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MEXICANA S.A.B. DE C.V.

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CORPORATE FINANCE



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Second Quarter Report 2008

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MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL

QUARTER: 02 YEAR: 2008

HILASAL MEXICANA S.A.B. DE C.V.

BALANCE SHEETS

TO JUNE 30 OF 2008 AND 2007

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
s01	TOTAL ASSETS	669,532	100	666,298	100
s02	CURRENT ASSETS	275,487	41	261,098	39
s03	CASH AND SHORT-TERM INVESTMENTS	517	0	169	0
s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	102,483	15	135,970	20
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)	15,202	2	11,139	2
s06	INVENTORIES	157,285	23	113,820	17
s07	OTHER CURRENT ASSETS	0	0	0	0
s08	LONG-TERM	0	0	0	0
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0	0	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0	0	0
s11	OTHER INVESTMENTS	0	0	0	0
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	380,204	57	394,593	59
s13	LAND AND BUILDINGS	184,071	27	183,808	28
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	645,057	96	607,105	91
s15	OTHER EQUIPMENT	111,744	17	109,600	16
s16	ACCUMULATED DEPRECIATION	575,159	86	528,382	79
s17	CONSTRUCTION IN PROGRESS	14,491	2	22,462	3
s18	OTHER INTANGIBLE AND DEFERRED ASSETS (NET)	13,841	2	10,607	2
s19	OTHER ASSETS	0	0	0	0
s20	TOTAL LIABILITIES	364,297	100	343,718	100
s21	CURRENT LIABILITIES	147,376	40	138,610	40
s22	SUPPLIERS	40,273	11	32,278	9
s23	BANK LOANS	85,443	23	79,342	23
s24	STOCK MARKET LOANS	0	0	0	0
s103	OTHER LOANS WITH COST	0	0	0	0
s25	TAXES PAYABLE	10,765	3	12,728	4
s26	OTHER CURRENT LIABILITIES WITHOUT COST	10,895	3	14,262	4
s27	LONG-TERM LIABILITIES	152,868	42	140,178	41
s28	BANK LOANS	152,868	42	140,178	41
s29	STOCK MARKET LOANS	0	0	0	0
s30	OTHER LOANS WITH COST	0	0	0	0
s31	DEFERRED LIABILITIES	0	0	0	0
s32	OTHER NON CURRENT LIABILITIES WITHOUT COST	64,053	18	64,930	19
s33	CONSOLIDATED STOCKHOLDERS' EQUITY	305,235	100	322,580	100
s36	CONTRIBUTED CAPITAL	249,401	82	249,391	77
s79	CAPITAL STOCK	198,309	65	198,302	61
s39	PREMIUM ON ISSUANCE OF SHARES	51,092	17	51,089	16
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
s41	EARNED CAPITAL	55,834	18	73,189	23
s42	RETAINED EARNINGS AND CAPITAL RESERVES	383,837	126	383,392	119
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	-328,003	-107	-310,203	-96
s80	SHARES REPURCHASED	0	0	0	0

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
s03	CASH AND SHORT-TERM INVESTMENTS	517	100	169	100
s46	CASH	367	71	46	27
s47	SHORT-TERM INVESTMENTS	150	29	123	73
s07	OTHER CURRENT ASSETS	0	100	0	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s82	DISCONTINUED OPERATIONS	0	0	0	0
s83	OTHER	0	0	0	0
s18	OTHER INTANGIBLE AND DEFERRED ASSETS (NET)	13,841	100	10,607	100
s48	DEFERRED EXPENSES (NET)	13,841	100	10,607	100
s49	GOODWILL	0	0	0	0
s51	OTHER	0	0	0	0
s19	OTHER ASSETS	0	100	0	100
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s50	DEFERRED TAXES	0	0	0	0
s104	BENEFITS TO EMPLOYEES	0	0	0	0
s86	DISCONTINUED OPERATIONS	0	0	0	0
s87	OTHER	0	0	0	0
s21	CURRENT LIABILITIES	147,376	100	138,610	100
s52	FOREIGN CURRENCY LIABILITIES	116,754	79	105,796	76
s53	MEXICAN PESOS LIABILITIES	30,622	21	32,814	24
s26	OTHER CURRENT LIABILITIES WITHOUT COST	10,895	100	14,262	100
s88	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s89	INTEREST LIABILITIES	3,212	29	3,737	26
s68	PROVISIONS	1,824	17	1,638	11
s90	DISCONTINUED OPERATIONS	0	0	0	0
s58	OTHER CURRENT LIABILITIES	5,859	54	8,887	62
s105	BENEFITS TO EMPLOYEES	0		0	
s27	LONG-TERM LIABILITIES	152,868	100	140,178	100
s59	FOREIGN CURRENCY LIABILITIES	152,868	100	140,178	100
s60	MEXICAN PESOS LIABILITIES	0	0	0	0
s31	DEFERRED LIABILITIES	0	100	0	100
s65	NEGATIVE GOODWILL	0	0	0	0
s67	OTHER	0	0	0	0
s32	OTHER NON CURRENT LIABILITIES WITHOUT COST	64,053	100	64,930	100
s66	DEFERRED TAXES	62,241	97	63,582	98
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	1,812	3	1,348	2
s92	DISCONTINUED OPERATIONS	0	0	0	0
s69	OTHER LIABILITIES	0	0	0	0
s79	CAPITAL STOCK	198,309	100	198,302	100
s37	CAPITAL STOCK (NOMINAL)	48,417	24	48,417	24
s38	RESTATEMENT OF CAPITAL STOCK	149,892	76	149,885	76

