
Operating cash flow (EBITDA)	387	427	-9%	1,712	1,686	2
Volumen and Prices	Fourth Quarter					
Total Volumen	0%					
Average price pesos	-12%					

Sales in this chain in 4Q06 totaled \$1.947 billion, practically flat from 2005. EBITDA settled at \$387 million, 9.3% below the same period in 2005. Total sales for 2006 reached \$8.229 billion, 5.3% above 2005. Sales volume was 1.306 million tons, 3.6% more than in 2005. EBITDA was \$1.712 billion, 1.5% higher than in 2005.

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

As for PEMEX's performance, its consumption of chlorine in this period was better than last year, going from 100,901 tons in 2005 to 127,614 tons in 2006—a 26% increase—resulting in a better price mix which had a positive effect on operating profit.

Fluorine Chain

	Fourth Quarter			Enero - Diciembre		
	2006	2005	% Var.	2006	2005	% Var.
Fluorine Chain						
Net Sales	431	340	27%	1,789	1,441	24
Operating cash flow (EBITDA)	218	103	111%	805	526	53
Volumen and Prices	Fourth Quarter					
Total Volumen	-7%					
Average Price pesos	31%					

Sales grew to \$431 million—27% above 2005. EBITDA totaled \$218 million—a 111% hike from 2005. The development of the hydrofluoric acid purifier was completed, making it possible for the company to use its own fluorite as of May 2006, thus solving the issue of supplying its main raw material—fluorite. It is important to note that this project was developed using proprietary technology by Mexichem's Research and Development Center (CID in Spanish). Total sales to December rose to \$1.789 billion—24% greater than in 2005. Volume reached 829 thousand tons, 3.5% higher than in 2005. EBITDA was

\$805 million—53% more than in 2005. Prices in this chain rose 24% YOY as a result of the change in product mix due to the expansion in the mine’s floating capacity and to current market conditions.

Distribution Chain

	Fourth Quarter		January - December	
	2006	2005	2006	2005
Distribution				
Net Sales	561	0	2,070	0
Operating cash flow (EBITDA)	10.5	0	43	0

In our Distribution Chain, Dermet de Mexico sold P\$561 million and had an EBITDA of P\$10.5 million in the quarter. Total sales to December were P\$2.070 billion with an EBITDA of P\$43 million. Currently, Dermet is in a process of a financial and operating restructure which is beginning to bear good results in its operating line.

Outlook

Through the most recent acquisitions announced by Mexichem, it is consolidating as a global company with a view to become the Latin American leader in the chemical and petrochemical sector. The synergies that these acquisitions will generate for Mexichem will significantly complement the results expected in 2007. Estimated growth in the construction sector—the main driver of Mexichem’s growth (60% of sales)—above total GDP and above the 6.3% seen in 2006, will provide the group with a solid growth platform; regional expansion and the integration towards higher value added products in the vinyl-chlorine chain will significantly reduce the effects of volatility and cyclicity typical of this chain, providing it with a greater and better outlook of consolidation and growth, which will be complemented by the integration towards its main raw material, chlorine vinyl monomer. In the Fluorine chain, the excellent results of the fluorite purifier and the increase in floating capacity, which are already reflected in this quarter’s results, will lead to better margins in this chain, where we will continue to follow our basic strategy of adding value to our raw materials with higher value added products.

Financial Information

Mexichem S.A de C.V

In thousands of pesos of December 31, 2006

Consolidated Balance Sheet

Balance Sheet	January - December		Variation
	2006	2005	
Total Assets	10,255,460	9,263,580	11%
Cash and temporary investments	446,071	680,584	-34%
Accounts receivable	2,286,177	1,938,594	18%
Inventory	1,207,082	1,064,276	13%
Other current assets	91,406	212,579	-57%
Long-term assets	6,224,724	5,367,547	16%
Total Liabilities	5,469,132	5,582,229	-2%
Current liabilities	3,553,990	3,490,733	2%
Long-term liabilities	1,915,142	2,091,496	-8%
Consolidated Equity	4,786,328	3,681,351	30%
Minority Equity	183,208	(25,607)	
Majority Equity	4,603,120	3,706,958	24%

Consolidated Income Statement

Mexichem S.A de C.V

In thousands of pesos of December 31, 2006

INCOME STATEMENT	January - December			Fourth Quarter		
	2006	2005	Variation	2006	2005	Variation
Net Sales	12,088,127	9,257,993	31%	2,939,202	2,292,133	28%
COGS	8,876,663	6,742,933	34%	2,204,556	1,674,791	32%
Gross Profit	3,211,464	2,515,060	25%	734,646	617,342	19%
Operating Expenses	1,252,713	920,744	33%	283,655	261,088	9%
Operating Income	1,958,751	1,594,316	21%	450,991	356,254	27%
Net Financial (Cost) Revenue	188,096	206,920	3%	21,964	44,991	-51%
Other Expenses, Net	27,368	664,450	-97%	(11,753)	(5,926)	98%
Profit before Taxes and E.P.S.	1,743,287	722,946	218%	440,780	317,189	39%
Provisions for Taxes and E.P.S.	603,224	281,838	135%	108,868	69,898	56%
Income from continuing operations	1,140,063	441,108	305%	331,912	247,291	34%
Discontinued operations	(5,145)	(265,090)	-98%	-	7,835	-100%
Cumulative effect of a change in accounting principle	-	38,811		-	502	
Consolidated Net Income	1,145,208	667,387	88%	331,912	238,954	39%
Net Minority Income	(442)			(897)		
Net Majority Income	1,145,650	667,387	89%	332,809	238,954	39%
EBITDA	2,443,772	2,059,649	17%	585,071	480,668	22%