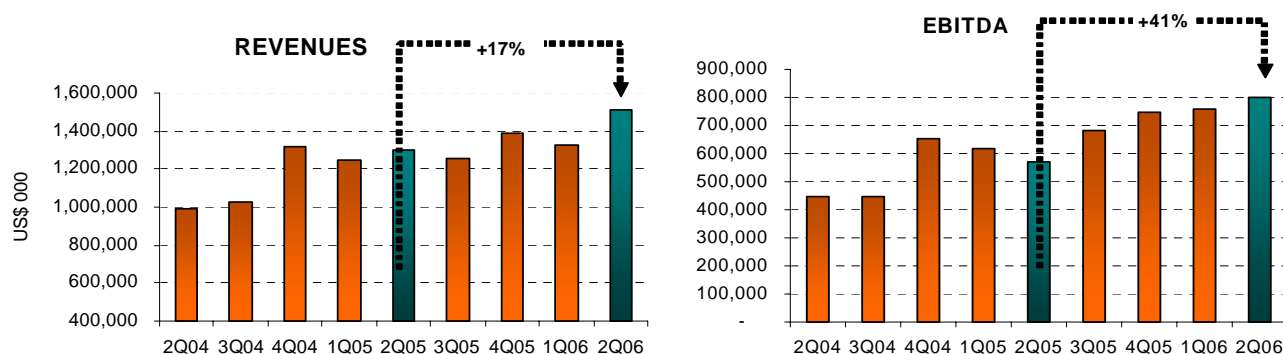


Mexico City, July 27, 2006 - Grupo Mexico, S.A.B. de C.V. (BMV: GMEXICOB) today reports its results corresponding to the second quarter and the six months ending on June 30, 2006 and 2005.

GRUPO MEXICO

Consolidated information on mining operations in the United States, Asarco (through August 9, 2005); Mexico and Peru in Southern Copper Corporation (SCC); as well as on the transport division with Grupo Ferroviario Mexicano, S.A. de C.V. ("GFM"), Ferrocarril Mexicano, S.A. de C.V. ("Ferromex"), Intermodal Mexico and Texas Pacific. On November 24, 2005, GMexico acquired the railroad subsidiary Ferrosur, S.A. de C.V. through its subsidiary Infraestructura y Transportes México, S.A. de C.V. (ITM). This acquisition is presented under the method of participation in these financial statements.



- ❑ **Consolidated sales** in 2Q06 were \$1,514.7 million¹, 16.6% higher than sales of 2Q05 and 14% higher than those of 1Q06, despite the illegal work stoppage at the La Caridad mine in Sonora, and the illegal one-month stoppage at the Cananea mine, also in Sonora. Accrued consolidated sales to June 30, 2006, stood at \$2,843.3 million, 12.0% higher than sales of the same period in 2005.
- ❑ **Cost of sales** was \$1,207.3 million, 4.8% lower than that of the first six months of the previous year. Likewise, administrative expenses were 15% lower than those of the first half of 2005, representing a savings of \$73 million dollars.
- ❑ **EBITDA** in 2Q06 increased by 40.8% compared to that of 2Q05 and was 5.7% higher than that of 1Q06, reaching to \$802.3 million, in spite of the labor problems in the above-mentioned mines in Sonora, Mexico. Margin EBITDA for 2Q06 was 53.0%. EBITDA for the first six months ending on June 30, 2006, went up 26.6% compared to 2005, reaching an accumulated margin of 54.9% over revenues.
- ❑ **Consolidated operating profits** in 2Q06 went up \$245.0 million, 51.3% higher than that recorded for 2Q05. This increase can be partly explained by improved metal prices, in addition to an on-going cost control process, essential in the commodities sector.
- ❑ **Consolidated net profit** in 2Q06 increased by 47.8% compared with the same period of the previous year, reaching \$353.0 million. For the first six months in 2006, net profit grew 39.8% compared to the same period of the previous year, reached \$684.0 million dollars.
- ❑ **Capital expenditures** in the first half of 2006 stood at \$285.2 million dollars. These resources were mainly used for the final phase of the new smelter in Ilo, Peru; initial construction work on SX-EW Plant No. 3 and the crusher and transportation system for leachable material at Cananea, Sonora, Mexico; as well as the acquisition of 15 EMD 4300-hp locomotives. In the second half of

¹ All figures are in U.S. dollars (USD\$), under U.S. GAAP, unless otherwise indicated.

2006, 60 high-performance locomotives will be purchased as part of a 100-locomotive program for 2006 and 2007 and significant investment in railroads and infrastructure. These investments will enable higher production levels of copper and molybdenum, as well as higher load volumes moved by Ferromex/Ferrosur.

- In the **railroad transportation** sector, the load volumes moved by Ferromex in 2Q06 went up 12.8% compared with the same period in 2005, achieving a 21.6% increase in sales. For the first six months, sales reached \$453.7 million dollars, 27.4% higher than those of the first half of 2005. These figures do not include Ferrosur, since the CFC ruling is still pending. This is also due to the increase of load volumes moved, and the fact that it was possible to transfer part of the hikes in diesel prices to the clients.
- **Ferromex's** EBITDA in 2Q06 increased 6.5% compared with 2Q05, reaching \$79.7 million dollars, compared to \$74.9 million dollars in 2Q05, and 12% higher from 1Q06.
- **Ferrosur's** sales in 2Q06 were \$58.4 million dollars, compared to \$57.9 in 1Q06. EBITDA was \$16.4 million dollars compared to \$17.4 million in the previous quarter. Meanwhile, net profit was \$4.0 million dollars, 29.1% lower than that of 1Q06 due to lower income in foreign exchange during the 2Q06.