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

BALANCE SHEETS

BREAKDOWN OF MAIN CONCEPTS

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
s42	RETAINED EARNINGS AND CAPITAL RESERVES	383,837	100	383,392	100
s93	LEGAL RESERVE	24,272	6	23,790	6
s43	RESERVE FOR REPURCHASE OF SHARES	8,531	2	8,498	2
s94	OTHER RESERVES	0	0	0	0
s95	RETAINED EARNINGS	353,591	92	344,461	90
s45	NET INCOME FOR THE YEAR	-2,557	0	6,643	2
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	-328,003	100	-310,203	100
s70	ACCUMULATED MONETARY RESULT	-141,362	43	-139,382	45
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	-114,661	35	-98,841	32
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	0	0	0	0
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	-71,980	22	-71,980	23
s100	OTHER	0	0	0	0

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

BALANCE SHEETS

OTHER CONCEPTS

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF S	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
s72	WORKING CAPITAL	128,111	122,488
s73	PENSIONS AND SENIORITY PREMIUMS	1,812	1,348
s74	EXECUTIVES (*)	10	10
s75	EMPLOYEES (*)	210	240
s76	WORKERS (*)	527	652
s77	OUTSTANDING SHARES (*)	129,986,946	129,962,146
s78	REPURCHASED SHARES (*)	9,453,054	9,477,854
s101	RESTRICTED CASH	0	0
s102	NET DEBT OF NON CONSOLIDATED COMPANIES	0	0

(*) THESE CONCEPTS ARE STATED IN UNITS

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

STATEMENTS OF INCOME

FROM JANUARY THE 1st TO JUNE 30 OF 2008 AND 2007

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
r01	NET SALES	179,064	100	231,266	100
r02	COST OF SALES	148,743	83	177,748	77
r03	GROSS PROFIT	30,321	17	53,518	23
r04	GENERAL EXPENSES	34,410	19	35,777	15
r05	INCOME (LOSS) AFTER GENERAL EXPENSES	-4,089	-2	17,741	8
r08	OTHER INCOME AND (EXPENSE), NET	-1,563	0	130	0
r06	COMPREHENSIVE FINANCING RESULT	2,104	1	-8,710	-4
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0	0	0
r48	NON ORDINARY ITEMS	0	0	0	0
r09	INCOME BEFORE INCOME TAXES	-3,548	-2	9,161	4
r10	INCOME TAXES	-991	0	2,518	1
r11	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	-2,557	-1	6,643	3
r14	DISCONTINUED OPERATIONS	0	0	0	0
r18	NET INCOME	-2,557	-1	6,643	3

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

STATEMENTS OF INCOME

BREAKDOWN OF MAIN CONCEPTS

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF R	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
r01	NET SALES	179,064	100	231,266	100
r21	DOMESTIC	112,412	63	134,292	58
r22	FOREIGN	66,652	37	96,974	42
r23	TRANSLATED INTO DOLLARS (***)	6,297	4	8,598	4
r08	OTHER INCOME AND (EXPENSE), NET	-1,563	100	130	100
r49	OTHER INCOME AND (EXPENSE), NET	-1,563	100	130	100
r34	EMPLOYEES' PROFIT SHARING EXPENSES	0	0	0	0
r35	DEFERRED EMPLOYEES' PROFIT SHARING	0	0	0	0
r06	COMPREHENSIVE FINANCING RESULT	2,104	100	-8,710	100
r24	INTEREST EXPENSE	9,024	429	9,357	-107
r42	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0	0	0
r45	OTHER FINANCE COSTS	0	0	0	0
r26	INTEREST INCOME	20	1	22	0
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE GAIN (LOSS) NET	11,108	528	-60	1
r28	RESULT FROM MONETARY POSITION	0	0	685	-8
r10	INCOME TAXES	-991	100	2,518	100
r32	INCOME TAX	727	-73	2,518	100
r33	DEFERRED INCOME TAX	-1,718	173	0	0

(***) FIGURES IN THOUSANDS OF U.S. DOLLARS AT THE EXCHANGE RATE AS OF THE END OF THE LAST REPORTED QUARTER

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

STATEMENTS OF INCOME

OTHER CONCEPTS

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF R	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
r36	TOTAL SALES	207,094	257,351
r37	TAX RESULT FOR THE YEAR	0	0
r38	NET SALES (**)	378,472	451,931
r39	OPERATING INCOME (**)	10,162	35,942
r41	NET INCOME (**)	398	18,019
r47	OPERATIVE DEPRECIATION AND ACCUMULATED	14,968	14,771

(**) RESTATED INFORMATION OF THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

QUARTERLY STATEMENTS OF INCOME

FROM APRIL1 TO JUNE 30 OF 2008

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF RT	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
r101	NET SALES	88,399	100	109,118	100
r102	COST OF SALES	70,877	80	86,713	79
r103	GROSS PROFIT	17,522	20	22,405	21
r104	GENERAL EXPENSES	17,297	20	17,762	16
r105	INCOME (LOSS) AFTER GENERAL EXPENSES	225	0	4,643	4
r108	OTHER INCOME AND (EXPENSE), NET	-1,576	-2	44	0
r106	COMPREHENSIVE FINANCING RESULT	2,662	3	-1,310	-1
r112	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES	0	0	0	0
r148	NON ORDINARY ITEMS	0	0	0	0
r109	INCOME BEFORE INCOME TAXES	1,311	1	3,377	3
r110	INCOME TAXES	369	0	949	1
r111	INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	942	1	2,428	2
r114	DISCONTINUED OPERATIONS	0	0	0	0
r118	NET INCOME	942	1	2,428	2

MEXICAN STOCK EXCHANGE

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

QUARTERLY STATEMENTS OF INCOME

BREAKDOWN OF MAIN CONCEPTS

(Thousands of Mexican Pesos)

