

# 2005 FOURTH QUARTER AND FULL-YEAR RESULTS

## Stock Listing Information

NYSE (ADR)

Ticker: CX

MEXICAN STOCK EXCHANGE

Ticker: CEMEX.CPO

Ratio of CEMEX.CPO to CX= 10:1

	Fourth quarter <sup>(1)</sup>			January - December <sup>(1)</sup>		
	2005	2004	% Var.	2005	2004	% Var.
Net sales	3,963	2,002	98%	15,321	8,149	88%
Gross profit	1,363	863	58%	6,050	3,563	70%
Operating income	507	414	22%	2,487	1,852	34%
Majority net income	244	334	(27%)	2,112	1,307	62%
EBITDA	901	582	55%	3,557	2,538	40%
Free cash flow	325	200	63%	2,013	1,478	36%

Net debt	8,665	5,588	55%			
Net debt/EBITDA	2.4	2.2				
Interest coverage	6.8	6.8				
Earnings per ADR	0.69	0.99	(30%)	6.10	3.93	55%
Average ADRs outstanding	352.4	339.2	4%	346.0	332.9	4%

In millions of U.S. dollars, except ratios and per-ADR amounts.  
Average ADRs outstanding are presented in millions of ADRs.

**Consolidated net sales** grew to US\$3,963 million, representing an increase of 98% over those of fourth quarter 2004, mainly as a result of the RMC acquisition. Sales increased in most of our markets due to higher cement, ready-mix, and aggregates volumes and a better pricing environment. The infrastructure and residential sectors continue to be the main drivers of cement and ready-mix demand in most of our markets.

**Cost of goods sold and selling, general, and administrative expenses (SG&A)** increased 128% and 91%, respectively, versus the fourth quarter of last year due mainly to the acquisition of RMC. We have mitigated higher energy and electricity costs with our energy program. The aggregate cost of energy and electricity per ton of cement produced for our portfolio increased 12% in 2005 versus 2004.

**EBITDA** was US\$901 million, an increase of 55% over that of fourth quarter 2004, despite worse-than-expected negative impact from seasonality in Europe and several unexpected end-of-year adjustments due to first-time consolidation of RMC. **EBITDA margin** decreased from 29.1% in fourth quarter 2004 to 22.7% in fourth quarter 2005. The margin was positively affected by higher average volumes and better pricing conditions in most markets - compensating for higher energy costs - but also reflects the change in the product mix as a result of the RMC acquisition.

The increase in the **depreciation and amortization expense** in the fourth versus the previous quarters was due mainly to the one-time adjustment resulting from the incremental value of property, plant and equipment, and intangible assets other than goodwill, resulting from the fair-value allocation of the purchase price paid in the acquisition of RMC.

**Gain (loss) on financial instruments** for the quarter was a gain of US\$19 million, resulting mainly from our cross-currency and interest-rate swaps.

**Other expenses, net** increased 47% to US\$281 million. This includes the one-time impact of the change in the pension fund plans from defined benefit to defined contribution and liability management expenses.

**Majority net income** for the quarter decreased 27%, from US\$334 million in fourth quarter 2004 to US\$244 million, and increased 62% for the full year, reaching US\$2,112 million. The decrease in majority net income for the quarter comes mainly from the increased depreciation and amortization expense as well as higher other expenses, net, both explained above.

**Net debt** at the end of the fourth quarter was US\$8,665 million, representing reductions of US\$235 million during the quarter and US\$1,770 million since the end of the first quarter 2005. The **net-debt-to-EBITDA** ratio improved to 2.4 times from 2.6 times at the end of third quarter 2005. **Interest coverage** reached 6.8 times during the quarter, the same ratio as in the same quarter last year, and is up from 6.5 times in third quarter 2005.

(1) Results for fourth quarter 2004 do not include the effect of the RMC acquisition.

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## EBITDA and Free Cash Flow<sup>(1)</sup>

	Fourth quarter			January - December		
	2005	2004	% Var.	2005	2004	% Var.
Operating income	507	414	22%	2,487	1,852	34%
+ Depreciation and operating amortization	394	168		1,070	686	
EBITDA	901	582	55%	3,557	2,538	40%
- Net financial expense	114	92		487	349	
- Capital expenditures	312	192		785	434	
- Change in working capital	2	18		9	86	
- Taxes paid	147	71		256	139	
- Other cash items (net)	(0)	9		7	52	
Free cash flow	325	200	63%	2,013	1,478	36%

In millions of U.S. dollars.