Ferrosur's was acquired by ITF, an ITM subsidiary, in order to be able to offer our users a seamless service that covers a large part of Mexican territory. On the other hand, given the economy of scale that depicts railroad service, important synergies will be attained to provide our customers with a more competitive service.

On June 22, 2006, the Federal Antitrust Commission ("CFC") plenary session ruled not to authorize Ferrosur's consolidation with ITM. An administrative-law appeal is being prepared and we believe this will result in our favor given the conditions of the higher competitiveness between truck and railroad transport.

- On May 17, 2006, GMexico paid a dividend of MxP\$0.60 per share corresponding to the profits in 1Q06. On July 14, 2006, the Board of Directors declared a dividend of MxP\$0.60 for the second quarter payable on August 1st.

Grupo Mexico Financial Highlights

(Thousand Dollars in US GAAP)	2Q 2006	2Q 2005	Variance		6 Months Ended		Variance	
			US\$000	%	Jun 2006	Jun 2005	US\$000	%
Sales	1,514,680	1,298,582	216,098	16.6	2,843,299	2,538,471	304,828	12.0
Cost of Sales	661,834	682,396	(20,562)	(3.0)	1,207,263	1,267,592	(60,329)	(4.8)
Operating Income	722,449	477,419	245,030	51.3	1,397,448	1,006,520	390,928	38.8
EBITDA	802,305	569,930	232,375	40.8	1,561,457	1,233,507	327,950	26.6
Margin EBITDA (%)	53.0%	43.9%			54.9%	48.6%		
Net Income (Loss)	353,046	238,870	114,176	47.8	684,070	489,490	194,580	39.8
Investments / Capex	130,269	126,532	3,737	3.0	285,169	263,834	21,335	8.1

Important Events

- **Acquisition of Ferrosur.-** On November 24, 2005, GMexico announced that, through its recently incorporated Infraestructura y Transportes Ferroviarios, S.A. de C.V. (ITF) a subsidiary of ITM, it had acquired 100% of the capital stock of Ferrosur, S.A. de C.V., owned by Sinca Inbursa and GCondumex. GMexico believes this acquisition will strengthen Mexico's transport system by encouraging competitiveness in the freight transport market in Mexico.

According to Accounting Principal SFASB 141, it is necessary to have final authorization from the Federal Antitrust Commission before we can consolidate the accounting. In view of this and as long as this authorization is pending, investments in Ferrosur will be presented valued under the method of participation in Grupo Mexico's consolidated financial statements.

On June 22, 2006, the CFC plenary session ruled not to authorize Ferrosur's consolidation with ITM. Available legal alternatives, including an administrative-law appeal are currently being examined.

- **Notice to shareholders of the payment of dividends-** In accordance with the resolutions adopted at the ordinary general assembly held on April 28, 2006, the Board of Directors, based on the financial results the corporation obtained in the second quarter of 2006, authorized at its meeting of July 14th a dividend of MXP\$0.60 (sixty cents Mexican currency) per share outstanding, to be paid in a single exhibition effective August 1, 2006.
- **Strikes and illegal work stoppages at mining units. -** GMexico reports that despite having an extension signed by Mexico's National Union of Mining, Metallurgical and Like Workers, a group of workers have illegally blocked the entrance to La Caridad concentrator mine since March 24, 2006. Mexicana de Cobre, GMexico's subsidiary, undertook due legal proceedings before state authorities in order to recover its full legal rights over said property.

On June 8th and in view of the physical and legal impossibility of operating the mining unit, Mexicana de Cobre initiate legal proceedings before the Federal Conciliation and Arbitration Board to terminate the collective labor agreement and the individual employment agreements under the terms set forth in the Federal Labor Law.

On July 26, 2006, Mexicana de Cobre received the mine and concentrator unit at La Caridad. The company will take all the necessary actions to restart operations as soon as possible including the rehiring of the appropriate personnel complemented by new staff available.

GMexico reports that as of Monday, July 17th, work resumed at the Cananea mining unit after an illegal four-week work stoppage. Operations have been fully restored with good labor relations between the company and the local labor union, which bode well for understanding in the future.

- **Southern Copper Corporation (SCC) places a 30-year bond** – SCC issued a \$400 million-dollar bond to mature in 2035 with an interest rate fixed at 7.5%. The proceeds will be used to partially finance \$600 million dollars of SCC's expansion program for its operations in both Mexico and Peru. The transaction took place on May 9th and the rate dropped 75 base points from the July 2005 bond, to stand at 240 base points above the 30-year U.S. Treasury bond. Demand surpassed two and a half times the offering of this transaction.

The bond received an "Investment Grade" rating from Fitch Ratings, which upgraded it from BB+ to BBB- with a stable outlook. Likewise, Fitch gave the same rating to Minera Mexico. This rating is additional to the one Moody's gave to SCC, raising its Investment Grade from BA1 to BAA2 with a stable outlook. Furthermore, the Investment Grade it received from Standard & Poor's (BBB-) was ratified. All the above was the result of strong cash flow generation, a lower level of leverage, diversification and high reserves, and very favorable short and mid-term outlook in the copper industry.

- **GMexico took steps to comply with the new Securities Market Law** - In compliance with that set forth in Article 34, Section IV, Clause c) of the general provisions applicable to bodies issuing securities and other participants on the stock market, among other provisions, Grupo Mexico took steps to amend its corporate bylaws in order to make them compatible with the new provisions in the new Securities Market Law. As a result of amending the bylaws, GMexico went on to exchange stock certificates and change its company name to Grupo Mexico, S.A.B. de C.V. effective June 28th.
- Under its **buyback share program** as of July 24, 2006, GMexico has acquired 13,000,000 shares for a total of \$388.1 million pesos, in compliance with the program authorized by the Ordinary General Stockholder's Meeting, capping it at \$2,240 million pesos.