NOT CONSOLIDATED

Final Printing

REF RT	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
r101	NET SALES	88,399	100	109,118	100
r121	DOMESTIC	59,131	67	59,978	55
r122	FOREIGN	29,268	33	49,140	45
r123	TRANSLATED INTO DOLLARS (***)	2,818	3	4,403	4
r108	OTHER INCOME AND (EXPENSE), NET	-1,576	100	44	100
r149	OTHER INCOME AND (EXPENSE), NET	-1,576	100	44	100
r134	EMPLOYEES' PROFIT SHARING EXPENSES	0	0	0	0
r135	DEFERRED EMPLOYEES' PROFIT SHARING	0	0	0	0
r106	COMPREHENSIVE FINANCING RESULT	2,662	100	-1,310	100
r124	INTEREST EXPENSE	4,392	165	4,713	-360
r142	GAIN (LOSS) ON RESTATEMENT OF UDI'S	0	0	0	0
r145	OTHER FINANCE COSTS	0	0	0	0
r126	INTEREST INCOME	13	0	8	0
r146	OTHER FINANCIAL PRODUCTS	0	0	0	0
r125	FOREIGN EXCHANGE GAIN (LOSS) NET	7,041	265	3,951	-302
r128	RESULT FROM MONETARY POSITION	0	0	-556	42
r110	INCOME TAXES	369	100	949	100
r132	INCOME TAX	378	102	2,706	285
r133	DEFERRED INCOME TAX	-9	-2	-1,757	-185

(***) FIGURES IN THOUSANDS OF U.S. DOLLARS AT THE EXCHANGE RATE AS OF THE END OF THE LAST REPORTED QUARTER

MEXICAN STOCK EXCHANGE

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

QUARTERLY STATEMENTS OF INCOME

OTHER CONCEPTS

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF RT	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
rt47	OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES	7,386	7,321

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

HILASAL MEXICANA S.A.B. DE C.V.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

FROM JANUARY THE 1st TO JUNE 30 OF 2008 AND 2007

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

Final Printing

REF C	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
c01	NET INCOME	-2,557	6,440
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES	15,178	14,250
c03	RESOURCES FROM NET INCOME FOR THE YEAR	12,621	20,690
c04	RESOURCES PROVIDED OR USED IN OPERATION	-20,717	-18,511
c05	RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES	-8,096	2,179
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	10,971	7,688
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	-7	-3,082
c08	RESOURCES PROVIDED BY (USED FOR) FINANCING ACTIVITIES	10,964	4,606
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	-4,520	-7,532
c10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	-1,652	-747
c11	CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD	2,169	916
c12	CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD	517	169

MEXICAN STOCK EXCHANGE

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

STATEMENTS OF CHANGES IN FINANCIAL POSITION

BREAKDOWN OF MAIN CONCEPTS
(Thousands of Mexican Pesos)

NOT CONSOLIDATED

Final Printing

REF C	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
c02	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES	15,178	14,250
c13	+ DEPRECIATION AND AMORTIZATION FOR THE YEAR	14,968	14,771
c41	+ (-) OTHER ITEMS	210	-521
c04	RESOURCES PROVIDED OR USED IN OPERATION	-20,717	-18,511
c18	+ (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	4,009	-25,890
c19	+ (-) DECREASE (INCREASE) IN INVENTORIES	-24,773	4,915
c20	+ (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	-4,997	47
c21	+ (-) INCREASE (DECREASE) IN SUPPLIERS	2,107	-5,707
c22	+ (-) INCREASE (DECREASE) IN OTHER LIABILITIES	2,937	8,124
c06	RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES	10,971	7,688
c23	+ BANK FINANCING	10,971	7,688
c24	+ STOCK MARKET FINANCING	0	0
c25	+ DIVIDEND RECEIVED	0	0
c26	+ OTHER FINANCING	0	0
c27	(-) BANK FINANCING AMORTIZATION	0	0
c28	(-) STOCK MARKET FINANCING AMORTIZATION	0	0
c29	(-) OTHER FINANCING AMORTIZATION	0	0
c42	+ (-) OTHER ITEMS	0	0
c07	RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES	-7	-3,082
c30	+ (-) INCREASE (DECREASE) IN CAPITAL STOCK	0	-2,920
c31	(-) DIVIDENDS PAID	0	0
c32	+ PREMIUM ON ISSUANCE OF SHARES	-7	-162
c33	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
c43	+ (-) OTHER ITEMS	0	0
c09	RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES	-4,520	-7,532
c34	+ (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS	0	0
c35	(-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT	-9,104	-10,383
c36	(-) INCREASE IN CONSTRUCTIONS IN PROGRESS	4,584	2,851
c37	+ SALE OF OTHER PERMANENT INVESTMENTS	0	0
c38	+ SALE OF TANGIBLE FIXED ASSETS	0	0
c39	+ (-) OTHER ITEMS	0	0

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

HILASAL MEXICANA S.A.B. DE C.V.

STATE OF CASH FLOW (INDIRECT METHOD)

Final Printing

MAIN CONCEPTS

(Thousands of Mexican Pesos)

NOT
CONSOLIDATED

REF E	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
	ACTIVITIES OF OPERATION		
e01	INCOME (LOSS) BEFORE INCOME TAXES	-3,548	8,881
e02	+(-) ITEMS NOT REQUIRING CASH	-3,927	1,696
e03	+(-) ITEMS RELATED TO INVESTING ACTIVITIES	14,968	14,771
e04	+(-) ITEMS RELATED TO FINANCING ACTIVITIES	9,024	9,085
e05	CASH FLOW BEFORE INCOME TAX	16,517	34,433
e06	CASH FLOW PROVIDED OR USED IN OPERATION	-30,310	-26,074
e07	NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES	-13,793	8,359
	INVESTMENT ACTIVITIES		
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	-4,520	-14,267
e09	FINANCING ACTIVITIES	-18,313	-5,908
	FINANCING ACTIVITIES		
e10	NET CASH FROM FINANCING ACTIVITIES	16,661	5,161
e11	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	-1,652	-747
e12	TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS	0	0
e13	CASH AND CASH EQUIVALENTS AT THE BEGINING OF PERIOD	2,169	916
e14	CASH AND CASH EQUIVALENTS AT END OF PERIOD	517	169

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

HILASAL MEXICANA S.A.B. DE C.V.