Results for fourth quarter and full-year 2004 do not include the effect of the RMC acquisition.

During the quarter, free cash flow of US\$325 million plus US\$200 million in proceeds from the termination of our equity forwards in September were used primarily to reduce net debt by US\$235 million, US\$145 million for a prepaid equity forward to cover some of the outstanding stock options, and the balance was used to fund several investments and for liability management initiatives.

## Debt-Related Information

	Fourth quarter			Third quarter	Fourth quarter	
	2005	2004	% Var.	2005	2005	2004
Total debt <sup>(2)</sup>	9,478	5,931	60%	9,596	<b>Currency denomination</b>	
Short-term	13%	18%		13%	U.S. dollar	72%
Long-term	87%	82%		87%	Euro	21%
Cash and cash equivalents	601	342	76%	512	British pound	2%
Fair value of cross-currency swaps <sup>(2)</sup>	212	N/A		184	Yen	5%
Net debt <sup>(2)</sup>	8,665	5,588	55%	8,900	Other	0%
					<b>Interest rate</b>	
Interest expense	123	98	26%	141	Fixed	53%
Interest coverage	6.8	6.8		6.5	Variable	47%
Net debt/EBITDA	2.4	2.2		2.6		38%

In millions of U.S. dollars, except ratios.

(1) EBITDA and free cash flow (calculated as set forth above) are presented herein because CEMEX believes that they are widely accepted as financial indicators of its ability to internally fund capital expenditures and to service or incur debt. EBITDA and free cash flow should not be considered as indicators of CEMEX's financial performance, as alternatives to cash flow, as measures of liquidity, or as being comparable to other similarly titled measures of other companies. EBITDA is reconciled above to operating income, which CEMEX considers to be the most comparable measure as determined under generally accepted accounting principles in Mexico (Mexican GAAP). Free cash flow is reconciled to EBITDA. CEMEX is not required to prepare a statement of cash flows under Mexican accounting principles and, as such, does not have such Mexican-GAAP cash-flow measures to present as comparable to EBITDA or free cash flow.

(2) During 2004, the Mexican Institute of Public Accountants issued Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", which became effective beginning January 1, 2005. Bulletin C-10 details and supplements issues related to the accounting of derivative financial instruments. Among other aspects, Bulletin C-10 precludes the presentation of two financial instruments as if they were a single instrument (synthetic presentation). For this reason, beginning this year, CEMEX recognizes the assets and liabilities resulting from the fair value of cross-currency swaps ("CCS") separately from the financial debt, and such debt is presented in the currencies originally negotiated. Starting in 2001, CEMEX has effectively changed the original profile of interest rates and currencies of financial debt associated to CCS, and accordingly, until December 31, 2004, financial debt subject to these instruments was presented in the currencies negotiated in the CCS, through the recognition within debt of a portion of the assets or liabilities resulting from the fair value of such CCS. This reclassification has no impact on stockholders' equity or net income. For presentation purposes in the table above, net debt includes the fair value of CCS associated with debt.

## Equity-Related Information

One CEMEX ADR represents ten CEMEX CPOs. The following amounts are expressed in CPO terms and reflect the two-for-one stock split effective July 1, 2005.

<u>Beginning-of-quarter CPO-equivalent units outstanding</u>	<u>3,522,892,653</u>
Exercise of stock options not hedged	326,815
<u>Less</u> increase (decrease) in the number of CPOs held in subsidiaries	<u>(757,890)</u>
<u>End-of-quarter CPO-equivalent units outstanding</u>	<u>3,523,977,358</u>

Outstanding units equal total shares issued by CEMEX less shares held in subsidiaries.

### Employee long-term compensation plans <sup>(1) (2)</sup>

As of December 31, 2005, executives had outstanding options on a total of 60,057,395 CPOs, with a weighted-average strike price of US\$3.24 per CPO (equivalent to US\$32.42 per ADR). Starting in 2005, CEMEX began offering executives a stock-ownership program. The plan's goal is to move CEMEX's long-term incentives from stock options to programs based on restricted stock. As of December 31, 2005, our executives held 101,832,693 restricted CPOs, representing 2.9% of our total CPOs outstanding.