Financing

GMexico's total debt to June 30, 2006, stood at \$2,092.8 million; with a cash and bank balance of \$1,530.9 million, which equals a net debt of \$561.8 million.

Debt Profile

(US\$000)	12/31/05	As of June 30, 2006		
	Gross Debt	Gross Debt	Cash & Banks	Net Debt
Grupo Mexico (GM)	-	-	185,640	(185,640)
Infraestructura y Transportes México (ITM)	-	526	46,567	(46,041)
Americas Mining Corporation	101,090	88,590	328,343	(239,753)
Southern Copper Corporation	1,172,065	1,556,768	800,950	755,818
GFM - Ferromex	445,562	446,894	169,442	277,452
Grupo Mexico (Consolidated)	1,718,717	2,092,778	1,530,942	561,836

The financial cost for the second quarter of 2006 was \$24.4 million, 40.3% lower than the same quarter in 2005, due to a reduction in the group's liabilities, as well as better interest rate terms.

On May 4, 2006, SCC set the price for placing a \$400 million-dollar bond that matures in 2035 with an interest rate fixed at 7.5%. The proceeds will be used to partially finance \$600 million dollars of SCC's expansion program for its operations in both Mexico and Peru.

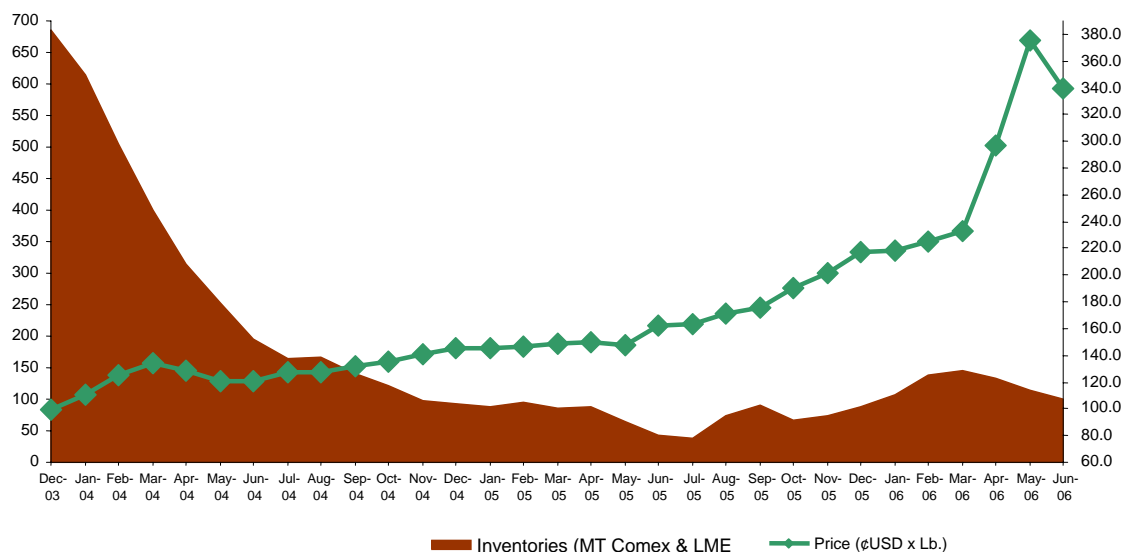
Ferrosur's debt to June 30, 2006, reached \$178.8 million with a cash and bank balance of \$24.7 million, which equals a net debt of \$154.1 million. It does not consolidate in the Group since it is under the above-mentioned method of participation.

MINING DIVISION

Metal's Market

World Inventories (LME + Comex)

Average Copper Prices (Comex)



During the second quarter of 2006, there was a sustained demand of commodities, particularly in the world's leading economies (China, United States, Japan and Europe). Limited inventories worldwide, bottlenecks at the refining stage, distortion due to strikes, lower mineral grades and a strong demand by investment funds are the reasons for the steep rise in metal prices in 2Q06.

The average price of copper went up 120.3% compared to 2Q05. Zinc increased 158.6% and silver, 70.7%. Gold went up 46.8% and the price of molybdenum, our main by-product, went down 30.1% compared to 2Q05.

Metals Price Average	Copper (\$cts/lb)	Zinc (\$cts/lb)	Silver (\$dls/Oz)	Gold (\$dls/Oz)	Molybdenum (\$dls/lb)
2Q 2006	337.45	149.33	12.22	627.40	24.22
1Q 2006	225.25	101.70	9.70	553.98	22.25
Average 2006	281.35	125.51	10.96	590.69	23.23
Average 2005	168.23	62.68	7.32	444.89	31.05
4Q 2005	202.89	74.41	8.06	485.55	29.08
3Q 2005	170.07	58.82	7.07	439.49	30.00
2Q 2005	153.17	57.75	7.16	427.25	34.64
1Q 2005	146.77	59.73	6.99	427.23	30.06
Var 2Q06 vs 2Q05	120.3%	158.6%	70.7%	46.8%	-30.1%

Source: Copper & Silver - COMEX; Zinc & Gold - LME and Molybdenum - Metals Week Dealer Oxide

METAL PRODUCTION

SOUTHERN COPPER CO.		2Q 2006	2Q 2005	% Var.	Yr. 2006	Yr. 2005	% Var.
COPPER	(M.T.)	124,260	168,692	(26.3)	284,786	330,440	(13.8)
SILVER	(KG.)	109,865	144,737	(24.1)	239,224	284,919	(16.0)
GOLD	(KG.)	169	258	(34.5)	410	502	(18.3)
MOLYBDENUM	(M.T.)	2,328	3,594	(35.2)	5,797	7,614	(23.9)
ZINC	(M.T.)	31,784	37,082	(14.3)	66,376	71,789	(7.5)
LEAD	(M.T.)	4,543	4,959	(8.4)	9,129	9,714	(6.0)