STATE OF CASH FLOW (INDIRECT METHOD)

Final Printing

DESGLOSE DE MAIN CONCEPTS

(Thousands of Mexican Pesos)

NOT
CONSOLIDATED

REF E	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		Amount	Amount
e02	+(-) ITEMS NOT REQUIRING CASH	-3,927	1,696
e15	+ESTIMATES FOR THE PERIOD	0	0
e16	+PROVISIONS FOR THE PERIOD	0	0
e17	+ (-)OTHER UNREALIZED ITEMS	-3,927	1,696
e03	+(-) ITEMS RELATED TO INVESTING ACTIVITIES	14,968	14,771
e18	+ DEPRECIATION AND AMORTIZATION FOR THE PERIOD	14,968	14,771
e19	(-)+ GAIN OR LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT	0	0
e20	+ IMPAIRMENT LOSS	0	0
e21	(-)+ EQUITY IN RESULTS OF ASSOCIATES AND JOINT VENTURES	0	0
e22	(-) DIVIDENDS RECEIVED	0	0
e23	(-) INTEREST INCOME	0	0
e24	(-)+ OTHER ITEMS	0	0
e04	+(-) ITEMS RELATED TO FINANCING ACTIVITIES	9,024	9,085
e25	+ ACCRUED INTEREST	9,024	9,085
e26	+(-) OTHER ITEMS	0	0
e06	CASH FLOW PROVIDED OR USED IN OPERATION	-30,310	-26,074
e27	+(-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	2,326	-25,916
e28	+(-) DECREASE (INCREASE) IN INVENTORIES	-24,773	4,926
e29	+(-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE	-8,207	-950
e30	+(-) INCREASE (DECREASE) IN SUPPLIERS	2,107	-5,711
e31	+(-) INCREASE (DECREASE) IN OTHER LIABILITIES	-1,146	4,950
e32	+(-) INCOME TAXES PAID OR RETURNED	-617	-3,373
e08	NET CASH FLOW FROM INVESTING ACTIVITIES	-4,520	-14,267
e33	- PERMANENT INVESTMENT IN SHARES	0	0
e34	+ DISPOSITION OF PERMANENT INVESTMENT IN SHARES	0	0
e35	- INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	-4,520	-14,267
e36	+ SALE OF PROPERTY, PLANT AND EQUIPMENT	0	0
e37	- INVESTMENT IN INTANGIBLE ASSETS	0	0
e38	+ DISPOSITION OF INTANGIBLE ASSETS	0	0
e39	- OTHER PERMANENT INVESTMENTS	0	0
e40	+DISPOSITION OF OTHER PERMANENT INVESTMENTS	0	0
e41	+ DIVIDEND RECEIVED	0	0
e42	+ INTEREST RECEIVED	0	0
e43	+(-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS	0	0
e44	+(-) OTHER ITEMS	0	0
e10	NET CASH FROM FINANCING ACTIVITIES	16,661	5,161
e45	+BANK FINANCING	213,361	170,947
e46	+ STOCK MARKET FINANCING	0	0
e47	+ OTHER FINANCING	0	0
e48	(-) BANK FINANCING AMORTIZATION	-189,850	-161,719
e49	(-) STOCK MARKET FINANCING AMORTIZATION	0	0
e50	(-) OTHER FINANCING AMORTIZATION	0	0
e51	+(-) INCREASE (DECREASE) IN CAPITAL STOCK	0	5,888
e52	(-) DIVIDENDS PAID	0	0
e53	+ PREMIUM ON ISSUANCE OF SHARES	0	0
e54	+ CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0
e55	- INTEREST EXPENSE	-6,843	-9,791
e56	- REPURCHASE OF SHARES	-7	-164
e57	+(-) OTHER ITEMS	0	0

* IN CASE THAT THIS AMOUNT IS DIFFERENT FROM THE R47 ACCOUNT IT WILL HAVE TO EXPLAIN IN NOTES.

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

DATA PER SHARE

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REF D	CONCEPTS	CURRENT YEAR	PREVIOUS YEAR
		AMOUNT	AMOUNT
d01	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 0.01	\$ 0.13
d02	BASIC PROFIT PER PREFERRED SHARE (**)	\$ 0	\$ 0
d03	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.00	\$ 0
d04	EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON SHARE (**)	\$ 0	\$ 0
d05	DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE (**)	\$ 0.00	\$ 0
d08	CARRYING VALUE PER SHARE	\$ 2.35	\$ 2.48
d09	CASH DIVIDEND ACCUMULATED PER SHARE	\$ 0	\$ 0
d10	DIVIDEND IN SHARES PER SHARE	0 shares	0 shares
d11	MARKET PRICE TO CARRYING VALUE	0.51 times	0.56 times
d12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)	392.00 times	10.04 times
d13	MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**)	0 times	0.00 times

(**) TO CALCULATE THE DATA PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

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RATIOS

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REF P	CONCEPTS	CURRENT YEAR		PREVIOUS YEAR	
	YIELD				
p01	NET INCOME TO NET SALES	-1.43	%	2.87	%
p02	NET INCOME TO STOCKHOLDERS' EQUITY (**)	0.13	%	5.59	%
p03	NET INCOME TO TOTAL ASSETS (**)	0.06	%	2.70	%
p04	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0	%	0	%
p05	RESULT FROM MONETARY POSITION TO NET INCOME	-0.00	%	10.31	%
	ACTIVITY				
p06	NET SALES TO NET ASSETS (**)	0.57	times	0.68	times
p07	NET SALES TO PROPERTY, PLANT AND EQUIP.(NET) (**)	1.00	times	1.15	times
p08	INVENTORIES TURNOVER (**)	1.91	times	3.02	times
p09	ACCOUNTS RECEIVABLE IN DAYS OF SALES	90	days	92	days
p10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	7.75	%	8.15	%
	LEVERAGE				
p11	TOTAL LIABILITIES TO TOTAL ASSETS	54.41	%	51.59	%
p12	TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY	1.19	times	1.07	times
p13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	74.01	%	71.56	%
p14	LONG-TERM LIABILITIES TO PROPERTY, PLANT AND EQUIPMENT (NET)	40.21	%	35.52	%
p15	INCOME (LOSS) AFTER GENERAL EXPENSES TO INTEREST PAID	-0.45	times	1.90	times
p16	NET SALES TO TOTAL LIABILITIES (**)	1.04	times	1.31	times
	LIQUIDITY				
p17	CURRENT ASSETS TO CURRENT LIABILITIES	1.87	times	1.88	times
p18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.80	times	1.06	times
p19	CURRENT ASSETS TO TOTAL LIABILITIES	0.76	times	0.76	times
p20	CASH AND SHORT-TERM INVESTMENTS TO CURRENT LIABILITIES	0.35	%	0.12	%

