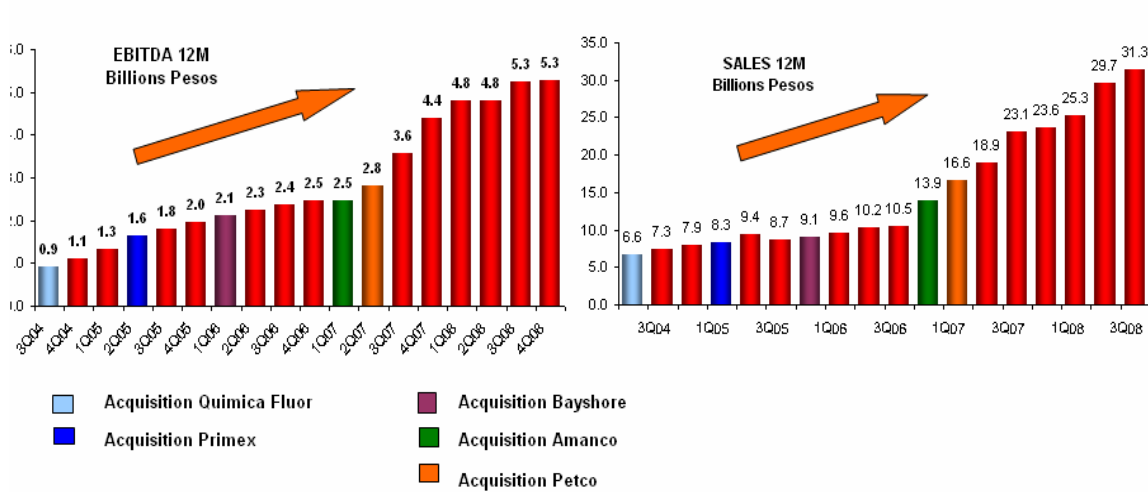


 MEXICHEM www.mexichem.com	Stock information Mexican Stock Exchange Ticker: MEXCHEM*
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Consolidated Results

Consolidated Million Pesos	Fourth 2008			January-December		
	2008	2007	%Var.	2008	2007	% Var.
Net Sales	8,453	6,785	25%	31,345	23,017	36%
Gross Profit	2,517	2,244	12%	9,594	7,460	29%
Net Majority Income	-1,278	431	-397%	141	1,823	-92%
Operating cash flow (EBITDA)	1,274	1,258	1%	5,271	4,354	21%
Free cash flow	680	1,079	-37%	3,477	3,177	9%

Historical performance of Sales and consolidated EBITDA shows the extraordinary growth that Mexichem is experiencing.



Volumes & Prices	Fourth 2008	January-December
Total Volumen	-3.9%	4.4%
Avegare selling prices	29.6%	20.5%
Others/ Acquisitions	0.0%	12.0%

Mexichem Highlights

Results

Accrued sales up to fourth quarter of the year totaled \$31.345 billion pesos—36% higher than in the same period in 2007. Growth is influenced by better volumes by 4%, prices by 21%, and acquisitions by 12%; Plastubos (PVC tubing in Brazil), Dripsa (Agriculture solutions in Argentina), Geosistemas del Peru (Geotextiles), Rio Verde (Fluorite mine in Guanajuato), Bidim (Geotextiles in Brazil) Quimir (Phosphates in Mexico), and Colpozos (Agriculture solutions in Colombia) are the transactions that took place in the year.

These results were driven by significant growth rates in infrastructure, housing, and agriculture throughout Latin America (mainly Brazil, Peru, and Colombia).

Sales and EBITDA for the fourth quarter amounted to \$8.453 and \$1.274 billion pesos, respectively.

Efficiency and productivity

Operating profit in 2008 totaled \$3.771 billion pesos—15% higher than in the same period a year earlier. Accrued EBITDA totaled \$5.2707 billion pesos, 21% higher than in 2007. This growth is boosted by better volumes by 4%, better sales prices by 21%, mainly in Caustic Soda, Phosphates and Pipes, and the incorporation of new businesses by 9%. All this compensated for the critical economic situation seen in the last months of the year.

For the fourth quarter of 2008, sales and EBITDA amounted to \$8.453 and \$1.274 billion pesos, respectively.

Integrated cost of financing

In 2008, the integrated cost of financing amounted to \$2.991 billion pesos, influenced by an F/X loss of \$2.392 billion pesos which didn't generate any flows.

Income tax

Income tax at the end of 2008 amounted to \$266 million pesos, which is 64% lower than in 2007 due to a lower profit.