Southern Copper Corporation & Subsidiaries Financial Highlights

	2Q 2006		2Q 2005		Variance		6 Months Ended		Variance			
	(Thousand Dollars in US GAAP)				US\$000		Jun 2006		Jun 2005		US\$000	
Copper Sold (MT)	149,282	171,101	(21,819)	(12.8)	300,753	334,537	(33,784)	(10.1)				
Sales	1,276,749	954,095	322,654	33.8	2,398,040	1,892,894	505,146	26.7				
Cost of Sales	526,424	418,602	107,822	25.8	937,941	813,519	124,422	15.3				
Operating Income	649,030	444,544	204,486	46.0	1,281,685	908,861	372,824	41.0				
EBITDA	734,618	505,763	228,855	45.2	1,419,398	1,030,192	389,206	37.8				
Margin EBITDA (%)	57.5%	53.0%			59.2%	54.4%						
Net Income	439,280	311,931	127,349	40.8	860,855	610,292	250,563	41.1				
Investments / Capex	87,603	97,891	(10,288)	(10.5)	230,720	197,774	32,946	16.7				

Total sales in 2Q06 were \$1,276.7 million, reaching a 33.8% increase compared to the same period in 2005. During 2Q06, significant increases of approximately \$692 million were recorded in metal prices, which were partly offset by \$239 million due to lower sales per volume (21,819 tons less of copper, 916 tons less of molybdenum, and 8,390 tons less of zinc). For the six-month period ended June 30, 2006, sales stood at \$2,398.0 million, 26.7% higher respect to the same period in 2005.

The cost of sales for 2Q06 was \$526.4 million, 25.8% higher than that of 2Q05. This is mainly due to the fact that in 2Q06, \$59.8 million dollars were used to purchase concentrates from third party for La Caridad smelter; for a \$28.9 million impact from a change in the for capitalized stripping capitalization policy, as well as increases in tax and profit provisions for personnel and the higher costs of energy for mining industry consumption.

In 2Q06, EBITDA rose 45.2%, going from \$505.8 million to \$734.6 million in 2Q06. EBITDA's margin reached 57.5% in 2Q06, compared to 53.0% in 2Q05 with an accumulated margin of 59.2% at June 30, 2006.

Copper production dropped 26.3% to 124,260 tons of copper in 2Q06, compared to the same period in 2005. This reduction is due to a 51,109 ton drop in Mexican mines which were affected by the illegal work stoppages carried out at the La Caridad and Cananea mines in Sonora and at the San Martin mine in Zacatecas. This was offset by an increase in milled ore and improved percentages in copper recovery at Peruvian mines, which produced 6,677 tons more than in the 2Q05. Furthermore, metal prices also improved.

During 2Q06, molybdenum production dropped 1,266 tons, 35.2% compared to the same period in 2005. This reduction was the result of a drop of 291 tons at Peruvian mines due to lower ore grade and recovery at Toquepala and Cuajone, as well as 975 tons less at the La Caridad mine in Mexico, due to the illegal work stoppage at the La Caridad mine and concentrator plant.

Zinc production was 31,784 tons in 2Q06, compared to 37,082 tons in the same period in 2005. In January 2006, a fire broke out in the power system of the rectifier transformers at the zinc electrolytic refinery at San Luis Potosi, suspending operations temporarily. During this second quarter, 50% of the plant's production has been re-established and it is expected that the remaining 50% will be restored in the third quarter. Because of this, zinc concentrates are currently being sold under very favorable circumstances due to the over demand on the market.

Consolidated operating profit was \$649.0 million in 2Q06, 46.0% higher than that of the same period in the previous year. For the six months ending on June 30, 2006, this was \$1,281.7 million, 41.0% higher than that of the same period in 2005.

Net profit in 2Q06 stood at \$439.3 million, \$127.3 million up from 2Q05. This improvement in the company's profits is partly due to higher metal prices. The company has focused on controlling costs and expects 2006 to be yet another year of strong results and a most productive one for the company. However, we have suffered some losses due to work stoppages at some of our mines and plants in Mexico during the first half of this year. Operations at the San Martin mine in Zacatecas, and the mine in Cananea, Sonora, have returned to normal, for which reason better production is expected for the third and fourth quarters of the year.

In La Caridad concentrator mine in Sonora, it was effective by an illegal work stoppage since March 24, 2006. Individual work agreements, and the collective union contract, were terminated in compliance with the provisions of the ruling rendered by federal labor authorities. The corresponding settlements are being made according to law. We intend to reopen this mining unit as soon as possible.

Because of its strong financial position and operations, the company distributed a dividend to its shareholders of \$409.7 million, corresponding \$2.75 per share during the 2Q06.

The company sold its copper production for the second quarter of 2006 in advance, at an average price of \$2.90 per pound of copper against an actual market price of \$3.16 per pound of copper. As a result of this advance sale, the company recorded a

decrease of \$92 million on its net sales. The company has sold 50% of its production for the second half of the year at an average price of \$3.50, which will allow us to have a high and stable cash flow for the rest of the year.

Regarding the modernization program, the smelter project continues according to plan and we expect it to be completed by the end of 2006. By June 30th, this project showed an advance of 89%. Two new 70MVA transformers were energized and are now in operation. Investments at the smelter have surpassed \$400 million and have created more than 3,000 new jobs; 50% of them from the city of Ilo, Peru. Total Investment for all steps will be around \$600 million and have been carried out in order to comply with the PAMA (Peruvian environmental law).