(**) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS.

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HILASAL MEXICANA S.A.B. DE C.V.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Reporte al Segundo Trimestre del 2008

Julio del 2008

La empresa implementa plan de reestructura

Comentarios del Trimestre

Valores en término de dólares

Frente a la recesión económica en Estados Unidos, un mercado nacional débil, el incremento en materia prima y energéticos, la empresa implementó plan de reestructura que considera incremento de precios, introducción de nuevos productos, desarrollo de nuevos canales de comercialización, así como reducciones de gastos.

Las ventas totales se reducen 12.7%.

La venta en el mercado nacional se incrementa 6.4%.

La venta de exportación disminuye 36.0%.

• Estado de Resultados 2T08 vs 2T07 (abril- junio)

Las ventas totales continúan afectadas por la recesión económica en Estados Unidos y un débil mercado doméstico. Este trimestre la venta fue menor 10.3% en volumen, 12.7% en dólares y 19.0% en pesos.

La venta nacional se incrementa 13.1% en volumen, 6.4% en dólares y se reduce 1.4% en pesos.

Las ventas en exportación se reduce 38.6% en volumen, 36.0% en dólares y 40.4% en pesos por una disminución en el consumo y una comparación no favorable toda vez que en 2007 se realizó la venta inicial de un programa de toalla con una tienda departamental en Estados Unidos.

El margen bruto, presionado por el incremento en el precio del algodón e insumos, se ubica en 19.8% respecto del 20.5% en el mismo periodo de 2007.

Los gastos generales se reducen 2.6% en términos reales y representan el 19.6% de la venta. Los gastos de venta incrementan 3.7% y se ubican con respecto a ventas en el 10.6% en comparación al 8.3% del 2T-07. Los gastos de administración se reducen 9.1% y representan el 9.0% respecto a ventas en comparación al 8.0% del 2T-07.

La utilidad operativa representó el 0.3% de la venta comparada con 4.3% al 2T-07.

La UAFIDA se ubicó en 8.6% sobre ventas comparada con 11.0% al 2T-07.

Otros Ingresos y Gastos, neto

Representa principalmente el costo de las indemnizaciones por reducción de personal.

Resultado Integral de Financiamiento

El resultado integral de financiamiento, incidido por la paridad cambiaria, fue favorable por \$2.6 millones de pesos en el 2T-08 en comparación a pérdida por \$1.3 millones de pesos en el 2T-07.

Los intereses pagados aumentaron 0.2% en dólares reduciéndose 6.8% en pesos por incremento en deuda y apreciación de peso respecto al dólar. Los intereses

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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netos con respecto a ventas representan el 4.9% en comparación del 4.3% al 2T-07. La tasa anualizada promedio de préstamos fue de 6.05% en dólares.

La paridad cambiaria al 2T-08 resultó favorable por \$7.0 millones comparada con utilidad de \$3.9 millones de pesos al 2T-07.

En apego a lo dispuesto en la NIF B-10, el ejercicio 2008 presenta un cambio de entorno económico, de inflacionario a no inflacionario por lo que no debe calcularse Repomo.

Impuestos a la utilidad

Se reconoce la provisión correspondiente a ISR diferido.

Utilidad Neta

El resultado del trimestre presenta utilidad de \$942 mil pesos, comparable con utilidad de \$2.4 millones al 2T-07.

• Resultados Últimos Doce Meses 2008 vs 2007 (julio - junio)

Las ventas totales se reducen 11.7% en volumen, 12.0% en dólares y 16.3% en pesos.

Las ventas nacionales disminuyen 6.4% en volumen, 9.7% en dólares y 14.3% en pesos.

Las exportaciones se reducen 19.2% en volumen, 15.5% en dólares y 19.2% en pesos.

El margen bruto pasa del 24.0% al 20.8%.

Los gastos generales se ubican en 18.1% sobre ventas. Los gastos de venta se reducen 6.4% ubicándose en 9.3% sobre ventas y se compara al 8.3% en 2007. Los gastos de administración se reducen 4.8%. Su proporción con respecto a ventas es 8.8% comparado con 7.7% en 2007.

El margen de operación se reduce al pasar de 8.0% al 2.7%.

La UAFIDA disminuye al pasar del 14.6% al 10.2% con respecto a ventas.

Otros ingresos y gastos, neto

En 2006 este rubro refleja principalmente gastos por capacidad instalada no utilizada no incluidos en el costo estándar, para 2007, esta partida se incluye en el costo de ventas. En 2007 se registran los gastos incurridos por la suspensión de gas natural derivado de los atentados a las instalaciones de Pemex y la provisión de PTU del ejercicio. En 2008 incluye el costo de indemnizaciones de personal.

Resultado Integral de Financiamiento

El resultado integral de financiamiento a 2008 representó \$7.3 millones pesos en comparación de \$8.2 millones de pesos al ejercicio 2007.

Los intereses pagados se incrementan 3.2% al pasar de \$17.8 a \$18.4 millones de pesos. Los intereses netos en su relación a ventas representan el 4.8% en 2008 en comparación a 3.9% de 2007.