## Derivative Instruments

CEMEX periodically utilizes derivative financial instruments such as interest-rate and currency swaps, currency forwards and options, and equity derivatives in order to execute its corporate financing strategy and to hedge other obligations as they arise. The following table shows the notional amount for each type of derivative instrument and the aggregate fair market value for all of CEMEX's derivative instruments as of the last day of each quarter presented.

Notional amounts	Fourth quarter <sup>(3)</sup>		Third quarter
	2005	2004	2005
Equity (not prepaid) <sup>(1)</sup>	0	1,157	0
Foreign-exchange	5,427	6,016	4,106
Interest-rate	2,884	2,118	3,487
<u>Estimated aggregate fair market value</u>	<u>433</u>	<u>97</u>	<u>304</u>

In millions of U.S. dollars.

The estimated aggregate fair market value represents the approximate settlement result as of the valuation date, based upon quoted market prices and estimated settlement costs, which fluctuate over time. Fair market values and notional amounts do not represent amounts of cash currently exchanged between the parties; cash amounts will be determined upon termination of the contracts considering the notional amounts and quoted market prices as well as other derivative items as of the settlement date. Fair market values should not be viewed in isolation but rather in relation to the fair market values of the underlying hedge transactions and the overall reduction in CEMEX's exposure to the risks being hedged.

*Note: Mexican GAAP ("Bulletin C-2") requires companies to recognize all derivative financial instruments in the balance sheet as assets or liabilities, at their estimated fair market value, with changes in such fair market values recorded on the income statement. The exceptions to the general rule until December 31, 2004, as they pertained to CEMEX, occurred when transactions were entered into for cash-flow hedging purposes. In such cases, changes in the fair market value of the related derivative instruments were recognized temporarily in equity and were reclassified into earnings as the inverse effects of the underlying hedged items flowed through the income statement. Beginning in 2005, new Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", establishes the framework for hedge accounting and overrides Bulletin C-2 in this respect; however, in respect to cash-flow hedges, the new rules are the same as those applied by CEMEX since 2001. CEMEX has recognized increases in assets and liabilities, which resulted in a net asset of US\$433 million, arising from the fair market value recognition of its derivatives portfolio as of December 31, 2005. The notional amounts of derivatives substantially match the amounts of underlying assets, liabilities, or equity transactions on which the derivatives are being entered into.*

- (1) Until September 27, 2005, the date of pricing of our non-dilutive equity offering and the liquidation of the equity forward contracts that hedged our executive stock-option programs, CEMEX accrued a liability representing the intrinsic value of the stock options. Resulting from the elimination of the economic hedge and given that the potential future appreciation of the stock options is currently not hedged through equity forwards, CEMEX has decided, for purposes of determining its obligations under the stock-option programs, to move from intrinsic value to fair value.*
- (2) As of December 31, 2005, CEMEX had recognized a net liability related to our stock-option programs of approximately US\$102 million. This liability includes the fair value of the options for US\$250 million, net of an investment in a derivative financial instrument of approximately US\$148 million that guarantees us the receipt of cash equivalent to the appreciation of our CPO market price over 25 million CPOs, in order to meet our obligations under our executive stock-option programs. As of December 31, 2005, approximately US\$97 million of our net liability corresponds to the time value of the stock options.*
- (3) Notional amounts and fair market values at the end of fourth quarter 2004 do not include the effect of the RMC acquisition.*

## Other Activities

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### United States and Mexico agree to resolve antidumping order on Mexican cement

On January 19, 2006, officials from the Mexican and U.S. governments reached an agreement in principle that will bring an end to the longstanding dispute over U.S. imports of Mexican cement. Under the agreement, U.S. restrictions will first be eased during a three-year transition and eliminated completely in early 2009.

Following a three-year transition period, the U.S. antidumping order will be revoked, allowing cement from Mexico to enter the United States without duties or other limits on volumes. During the transition, 3 million tons of Mexican cement will be allowed into the United States annually - an increase from current levels - and quantities will be permitted to increase as the market grows during the second and third years of the transition, subject to a 4.5% annual cap. Quota allocations will be specified on a regional basis. The transitional tariff will be lowered to US\$3/ton (from approximately US\$26/ton).