Furthermore, the crushing and conveying project at the Toquepala mine are in operation. The primary crusher and associated overland conveying system are fully operational; construction of the ramp for this project will continue until expected completion in the fourth quarter of 2006. The project is 96.8% completed.

Regarding the new SX-EW plant in Cananea, Mexico, with a capacity of 33,000 metric tons per year capacity, a letter of intent was signed with Bechtel International, Inc. for them to prepare the basic engineering and so begin preparations for Cananea's SX-EW Plant III.

SCC will continue investing this year in order to use the full \$436 million that were budgeted for the aforementioned projects. SCC will also continue investing in the years to come in order to develop the Los Chancas and Tía María projects in Peru, which will represent an investment of around \$800 to \$1,000 million for an additional production of approximately 120 to 210 thousand tons per month, beginning in 2009 and 2016, respectively. In order to consolidate our reserves and locate new deposits, this year we will invest more than \$33 million in exploration in the three countries in which we are established: Peru, Mexico and Chile.

Southern Copper Corporation (SCC) is one of the largest integrated copper producers worldwide and holds the second largest copper reserves of any listed company in the world, and is listed in the New York and Peru stock markets. SCC shareholders, either directly or through subsidiaries, are the following: Grupo Mexico (75.1%) and other common shareholders (24.9%). It operates mining units and metallurgical facilities in Mexico and Peru and conduct exploration activities in Mexico, Peru and Chile.

RAILROAD DIVISION

Infraestructura y Transporte México (ITM) Financial Highlights

(Thousand Dollars in US GAAP)	2Q 2006	2Q 2005	Variance		6 Months Ended		Variance	
			US\$000	%	Jun 2006	Jun 2005	US\$000	%
Load Volume (MillionTons/Km)	11,922	9,085	2,837	31.2	22,750	16,840	5,910	35.1
Sales	297,036	196,638	100,398	51.1	569,929	356,011	213,918	60.1
Cost of Sales	176,892	115,990	60,902	52.5	354,137	212,816	141,321	66.4
Operating Income	81,523	53,421	28,102	52.6	134,659	89,454	45,205	50.5
EBITDA	101,947	77,522	24,425	31.5	185,077	130,733	54,344	41.6
Margin EBITDA (%)	34.3%	39.4%			32.5%	36.7%		
Net Income	32,815	24,234	8,581	35.4	62,270	40,573	21,697	53.5
Investments / Capex	44,744	16,024	28,720	179.2	91,641	36,449	55,192	151.4

Note: Proforma numbers which consolidate the results of Ferrosur.

The transportation division is represented by GFM-Ferromex's principal subsidiary, Infraestructura y Transportes Mexico (ITM), in addition to Intermodal Mexico and Texas Pacific. On November 24, 2005, ITM acquired the railroad subsidiary Ferrosur, S.A. de C.V. (Ferrosur) through its Infraestructura y Transportes Ferroviarios, S.A. de C.V. (ITF) subsidiary. Ferrosur's results are presented under the method of participation and came to a total of \$4.0 million dollars in 2Q06 and \$9.6 million in the consolidated figures to June 30, 2006.

The average exchange rate in the first half of 2006 was \$10.876, compared to \$11.0822 for the same period in 2005, showing an improvement of 1.86%.

Revenues from services rose 51.1% from \$196.6 million in 2Q05 compared to \$297.0 million in 2Q06, resulting from a 31.2% increase in the net ton/km transported, moving from 9,085 million in 2Q05 to 11,922 million in 2Q06, in addition to higher fares and exchange rates.

The cost of sales for 2Q06 went up 52.5% compared to 2Q05, going from \$116.0 million to \$176.9 million. The main reasons for the increase are higher labor costs due to a larger number of value added trips, a salary increase to offset inflation and the revaluation of the peso against the dollar, as well as increased diesel prices. Accumulated operating costs to June 30, 2006, stood at \$354.1 million, 66.4% higher than the \$212.8 million spent in 2005. Main increases were observed in labor, up 14.6%, due to a salary increase and the other above-mentioned reasons, along with higher volumes, diesel price (our principal raw material) went up 8.0% going from 38.4 US cents per liter in June 2005 to 41.4 US cents per liter in June 2006.

EBITDA for 2Q06 rose 31.5%, from \$77.5 million in 2Q05 to \$101.9 million. EBITDA's margin for 2Q06 was 34.3%.

Operating profit for 2Q06 came to \$81.5 million and was 52.6% higher than that of 2Q05, despite a significant increase in the price of diesel, the most important raw material for railroad operations. Net profits in the second quarter of 2006 were \$32.8 million, 35.4% higher than those for the same period in 2005.

According to Accounting Principle SFASB 141, it is necessary to have final authorization from the Federal Antitrust Commission before consolidating the companies. In view of this and as long as said authorization is pending, investments in Ferrosur will be presented as valued under the method of participation in Grupo Mexico's consolidated financial statements.

The Acquisition of Ferrosur:

GMexico learned of the resolution issued by the Federal Antitrust Commission in which, among other things, it decides to not authorize said acquisition. GMexico is analyzing the available legal actions and means to appeal this decision, in order to obtain a final judgment in our favor. In terms of the applicable legislation, as long as the CFC's decision is not final, GMexico will be able to continue acting as owner of the shares representing Ferrosur's capital stock.

To date, neither GMexico nor its subsidiaries, have received any instruction whatsoever, ordering it to divest itself of the acquired shares or any ruling imposing sanctions from the Federal Antitrust Commission.