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La cobertura UAFIDA a intereses pagados fue de 2.2 veces.

La paridad cambiaria representó una utilidad por \$6.8 millones de pesos en el 2008 comparado con utilidad de \$4.5 millones al 2007.

El Repomo al 2008 fue favorable por \$4.2 millones de pesos, comparado con \$5.0 millones de pesos del 2007.

Impuestos a la utilidad

En este rubro se registran las provisiones de ISR e ISR diferido.

La utilidad neta fue de \$398 mil pesos y se compara con los \$18.0 millones del 2007.

- Balance al 30 de junio 2008 vs 30 de junio 2007.

De conformidad a lo establecido en la NIF B-10, el periodo 2008 presenta un cambio de entorno económico, de inflacionario a no inflacionario. Para efectos de comparación, las cifras de ejercicios anteriores se expresan en pesos de la fecha de última actualización, siendo esta diciembre de 2007. Estos efectos generan variación al comparar las cifras en términos de pesos y dólares.

Los activos totales se incrementan 8.6% en pesos y 0.5% en dólares. La cartera se reduce 24.6% en pesos y 18.6% en dólares. Los inventarios se incrementan 38.2% en pesos y 49.3% en dólares. El activo fijo disminuyó 3.6% en pesos y aumentó 4.1% en dólares.

El pasivo total se incrementa 6.0% en pesos y 14.5% en dólares. La deuda con costo se incrementa 17.3% para ubicarse en US\$ 23.1 millones, teniendo la empresa una relación de Pasivo con Costo a Capital de 78.0%.

El capital contable pasó de \$322.5 a \$305.2 millones. La cuenta de insuficiencia en la actualización del capital se incrementó \$17.8 millones de pesos.

- Asuntos Generales

La administración de la empresa implementó durante este segundo trimestre un plan de reestructura para hacer frente al entorno económico que ha incidido en una menor demanda por parte de los clientes nacionales y de exportación, en el incremento de los commodities (algodón) y el incremento en insumos y energéticos. Este plan incluye acciones en las áreas de ventas y operación de la empresa, entre otras: incremento gradual en los precios de nuestros productos, incorporación de nuevos productos, desarrollo de nuevos canales de comercialización, reducción de costos y gastos.

La administración considera que aún cuando los efectos iniciales de este plan se observan en este trimestre, será en el segundo semestre del año cuando se reflejen de manera objetiva.

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En el mes de abril la Unidad de Prácticas Comerciales Internacionales de la Secretaría de Economía emitió resolución imponiendo cuota compensatoria a la importación de tela en rollo de toalla estampada procedente de China. Esta resolución es favorable a Hilasal y desfavorable a empresas importadoras que eludían el impuesto.

La empresa sigue en espera de las resoluciones de los juicios que mantiene 1) ante la SHCP por su criterio de administrarse libremente a través de un Comité Ejecutivo, y 2) ante el Tribunal Fiscal de la Federación por un crédito fiscal de \$8 millones de pesos derivado de la importación de hilo, y del cual Aduanas emitió resolución favorable a Hilasal.

El índice de bursatilidad de la empresa pasó de la posición 110 en marzo a la posición 115 a junio del 2008

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HILASAL MEXICANA S.A.B. DE C.V.

FINANCIAL STATEMENT NOTES

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

ANALYSIS OF INVESTMENTS IN SHARES

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SUBSIDIARIES

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COMPANY NAME	MAIN ACTIVITIES	NUMBER OF SHARES	% OWNERSHIP
NA		0	0

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QUARTER: 02 YEAR: 2008

ANALYSIS OF INVESTMENTS IN SHARES

NOT CONSOLIDATED

ASSOCIATES

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COMPANY NAME	MAIN ACTIVITIES	NUMBER OF SHARES	% OWNER SHIP	TOTAL AMOUNT (Thousands of Mexican	
				ACQUISITION COST	BOOK VALUE
NA		0	0	0	0
		0	0	0	0
TOTAL INVESTMENT IN ASSOCIATES				0	0
OTHER PERMANENT INVESTMENTS					0
TOTAL					0

NOTES

QUARTER:	02	YEAR:	2008
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Credit Type / Institution	When Issued / Institution	Date of contract	Amortization Date	Interest Rate	Amortization of Credits Denominated in Pesos (Thousands of \$)						Amortization of Credits in Foreign Currency (Thousands of \$)						
					Time Interval						Time Interval						
					Current Year	Until 1 Year	Until 2 Year	Until 3 Year	Until 4 Year	Until 5 Year	Current Year	Until 1 Year	Until 2 Year	Until 3 Year	Until 4 Year	Until 5 Year	
BANKS																	
FOREIGN TRADE																	
BANCOMEX	YES	29/09/2006	17/03/2011	6.00								0	0	0	0	0	
	YES	29/09/2006	17/03/2011	6.00								0	0	0	0	0	
	YES	29/09/2006	17/03/2011	6.00								0	0	0	0	0	
	NOT	29/09/2006	17/03/2011	6.00								0	0	0	0	0	
	NOT	29/09/2006	17/03/2011	6.00								0	0	0	0	0	
	NOT	29/09/2006	17/03/2011	6.00								0	0	0	0	0	
SECURED																	
CE CAPITAL	NOT	19/12/2007	01/01/2015	6.60								0	6,793	9,505	10,217	10,937	63,413
	NOT	26/04/2006	26/04/2009	5.365								0	1,311	0	0	0	0
	NOT	22/12/2006	22/12/2009	4.78								0	3,746	1,873	0	0	0
	NOT	15/10/2007	15/10/2011	6.575								0	1,545	1,545	1,545	1,545	773
COMMERCIAL BANKS																	
OTHER																	
BANCO DEL BAJO	NOT	29/04/2008	25/07/2008	4.568								0	10,303	0	0	0	0
	NOT	20/05/2008	14/11/2008	4.416								0	15,454	0	0	0	0
	NOT	14/03/2008	10/09/2008	4.259								0	7,727	0	0	0	0
	NOT	29/05/2008	27/09/2008	5.042								0	8,551	0	0	0	0
	NOT	29/02/2008	29/02/2008	6.612								0	9,417	0	0	0	0
BIVIA BANCOMER	NOT	20/06/2008	17/12/2008	4.42								0	20,606	0	0	0	0
	NOT											0	0	0	0	0	0
*												0	0	0	0	0	0
TOTAL BANKS					9	9	0	0	0	0	0	6	83,643	12,823	63,277	12,482	64,188