Gross Profit (Net profit without non-cash-generating items)

Gross profit at the end of 2008 was \$3.731 billion pesos, 33% above 2007, due to better operating results.

Operating and Free Cash Flow

	Fourth 2008			January-December		
	2008	2007	% Var.	2008	2007	% Var.
Operating cash flow and Free cash flow						
Operating profit	811	915	-11%	3,771	3,270	15%
+ Depreciation and amortization	464	343	35%	1,499	1,084	38%
EBITDA	1,274	1,258	1%	5,271	4,354	21%
-Investment in fixed assets	594	178	233%	1,794	1,177	52%
Free cash flow	680	1,079	-37%	3,477	3,177	9%

Free cash flow accrued up to December 2008 amounted to \$3.477 billion pesos, 9% greater than in 2007. It is important to note the greater maintenance CAPEX in 2008 by 52%.

Balance sheet

Working Capital

Working capital at the end of December 2008 was \$1.512 billion pesos, which is \$1.088 billion pesos better than in 2007. This cash flow is mainly the result of a strict control of the portfolio, which includes over 38 thousand clients throughout Latin America, and adequate inventory management.

Plant and Equipment

At the close of 2008, the balance in this line was \$12.673 billion pesos, including investments in machinery and equipment at all our plants, amounting to around \$1.80 billion pesos to increase capacity, efficiency, modernization, and care of the environment.

Net debt

Net debt at the close of 2008 ended at US\$588.3 million in dollar terms; compared to the same period in 2007, it shows a reduction of US\$65 million, even after performing 7 acquisitions of new businesses. As a result of the above, the net debt/EBITDA ratio in dollars went from 1.67x in December 2007 to 1.24x in 2008.

Mexichem closed 2008 with US\$292 million in cash at hand, which provides it with better liquidity and guarantees the fulfillment of its short-term commitments.

	Twelve months	
	2008	2007
Debt		
Net Debt	8,139	7,132
Net Debt/EBITDA **	1.54	1.64
Interest coverage	5.61	6.45
Outstanding Shares	1,646,400,000	1,646,400,000

Derivative instruments

The company's policy is to use certain hedges that will allow us to mitigate price volatility in some raw materials and financial transactions; all are related to the business and previously approved by the Audit and Societary Practices committees, as well as by the Board of Directors.

Thus, Mexichem has the following instruments:

- a) Interest rate hedges, floating rate to fixed rate, for a Notional amount of \$25 million dollars for 2 years.
- b) Gas price hedges for up to 50% of Mexichem's total consumption.

Stock Activity

In the last quarter of 2008, the stock has been severely punished without considering the company's results and fundamentals; thus, Mexichem has activated its Buyback Fund in order to provide investors with liquidity.

Operating Results by Chain

Vinyl-Chlorine Chain

	Fourth 2008			January-December		
	2008	2007	% Var.	2008	2007	% Var.
Vinyl - chlorine						
Net sales	3,729	3,808	-2.1%	14,569	10,734	35.7%
Operating cash flow (EBITDA)	675	545	23.8%	2,263	1,907	18.7%
Volumes & Prices	Fourth 2008		January-December			
Total Volumen	2.0%		13.5%			
Average selling prices	-4.0%		19.5%			

The Vinyl-Chlorine Chain reported accrued revenues of \$14.569 billion pesos, 36% above the same period in 2007. EBITDA amounted to \$2.263 billion pesos, 18.7% higher than in 2007, due to a 13% hike in volume and 20% in sales prices (Caustic Soda, Phosphates, and PVC), with margin improvements as well.

With regard to PEMEX, our client and supplier, its chlorine consumption throughout 2008 was 28% lower than in 2007, as a result of maintenance stoppages at its Pajaritos plant, affecting our delivery of VCM for our PVC production; nonetheless, Mexichem managed to place its chlorine production and have a sufficient supply of VCM without affecting its operations.

Fluorine Chain

	Fourth 2008			January-December		
	2008	2007	% Var.	2008	2007	% Var.
Fluorine						
Net sales	653	530	23.3%	2,154	2,087	3.2%
Operating cash flow (EBITDA)	169	236	-28.3%	624	920	-32.2%
Volumes & Prices	Fourth 2008		January-December			
Total Volumen	10.2%		4.2%			
Average selling prices	11.8%		-0.9%			

Accrued sales for the fluorine chain by December 2008 amounted to \$2.154 billion pesos, 3.2% better than in 2007. In EBITDA, it reported \$624 million, 32% below 2007. Even though the chain's sales volume remained flat from the previous year, margin has dropped, mainly due to the strong hikes in raw materials over the last twelve months (mainly sulfur, which is an important element in the manufacture of hydrofluoric acid). Up to the date of this report, these raw materials have reverted their trend and returned to normal levels, which should substantially improve this chain's profit margins.