The transportation division is represented by the subsidiary Infraestructura y Transportes México (ITM), the main subsidiaries of which are Ferrocarril Mexicano and Ferrosur. Ferromex is the largest railroad company in Mexico and has the widest coverage. It has a network of 8,500 kilometers of tracks covering 71% of Mexico's territory. Ferromex's lines connect with the United States at five points along the border, as well as at four ports on the Pacific Ocean and two on the Gulf of Mexico. Ferromex is controlled by Grupo Mexico with 55.5% controlling interest; Union Pacific controls 26% and Grupo Carso, 18.5%. Ferrosur is the railroad company that serves southern Mexico. It has a network of 1,955 kilometers of tracks covering the central and southeastern parts of the country. It serves the states of Veracruz, Tabasco, Chiapas and Puebla in particular and has access to ports in Veracruz and Coatzacoalcos in the Gulf of Mexico. Grupo Mexico holds 74.99% of Ferrosur, while Grupo Carso has 25%.

GRUPO MEXICO
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-06	Q2-05	Variance	2006	2005	Variance
Income Statement						
Net Sales	1,514,680	1,298,582	216,098	2,843,299	2,538,471	304,828
Cost of Sales	661,834	682,396	(20,562)	1,207,263	1,267,592	(60,329)
Gross Profit	852,846	616,186	236,660	1,636,036	1,270,879	365,157
Gross Margin	56%	47%		58%	50%	
Administrative expenses	36,003	44,108	(8,105)	73,531	86,302	(12,771)
EBITDA	802,305	569,930	232,375	1,561,457	1,233,507	327,950
Depreciation and Amortization	94,394	94,659	(265)	165,057	178,057	(13,000)
Operating Income	722,449	477,419	245,030	1,397,448	1,006,520	390,928
Operating Margin	48%	37%		49%	40%	
Financial Cost	24,442	40,917	(16,475)	63,736	92,531	(28,795)
Earned Interest	(21,816)	(2,298)	(19,518)	(34,412)	(20,228)	(14,184)
Others Net Income	14,538	2,148	12,390	1,048	(48,930)	49,978
Earnings before Tax	705,285	436,652	268,633	1,367,076	983,147	383,929
Taxes	224,754	123,051	101,703	438,336	324,618	113,718
Minority Interest	127,485	74,731	52,754	244,670	169,039	75,631
Profit before Extraordinary loss	353,046	238,870	114,176	684,070	489,490	194,580
Balance Sheet						
Cash and Marketable Securities	1,530,942	641,762	889,180	1,530,942	641,762	889,180
Notes and Accounts receivable	625,843	497,731	128,112	625,843	497,731	128,112
Inventories	476,368	551,266	(74,898)	476,368	551,266	(74,898)
Prepaid expenses and others	123,723	153,145	(29,422)	123,723	153,145	(29,422)
Total Current Assets	2,756,876	1,843,904	912,972	2,756,876	1,843,904	912,972
Property, Plant and Equipment Net	4,511,292	4,988,214	(476,922)	4,511,292	4,988,214	(476,922)
Other Long term Assets	401,662	317,962	83,700	401,662	317,962	83,700
Total Assets	7,669,830	7,150,080	519,750	7,669,830	7,150,080	519,750
Liabilities and Investments						
Short Term Bank Debt	100,218	63,213	37,005	100,218	63,213	37,005
Accumulated Liabilities	727,380	742,222	(14,842)	727,380	742,222	(14,842)
Current Liabilities	827,598	805,435	22,163	827,598	805,435	22,163
Long Term Debt	1,893,582	1,866,525	27,057	1,893,582	1,866,525	27,057
Other Long Term Liabilities	358,802	898,327	(539,525)	358,802	898,327	(539,525)
Minority Interest	1,148,247	885,872	262,375	1,148,247	885,872	262,375
Total Liabilities	4,228,229	4,456,159	(227,930)	4,228,229	4,456,159	(227,930)
Stockholders Equity						
Other equity accounts	70,874	(5,552)	76,426	70,874	(5,552)	76,426
Retained Earnings	1,369,814	692,185	677,629	1,369,814	692,185	677,629
Total Stockholders' equity	3,441,601	2,693,921	747,680	3,441,601	2,693,921	747,680
Total liabilities and stockholders' equity	7,669,830	7,150,080	519,750	7,669,830	7,150,080	519,750
Cash Flow						
Net Income for the year	353,046	238,870	114,176	684,070	489,490	194,580
Depreciation and Amortization	94,394	94,658	(264)	165,057	178,057	(13,000)
Deferred Income Taxes & employee profit sharing	(15,335)	24,069	(39,404)	(3,121)	22,559	(25,680)
Others Net	115,645	69,225	46,420	231,324	152,700	78,624
Trade Receivable	(145,532)	44,677	(190,209)	(144,123)	88,706	(232,829)
Other accounts receivable	(1,943)	(72,034)	70,091	(2,450)	(18,831)	16,381
Inventories	(22,716)	(38,811)	16,095	(56,848)	(26,531)	(30,317)
Other Assets	48,751	(3,035)	51,786	40,556	(5,874)	46,430
Accounts payable & accrued liabilities	(295,176)	(46,400)	(248,776)	(310,656)	(160,180)	(150,476)
Net cash provide by operating activities	131,134	311,219	(180,085)	603,809	720,096	(116,287)
Add property & equipment less retirements	(130,269)	(125,641)	(4,628)	(285,169)	(261,222)	(23,947)
Net cash used in investing activities	(130,269)	(125,641)	(4,628)	(285,169)	(261,222)	(23,947)
Financing	428,197	-	428,197	428,197	170,000	258,197
Amortization	(35,385)	(315,591)	280,206	(40,537)	(763,784)	723,247
Dividends paid	(258,823)	(153,264)	(105,559)	(508,305)	(178,890)	(329,415)
Net cash used in financing activities	133,989	(468,855)	602,844	(120,645)	(772,674)	652,029
Effect of exchange rate changes on cash	46,611	(24,334)	70,945	68,100	(17,988)	86,088
Net increase(decrease) cash & marketable secur.	181,465	(307,611)	489,076	266,095	(331,788)	597,883
Cash & Marketable securities at begin yr.	1,349,477	949,373	400,104	1,264,847	973,550	291,297
Cash & Marketable securities at yr. end	1,530,942	641,762	889,180	1,530,942	641,762	889,180