QUARTER: 02 YEAR: 2008

CREDITS BREAK DOWN
(Thousands of Mexican Pesos)

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[illegible]

MEXICAN STOCK EXCHANGE

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

CREDITS BREAK DOWN (Thousands of Mexican Pesos)

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Credit Type / Institution	With Foreign Institution	Date of agreement	Amortization Date	Amortization of Credits Denominated in Pesos (Thousands of \$)										Amortization of Credits in Foreign Currency (Thousands of \$)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
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QUARTER: 02 YEAR: 2008

MONETARY FOREIGN CURRENCY POSITION

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(Thousands of Mexican Pesos)

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FOREIGN CURRENCY POSITION	DOLLARS (1)		OTHER CURRENCIES (1)		TOTAL THOUSANDS OF PESOS
	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLLARS	THOUSANDS OF PESOS	
MONETARY ASSETS	3,052	31,449	26	263	31,712
LIABILITIES POSITION	26,139	269,303	31	320	269,623
SHORT-TERM LIABILITIES POSITION	11,301	116,435	31	320	116,755
LONG-TERM LIABILITIES POSITION	14,838	152,868	0	0	152,868
NET BALANCE	-23,087	-237,854	-5	-57	-237,911

(1) AT OBSERVATIONS MUST BE SPECIFIED THE CURRENCY AND EXCHANGE RATE

NOTES

OTRAS MONEDAS INCLUYE VALORES EN EUROS A UN TC DE 16.3887 Y FRANCOS SUIZOS A UN TC DE 10.2191

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

RESULT FROM MONETARY POSITION

NOT CONSOLIDATED

(Thousands of Mexican Pesos)

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MONTH	MONETARY ASSETS	MONETARY LIABILITIES	(ASSET) LIABILITY MONETARY POSITION	MONTHLY INFLATION	MONTHLY PROFIT AND (LOSS)
TOTAL					0

OTHER CONCEPTS:

CAPITALIZED RESULT FOR MONETARY POSITION

NOTES

2008 SE ENCUENTRA EN UN ENTORNO ECONOMICO NO INFLACIONARIO DE CONFORMIDAD CON LA NIF B-10 POR LO QUE NO APLICA EL LLENADO DE ESTE ANEXO PARA EL EJERCICIO VIGENTE.

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HILASAL MEXICANA S.A.B. DE C.V.

DEBT INSTRUMENTS

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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

MEXICAN STOCK EXCHANGE

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DEBT INSTRUMENTS

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ACTUAL SITUATION OF FINANCIAL LIMITED

MEXICAN STOCK EXCHANGE

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QUARTER: 02 YEAR: 2008

PLANTS, COMMERCE CENTERS OR DISTRIBUTION
CENTERS

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PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CAPACITY	UTILIZATION (%)
PLANTA EL SALTO	PLANTA INDUSTRIAL	650	82.90
	OFICINAS DE REPRESENTACION EN	0	0

NOTES

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

MAIN RAW MATERIALS

NOT CONSOLIDATED

Final Printing

DOMESTIC	MAIN SUPPLIERS	FOREIGN	DOM. SUBST.	COST PRODUCTION (%)
ALGODON	DUNAVANT, CARGILL, PAUL REINHA	Importación	NO	43.11
QUIMICOS	DEGUSSA, DISOSA, HUNTSMAN	Nacional	NO	11.10
MATERIAL INDIRECTO	VARIOS	Nacional	SI	4.38
				0

NOTES

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

SALES DISTRIBUTION BY PRODUCT

NOT CONSOLIDATED

NET SALES/TOTAL SALES

Final Printing

MAIN PRODUCTS	NET SALES		MARKET SHARE (%)	MAIN	
	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
DOMESTIC SALES					
TOALLAS	1,459,138	112,412	55.00	LICENCIAS, PRESTIGE	WAL MART,
	0	0	0	ELITE, ELEGANCE	SAM'S CLUB, CHEDRAUI
	0	0	0	SAHARA,	COMERCIAL MEXICANA,
	0	0	0	BRIGHT SEASON,	COPPEL, CONTROL
	0	0	0	ROYAL CROWN	LIVERPOOL
	0	0	0	CLASSIC, TRIBUTE	EL PALACIO DE HIERRO
	0	0	0		
FOREIGN SALES					
TOALLAS	809,129	66,652	0	HILASAL Y LAS DE	JC PENNEY'S
	0	0	0	NUESTROS CLIENTES	MARMAXX, MACY'S
TOTAL		179,064			

MEXICAN STOCK EXCHANGE

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HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

SALES DISTRIBUTION BY PRODUCT

NOT CONSOLIDATED

FOREIGN SALES

Final Printing

MAIN PRODUCTS	NET SALES		DESTINATION	MAIN	
	VOLUME	AMOUNT		TRADEMARKS	CUSTOMERS
EXPORT					
TOALLAS	809,129	66,652	ESTADOS UNIDOS	HILASAL Y LAS DE	JC PENNEY'S
	0	0		NUESTROS CLIENTES	MARMAXX, MACY'S
	0	0			
FOREIGN SUBSIDIARIES					
TOTAL		66,652			

NOTES

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

PROJECT, AMOUNT EXERCISED AND PROGRESS
PERCENTAGE

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NOT CONSOLIDATED

Final Printing

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL

QUARTER: 02 YEAR: 2008

HILASAL MEXICANA S.A.B. DE C.V.