Transformed Products Chain

	Fourth 2008			January-December		
Transformed Products Chain	2008	2007	%Var.	2008	2007	% Var.
Net sales	4,800	3,136	53.1%	17,594	12,075	45.7%
Operating cash flow (EBITDA)	372	521	-28.5%	2,578	1,821	41.6%
Volumes & Prices	Fourth 2008		January-December			
Total Volumen	-19.7%		9.4%			
Avegare selling prices	75.6%		33.2%			

Mexichem's positive results have been largely driven by the transformed products chain, which shows sales worth \$17.594 billion pesos—46% better than in 2007—for 2008, the highlights being the Colombian, Brazilian, Ecuadorian, Venezuelan, and Mexican markets. With regard to EBITDA, it rose 41.6% going from \$1.821 to \$2.578 billion pesos as a result of a 9.4% rise in volumes and better sales prices by 33.2%. Fourth quarter margins were mainly undercut by the inventory adjustment due to the drop in raw material prices at year end—a situation that will go back to normal in the first quarter of 2009.

Outlook

In the fourth quarter, demand for products, particularly caustic soda and pipes, has remained without any contractions, as have prices. Brazil, Peru, and Venezuela kept up their production levels based on the backlog we have there.

The whole organization keeps emphasizing working capital and a cash position that will enable us to have enough liquidity to cover our short-term commitments.

At the time of this report, the estimated cash at hand by the end of the first quarter of 2009 is US\$225 million.

Last, our local banks have confirmed the credit lines for Letters of Credit and working capital needs with over \$183 million dollars available.

We continue to work before COFECO to obtain the corresponding authorization to acquire the companies in the transformed products and vinyl-chlorine chains.

Volatility and uncertainty continue to be factors in our markets, preventing us from gaining visibility in horizons of over three months; therefore, our estimate for 2009 has a significant level of uncertainty. For the time being, we can say that, for the first quarter of 2009, we expect growth in dollar terms of around 3% in sales and EBITDA, despite the situation of the global markets, and thanks to the geographic diversity and broad range of products that we have, as well as the level of integration of our production chains and the Latin American focus on the construction and infrastructure sectors, which will be the drivers of growth; this is the starting point of the focus on liquidity that we have maintained since last year, keeping a bulletproof balance sheet, and consolidating Mexichem as the leading company in the chemical and petrochemical sector in Latin America.

Financial Information

Mexichem S.A de C.V

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

INCOME STATEMENT	January - December			Fourth Quarter		
	2008	2007	%	2008	2007	%
Total Sales	31,345,033	23,017,321	36%	8,452,973	6,784,722	25%
Cost of Sales	21,751,043	15,557,351	40%	5,935,512	4,540,460	31%
Gross Profit	9,593,990	7,459,970	29%	2,517,461	2,244,262	12%
Operating expenses	5,822,640	4,189,873	39%	1,706,884	1,329,438	28%
Operating Income	3,771,350	3,270,097	15%	810,577	914,824	-11%
Financing Cost	2,991,545	371,679	705%	2,448,487	143,026	1612%
Others	474,155	299,849	58%	186,223	34,808	435%
Income before income tax	305,650	2,598,569	-88%	-1,824,133	736,990	-348%
Income Tax	139,289	746,511	-81%	-546,007	312,113	-275%
Income from continuing operations	166,361	1,852,058	-91%	-1,278,126	424,877	-401%
Discontinued Operations	0	-10,354		0	3,499	
Consolidated net income	166,361	1,841,704	-91%	-1,278,126	428,376	-398%
Minority interest	25,513	18,513	38%	174	-2,127	-108%
Majority interest	140,848	1,823,191	-92%	-1,278,300	430,503	-397%

Balance Sheet	As of december 31,		
	2008	2007	%
Total assets	33,163,733	25,077,854	32%
Cash	4,041,925	1,551,469	161%
Receivables	5,368,243	4,548,707	18%
Inventories	4,008,206	2,652,625	51%
Other assets	734,380	570,127	29%
Long term assets	19,010,979	15,754,926	21%
Total Liabilities	24,855,461	16,915,398	47%
Short term	13,816,425	8,381,155	65%
Long term	11,039,036	8,534,243	29%
Stock'holders equity	8,308,272	8,162,456	2%
Total minority interest	115,497	67,066	72%
Total majority interest	8,192,775	8,095,390	1%