SOUTHERN COPPER CORPORATION - GLOBAL
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-06	Q2-05	Variance	2006	2005	Variance
Income Statement						
Net Sales	1,276,749	954,095	322,654	2,398,040	1,892,894	505,146
Cost of Sales	526,424	418,602	107,822	937,940	813,519	124,421
Gross Profit	750,325	535,493	214,832	1,460,100	1,079,375	380,725
Gross Margin	59%	56%		61%	57%	
Administrative expenses	23,313	20,405	2,908	47,329	39,003	8,326
EBITDA	734,618	505,763	228,855	1,419,398	1,030,192	389,206
Depreciation and Amortization	77,982	70,544	7,438	131,086	131,511	(425)
Operating Income	649,030	444,544	204,486	1,281,685	908,861	372,824
Operating Margin	51%	47%		53%	48%	
Financial Cost	21,691	17,980	3,711	39,503	40,987	(1,484)
Earned Interest	(14,303)	(3,038)	(11,265)	(23,608)	(8,490)	(15,118)
Others Net Income	(7,606)	9,325	(16,931)	(6,628)	10,180	(16,808)
Earnings before Tax	649,248	420,277	228,971	1,272,418	866,184	406,234
Taxes	207,864	106,749	101,115	407,736	252,870	154,866
Profit before Extraordinary loss	441,384	313,528	127,856	864,682	613,314	251,368
Minority Interest	2,104	1,597	507	3,827	3,022	805
Net Income	439,280	311,931	127,349	860,854	610,292	250,563
Balance Sheet						
Cash and Marketable Securities	800,950	471,166	329,784	800,950	471,166	329,784
Notes and Accounts receivable	509,056	316,831	192,225	509,056	316,831	192,225
Inventories	461,341	366,046	95,295	461,341	366,046	95,295
Prepaid expenses and others	63,073	111,800	(48,727)	63,073	111,800	(48,727)
Total Current Assets	1,834,420	1,265,843	568,577	1,834,420	1,265,843	568,577
Property, Plant and Equipment Net	3,748,929	3,690,949	57,980	3,748,929	3,690,949	57,980
Other Long term Assets	40,985	69,880	(28,895)	40,985	69,880	(28,895)
Total Assets	5,624,334	5,026,672	597,662	5,624,334	5,026,672	597,662
Liabilities and Investments						
Short Term Bank Debt	10,000	41,250	(31,250)	10,000	41,250	(31,250)
Accumulated Liabilities	609,960	532,393	77,567	609,960	532,393	77,567
Current Liabilities	619,960	573,643	46,317	619,960	573,643	46,317
Long Term Debt	1,529,948	1,070,433	459,515	1,529,948	1,070,433	459,515
Other Long Term Liabilities	272,739	400,049	(127,310)	272,739	400,049	(127,310)
Minority Interest	11,103	10,527	576	11,103	10,527	576
Total Liabilities	2,433,750	2,054,652	379,098	2,433,750	2,054,652	379,098
Stockholders Equity						
Other equity accounts	670,391	708,208	(37,817)	670,391	708,208	(37,817)
Retained Earnings	2,518,719	2,262,337	256,382	2,518,719	2,262,337	256,382
Total Stockholders' equity	3,190,584	2,972,019	218,565	3,190,584	2,972,019	218,565
Total liabilities and stockholders' equity	5,624,334	5,026,671	597,663	5,624,334	5,026,671	597,663
Cash Flow						
Net Income for the year	439,280	311,931	127,349	860,855	610,292	250,563
Depreciation and Amortization	77,982	70,544	7,438	131,085	131,511	(426)
Deferred Income Taxes & employee profit sharing	(3,477)	28,349	(31,826)	16,235	33,436	(17,201)
Others Net	(8,032)	(14,511)	6,479	(5,737)	(35,053)	29,316
Accounts receivable	(159,597)	72,133	(231,730)	(135,233)	131,875	(267,108)
Inventories	(14,297)	(46,412)	32,115	21,504	(33,540)	55,044
Other Assets	(25,193)	(14,992)	(10,201)	(65,496)	(16,158)	(49,338)
Accounts payable & accrued liabilities	(173,874)	(225,270)	51,396	(252,694)	(288,101)	35,407
Net cash provide by operating activities	132,792	181,772	(48,980)	570,519	534,262	36,257
Add property & equipment less retirements	(83,789)	(8,040)	(75,749)	(228,717)	(113,096)	(115,621)
Net cash used in investing activities	(83,789)	(8,040)	(75,749)	(228,717)	(113,096)	(115,621)
Financing	389,192	30,000	359,192	389,192	200,000	189,192
Amortization	(21,510)	(129,562)	108,052	(21,510)	(418,605)	397,095
Dividends paid	(404,877)	(350,043)	(54,834)	(809,754)	(450,043)	(359,711)
Other	(9,590)	(2,917)	(6,673)	(11,987)	(3,697)	(8,290)
Net cash used in financing activities	(46,785)	(452,522)	405,737	(454,059)	(672,345)	218,286
Effect of exchange rate changes on cash	23,105	14,961	8,144	37,204	11,638	25,566
Net increase(decrease) cash & marketable secur.	25,323	(263,829)	289,152	(75,053)	(239,541)	164,488
Cash & Marketable securities at begin yr.	775,627	734,995	40,632	876,003	710,707	165,296
Cash & Marketable securities at yr. end	800,950	471,166	329,784	800,950	471,166	329,784