As a result of the settlement, unliquidated historical duties associated with the antidumping order will be shared by the U.S. and Mexican cement industries. CEMEX will receive approximately US\$100 million in cash from this settlement and will also eliminate approximately US\$65 million in liabilities, both of which will positively impact the income statement.

### CEMEX and Lafarge terminate joint ventures in Spain and Portugal

On December 22, 2005, CEMEX announced the termination of its 50/50 ventures with Lafarge in Readymix Asland S.A. (RMA) in Spain and Betecna Betao Pronto S.A. (BETECNA) in Portugal after receiving regulatory approval from the relevant competition authorities. CEMEX's and Lafarge's intent to end their participation in the ventures was originally announced on November 3, 2005.

According to the terms of the agreement, in addition to receiving approximately €50 million in cash in January 2006, CEMEX also receives 29 concrete plants and 5 aggregates quarries from RMA in Spain. The addition of one other aggregates quarry, which would bring the total to 6, remains subject to local regulatory approval.

As a result of the termination of the joint ventures, Lafarge holds 100% of the shares of both RMA and BETECNA.

## Operating Results

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### Mexico

Our Mexican operations' cement volumes increased 5% during the quarter versus fourth quarter 2004, while ready-mix volumes increased 15% over the same period. For the full year, cement volumes increased 1% versus the same period in 2004, while ready-mix volumes increased 15% over the same period. Cement prices were 9% higher in U.S.-dollar terms during the quarter versus the same period a year ago and increased 6% for the full year versus 2004. Ready-mix prices, in U.S.-dollar terms, were 5% higher during full-year 2005 versus 2004.

The main drivers of cement demand during the year were government infrastructure spending - which was fueled in part by oil revenue surplus - and residential construction, which was supported by increased credit availability from commercial banks and non-commercial sources such as INFONAVIT. Cement demand from the self-construction sector remains weak, despite increased disposable income, primarily because the formal sector has attracted customers as a result of the increased availability of financing.

### United States

In CEMEX's U.S. operations, cement volumes increased 8% in fourth quarter 2005 versus the same period a year ago. For the full year 2005, cement volumes increased 6%. On a like-to-like basis for the ongoing operations, cement volumes increased 11% for the quarter and 8% for the full year versus the comparable periods of 2004. Ready-mix volumes increased 181% during the quarter and 177% for the full year due to the consolidation of the RMC operations. On a like-to-like basis for the ongoing operations, ready-mix volumes increased 6% for both the quarter and the year versus the same periods in 2004. Aggregates volume, on a like-to-like basis for the ongoing operations, increased 10% and 12% for the fourth quarter and full year, respectively, over the comparable periods last year.

On a year-over-year basis, cement prices increased 18%, while ready-mix prices increased 25%, and aggregates prices increased 21% during the full year versus 2004.

Construction spending for the first eleven months of 2005 is up 9% versus the comparable period last year. All sectors showed a positive trend during the year. Public spending increased 8% for the first eleven months of 2005, with spending on streets and highways increasing 11% during the same period. Construction spending in the industrial-and-commercial sector grew 7% for the first eleven months of 2005, while spending in the residential sector grew 11% in the same period.

### Spain

Domestic cement volume increased 2% during fourth quarter 2005 over the same quarter in 2004, while ready-mix volume increased 61%. For the full year 2005, cement and ready-mix volumes increased 4% and 57%, respectively, versus the comparable periods in 2004. The main drivers of cement and ready-mix demand continue to be infrastructure spending and residential construction, with housing starts up 5% for the first ten months of the year. The residential sector continues strong, but is moderating its growth rate. Prices in U.S.-dollar terms for domestic cement decreased 3% and increased 6% for the fourth quarter and full year, respectively, versus the comparable periods in 2004.

### United Kingdom

Cement sales volumes in the United Kingdom decreased 4% for the fourth quarter and 2% for the full-year 2005 versus the comparable periods in 2004. Ready-mix volumes decreased 3% and 1% for the quarter and full year, respectively, versus the same periods in 2004. Cement and ready-mix prices increased 7% and 3%, respectively, in U.S.-dollar terms during 2005 versus 2004, offsetting higher fuel and electricity costs.

The UK economy grew at a slower pace than originally forecast at the beginning of 2005, which in turn has reduced cement and ready-mix consumption. The repair, maintenance, and improvement (RMI) sector, together with infrastructure and other public investments, exhibited subdued activity in 2005, and reduced their consumption during the year. The positive contributors during the year were private residential which, although weakening during the year, still made a positive contribution; a positive industrial sector; and a neutral commercial sector.