INFORMATION RELATED TO BULLETIN B-15
(FOREIGN CURRENCY TRANSLATION)

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NOT CONSOLIDATED

Final Printing

MEXICAN STOCK EXCHANGE

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

QUARTER: 02 YEAR: 2008

ANALYSIS OF PAID CAPITAL STOCK

NOT CONSOLIDATED

Final Printing

SERIES	NOMINAL VALUE	VALID COUPON	NUMBER OF SHARES				CAPITAL STOCK	
			FIXED PORTION	VARIABLE PORTION	MEXICAN	FREE SUBSCRIPTION	FIXED	VARIABLE
A	0.34700	0	20,160,000	109,826,946	129,986,946	38,640,000	7,000	41,417
TOTAL			20,160,000	109,826,946	129,986,946	38,640,000	7,000	41,417

TOTAL NUMBER OF SHARES REPRESENTING THE PAID IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMATION

129,986,946

NOTES

MEXICAN STOCK EXCHANGE

2008 JUN 11 A 7:29 Quarter: 02 Year: 2008

STOCK EXCHANGE CODE: HILASAL
HILASAL MEXICANA S.A.B. DE C.V.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

2008 Second Quarter Report

July, 2008

The corporation implements a new restructure plan.

- **Commentaries of the Quarter
Values US Legal Currency**

Considering the economic recession of United States of America, a weak national market resulted an increase in raw materials and energy materials, and the company implemented a restructure plan that will be considered an increment in price, new product development, development of new marketing strategies and commercialization channels and finally reduction of costs.

The total sales reduced 12.7%

The domestic sales in the national market increase 6.4%.

The exportation sales reduced 36.0%.

- **Resulted Balance 2Q08 vs 2Q07 (April-June)**

The total sales have been affected due the recession of United States of America and the fact of a weak national market. This quarter the sales were lower than 10.3% in volume and 12.7% in dollars, and 19.0% in pesos.

The national sales increased 13.1% in volume and increased 6.4% in dollars, and reduced 1.4% in pesos.

The export sales reduced 38.6% in volume, 36.0% in dollars and 40.4% in pesos, due the fact of less consumers, and considering that during 2007 the initial sale started with a new towel in a department store in United States of America.

The gross profit is pressured as per the increment in cotton price and supplies therefore is located in 19.8% regarding 20.5% in the same period of 2007.

The operational profit represents 0.3% of the sales compared with the 4.3% during the 2Q07.

Integral Cost of Financing

The integral cost of financing was in favor by \$2.6 million pesos during 2Q08 comparing to the \$1.3 million pesos during the 2Q07.

The interests paid increased 0.2% in dollars reducing 6.8% in pesos due the increment of debt and appraisal in pesos regarding U.S. dollars. The sales net interests represented 4.9% comparing 4.3% during the 2Q07. The loan average annual rate was 6.05% in U.S. dollars.

The exchange parity in 2Q08 resulted in profit of \$7.0 Million compared with the loss of \$3.9 Million pesos in the 2Q08.

Taxes to Profit.

It was recognized the tax derived from the Income Tax (ISR).

Net Profit.

The results of this quarter reflect profit of \$942,000 pesos, compared to the \$2.4 million pesos profit of the 2Q07.

- **Last 12 months results 2008 vs 2007 (July - June)**

The total amount of sales reduced 11.7% in volume, 12.0% in dollars and 16.3% in pesos.

The national sales reduced 6.4% in volume, 9.7% in dollars and 14.3% in pesos.

The export sales reduced 19.2% in volume, 15.5% in dollars and 19.2% in pesos.

The gross margin passed from 24.0% to 20.8%.

The general expenses are 18.1% over sales.

The administration expenses improved by reducing 6.4% and are located in 9.3% over sales which is compared to 8.3% in 2007.

Other income and cost, net

In 2007, it will be registered the expenses incurred due the fact of suspension of natural gas supply derived from the attacks to the Pemex Installations and the provisions of the PTU of such fiscal year. During 2008 it will be included an indemnification cost to labor personnel.

Integral Cost of Financing

The integral cost of financing in 2008 represented \$7.3 million pesos comparing \$8.2 million pesos in 2007.

The net interest in sales represents 4.8% in 2008 comparing the 3.9% in 2007.

The exchange parity represented a profit of \$6.8 million pesos in 2008 comparing the \$5.0 million pesos in 2007.

Taxes, PTU and D- 4.

It is registered the Income Tax and differed Income Tax provisions.

Net Profit

The net profit represents an increase of 398,000 which is compared to 18.0 million pesos in 2007.

- **Balance as of June 30th, 2008 vs. June 30th, 2007.**

According to the provisions of the NIF B-10, the period 2008 presents a change in the economic aspect from inflation to non inflation. The comparing effects of numbers in other periods are expressed in pesos as of December 2007. These effects will cause variation when it is compare the numbers in pesos and dollars.

The total assets increased 8.6% in pesos and 0.5% in dollars. The portfolio reduced 24.6% in pesos and 18.6% in dollars. The inventories increased 38.2% in pesos and 49.3% in dollars.

The fixed assets reduced 3.6% in pesos and increased 4.1% in dollars.

The total liabilities increased 9.1% in pesos and 16.9% in dollars due the investments performed in the 2Q08, and adjustment of the working capital to the current sales.

The debt of cost increased 6.0% in pesos and 14.5 in dollars. The debt increased 17.3% and is located in US\$ 23.1 million, having the company a relation of the liability with capital cost of 78.0%.

The accounting capital moved from 322.5 to 305.2 million pesos.

General Issues.

The management of the corporation implemented during this second quarter of the year a restructure plan in order to affront the economic situation that have caused a less demand by the national clients and exports, as per the increment of cotton and the increase in the supplies. This plan will take action in the sales and operation areas of the Company and will have new products and develop new marketing and commercialization channels reducing costs.

END