INFRAESTRUCTURA Y TRANSPORTES MEXICO SA DE CV Y SUBSIDIARIAS
CONSOLIDATED PROFORMA FINANCIAL STATEMENTS WITH FERROSUR (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-06	Q2-05	Variance	2006	2005	Variance
Income Statement						
Net Sales	297,036	196,638	100,398	569,929	356,011	213,918
Cost of Sales	176,892	115,990	60,902	354,137	212,816	141,321
Gross Profit	120,144	80,648	39,496	215,792	143,195	72,597
Gross Margin	40%	41%		38%	40%	
Administrative expenses	16,605	10,274	6,331	34,874	20,485	14,389
EBITDA	101,947	77,522	24,425	185,077	130,733	54,344
Depreciation and Amortization	22,016	16,953	5,063	46,260	33,256	13,004
Operating Income	81,523	53,421	28,102	134,659	89,454	45,205
Operating Margin	27%	27%		24%	25%	
Financial Cost	13,203	12,483	720	27,575	25,393	2,182
Earned Interest	(3,943)	3,912	(7,855)	(7,480)	(4,314)	(3,166)
Others Net Income	1,591	(7,147)	8,738	(4,159)	(8,023)	3,864
Earnings before Tax	70,672	44,173	26,499	118,722	76,398	42,324
Taxes	27,833	13,178	14,655	37,695	24,063	13,632
Minority Interest	10,024	8,244	1,780	18,757	13,245	5,512
Profit before Extraordinary loss	32,815	22,751	10,064	62,270	39,090	23,180
Extraordinary gain	-	(1,483)	1,483	-	(1,483)	1,483
Profit before Special Item	32,815	24,234	8,581	62,270	40,573	21,697
Special Item	-	-	-	-	-	-
Net Profit	32,815	24,234	8,581	62,270	40,573	21,697
Balance Sheet						
Cash and Marketable Securities	240,729	133,624	107,105	240,729	133,624	107,105
Notes and Accounts receivable	168,664	141,377	27,287	168,664	141,377	27,287
Inventories	21,247	14,963	6,284	21,247	14,963	6,284
Prepaid expenses and others	30,215	18,991	11,224	30,215	18,991	11,224
Total Current Assets	460,855	308,955	151,900	460,855	308,955	151,900
Property, Plant and Equipment Net	1,165,175	775,516	389,659	1,165,175	775,516	389,659
Other Long term Assets	109,061	23,350	85,711	109,061	23,350	85,711
Total Assets	1,735,091	1,107,821	627,270	1,735,091	1,107,821	627,270
Liabilities and Investments						
Short Term Bank Debt	85,941	12,625	73,316	85,941	12,625	73,316
Accumulated Liabilities	144,693	103,174	41,519	144,693	103,174	41,519
Current Liabilities	230,634	115,799	114,835	230,634	115,799	114,835
Long Term Debt	539,226	434,654	104,572	539,226	434,654	104,572
Other Long Term Liabilities	22,394	-	22,394	22,394	-	22,394
Other Liabilities	3,751	2,323	1,428	3,751	2,323	1,428
Minority Interest	146,572	130,386	16,186	146,572	130,386	16,186
Total Liabilities	942,577	683,162	259,415	942,577	683,162	259,415
Stockholders Equity	379,240	72,214	307,026	379,240	72,214	307,026
Other equity accounts	(100,029)	(69,733)	(30,296)	(100,029)	(69,733)	(30,296)
Retained Earnings	513,303	422,178	91,125	513,303	422,178	91,125
Total Stockholders' equity	792,514	424,659	367,855	792,514	424,659	367,855
Total liabilities and stockholders' equity	1,735,091	1,107,821	627,270	1,735,091	1,107,821	627,270
Cash Flow						
Net Income for the year	32,815	24,234	8,581	62,270	40,573	21,697
Depreciation and Amortization	22,016	16,953	5,063	46,260	33,256	13,004
Deferred Income Taxes & employee profit sharing	(3,515)	(1,587)	(1,928)	(13,437)	(8,092)	(5,345)
Others Net	9,178	6,554	2,624	17,965	11,098	6,867
Trade Receivable	(3,110)	(7,900)	4,790	(13,083)	(20,803)	7,720
Other accounts receivable	39,896	13,164	26,732	48,286	24,217	24,069
Inventories	(146)	2,317	(2,463)	6,695	2,924	3,771
Accounts payable & accrued liabilities	(67,408)	63,878	(131,286)	(78,072)	51,778	(129,850)
Net cash provide by operating activities	29,726	117,613	(87,887)	76,884	117,613	(40,729)
Add property & equipment less retirements	(44,744)	(16,024)	(28,720)	(91,641)	(36,449)	(55,192)
Net cash used in investing activities	(44,744)	(16,024)	(28,720)	(91,641)	(16,024)	(75,617)
Financing	198,062	-	198,062	381,062	-	381,062
Amortization	(161,092)	(14,962)	(146,130)	(327,361)	(46,032)	(281,329)
Dividends paid	(10,224)	(24,099)	13,875	(10,224)	(24,099)	13,875
Capital reimbursement paid	1,090	-	1,090	1,090	-	1,090
Net cash used in financing activities	27,836	(39,061)	66,897	44,567	(39,061)	83,628
Effect of exchange rate changes on cash	20,689	(26,972)	47,661	28,079	(26,296)	54,375
Net increase(decrease) cash & marketable secur.	33,507	35,556	(2,049)	57,889	35,556	22,333
Cash & Marketable securities at begin yr.	207,222	98,068	109,154	182,840	133,557	49,283
Cash & Marketable securities at yr. end	240,729	133,624	107,105	240,729	133,624	107,105