## Operating Results

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### Rest of Europe

In France, ready-mix volumes increased 6% in the fourth quarter and 6% during the full-year 2005 versus the same periods of 2004. Aggregates volumes increased 5% and 1% in the fourth quarter and for the full year 2005, respectively, versus the comparable periods in 2004. Prices of ready-mix in U.S.-dollar terms increased 3% during the full year versus 2004. Low interest rates and tax incentives have increased the demand for house construction.

In Germany, private and public consumption is still weak, and unemployment remains high. The public-works sector declined in 2005 due to high public debt and limited investments. The market for new residential buildings also dropped in 2005, mainly because of the speculative housing boom in 2004 driven by government housing subsidies. The nonresidential sector increased slightly during the year mainly as a result of activity in retail and store buildings. Cement sales volumes for the quarter declined 8% versus the comparable period of 2004. We are partially offsetting the decline in domestic volumes by increasing our exports from Germany - up 26% in full-year 2005. Ready-mix volumes declined 12% during in 2005 versus 2004. Cement prices in Germany increased 23% in U.S.-dollar terms for the full year versus the same period in 2004.

### South/Central America and Caribbean

Domestic cement volumes in the region increased 23% in the quarter and 19% during the full year versus the same periods of 2004. The Venezuelan economy continues to recover, and with it construction spending. The main sectors contributing to increased cement demand are the infrastructure - fueled by increased oil revenues - and residential (both self-construction and government-sponsored housing) sectors. For the quarter, cement volumes in Venezuela increased 35% versus fourth quarter 2004.

In Colombia, cement volumes grew 25% and 33% during the quarter and full year, respectively, driven mainly by demand in the self-construction sector, which was fueled by stable employment and increased real wages. Public-works spending also showed growth during the year.

### Africa and Middle East

Domestic cement volumes for our operations in Egypt increased 23% during the year as construction activity remains high. The main drivers are the demand for housing and infrastructure as well as oil revenues, which are driving public and private investments. Tourism infrastructure has started to increase as well. Overall, the region's domestic cement volumes during the quarter increased 33% versus the same period in 2004, while average prices in U.S.-dollar terms increased 19%.

### Asia

In aggregate, our cement volumes in the region decreased 3% during the quarter and increased 2% during the full year 2005 versus the same periods of last year. Cement demand in the Philippines declined during the year as a result of political uncertainty translating into a negative construction environment. In Thailand, cement volume enjoyed a mid-single-digit increase during the year driven mainly by housing activity. We saw positive results in Bangladesh during the year as a result of different efficiency initiatives. Average cement prices for our operations in the region increased 10% in U.S.-dollar terms during the full-year 2005 versus 2004.

## Consolidated Income Statement & Balance Sheet

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

### CEMEX S.A. de C.V. AND SUBSIDIARIES

(Thousands of U.S. Dollars, except per ADR amounts)

INCOME STATEMENT	January - December			Fourth quarter		
	2005	2004	% Var.	2005	2004	% Var.
Net Sales	15,320,958	8,149,360	88%	3,962,557	2,002,081	98%
Cost of Sales	(9,271,197)	(4,586,349)	102%	(2,599,091)	(1,138,727)	128%
Gross Profit	6,049,761	3,563,011	70%	1,363,465	863,353	58%
Selling, General and Administrative Expenses	(3,563,102)	(1,711,334)	108%	(856,684)	(449,020)	91%
Operating Income	2,486,659	1,851,677	34%	506,781	414,334	22%
Financial Expenses	(526,168)	(372,230)	41%	(123,274)	(98,027)	26%
Financial Income	39,262	23,421	68%	8,992	6,500	38%
Exchange Gain (Loss), Net	(78,816)	(23,565)	234%	19,477	37,836	(49%)
Monetary Position Gain (Loss)	418,831	385,868	9%	110,467	101,957	8%
Gain (Loss) on Financial Instruments	386,201	119,844	222%	18,717	121,470	(85%)
Total Comprehensive Financing (Cost) Income	239,310	133,339	79%	34,379	169,738	(80%)
Other Expenses, Net	(317,494)	(483,861)	(34%)	(281,432)	(192,032)	47%
Net Income Before Income Taxes	2,408,475	1,501,155	60%	259,729	392,039	(34%)
Income Tax	(330,260)	(183,451)	80%	(59,520)	(51,949)	15%
Employees' Statutory Profit Sharing	1,063	(29,637)	N/A	9,251	(21,846)	N/A
Total Income Tax & Profit Sharing	(329,197)	(213,088)	54%	(50,269)	(73,795)	(32%)
Net Income Before Participation						
of Uncons. Subs. and Ext. Items	2,079,278	1,288,067	61%	209,460	318,244	(34%)
Participation in Unconsolidated Subsidiaries	87,352	40,061	118%	43,965	13,793	219%
Consolidated Net Income	2,166,630	1,328,128	63%	253,425	332,037	(24%)
Net Income Attributable to Min. Interest	55,041	20,932	163%	9,508	(2,347)	N/A
MAJORITY INTEREST NET INCOME	2,111,588	1,307,196	62%	243,916	334,384	(27%)
EBITDA	3,557,099	2,538,260	40%	900,913	581,752	55%
Earnings per ADR	6.10	3.93	55%	0.69	0.99	(30%)

BALANCE SHEET	As of December 31		
	2005	2004	% Var.
Total Assets	26,763,438	17,380,871	54%
Cash and Temporary Investments	601,452	342,327	76%
Trade Accounts Receivables	1,592,667	427,986	272%
Other Receivables	775,526	454,613	71%
Inventories	1,037,183	632,569	64%
Other Current Assets	159,817	94,145	70%
Current Assets	4,166,645	1,951,640	113%
Fixed Assets	15,541,789	9,613,453	62%
Other Assets	7,055,004	5,815,778	21%
Total Liabilities	16,409,631	9,161,228	79%
Current Liabilities	4,113,662	2,412,362	71%
Long-Term Liabilities	8,286,839	4,886,847	70%
Other Liabilities	4,009,130	1,862,019	115%
Consolidated Stockholders' Equity	10,353,808	8,219,644	26%
Stockholders' Equity Attributable to Minority Interest	528,544	388,930	36%
Stockholders' Equity Attributable to Majority Interest	9,825,264	7,830,714	25%

## Consolidated Income Statement & Balance Sheet

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

### CEMEX S.A. de C.V. AND SUBSIDIARIES

(Thousands of Mexican Pesos in real terms as of December 31, 2005

except per ADR amounts)

INCOME STATEMENT	January - December			Fourth quarter		
	2005	2004	% Var.	2005	2004	% Var.
Net Sales	162,708,569	87,061,732	87%	42,082,351	21,388,750	97%
Cost of Sales	(98,460,108)	(48,997,162)	101%	(27,602,350)	(12,165,320)	127%
Gross Profit	64,248,461	38,064,570	69%	14,480,001	9,223,430	57%
Selling, General and Administrative Expenses	(37,840,146)	(18,282,627)	107%	(9,097,988)	(4,796,992)	90%
Operating Income	26,408,315	19,781,942	33%	5,382,013	4,426,438	22%
Financial Expenses	(5,587,902)	(3,976,627)	41%	(1,309,169)	(1,047,246)	25%
Financial Income	416,966	250,213	67%	95,495	69,447	38%
Exchange Gain (Loss), Net	(837,022)	(251,748)	232%	206,850	404,214	(49%)
Monetary Position Gain (Loss)	4,447,980	4,122,324	8%	1,173,163	1,089,235	8%
Gain (Loss) on Financial Instruments	4,101,453	1,280,329	220%	198,771	1,297,700	(85%)
Total Comprehensive Financing (Cost) Income	2,541,475	1,424,491	78%	365,110	1,813,351	(80%)
Other Expenses, Net	(3,371,787)	(5,169,209)	(35%)	(2,988,805)	(2,051,533)	46%
Net Income Before Income Taxes	25,578,002	16,037,224	59%	2,758,318	4,188,256	(34%)
Income Tax	(3,507,362)	(1,959,852)	79%	(632,098)	(554,988)	14%
Employees' Statutory Profit Sharing	11,289	(316,621)	N/A	98,245	(233,383)	N/A
Total Income Tax & Profit Sharing	(3,496,074)	(2,276,474)	54%	(533,853)	(788,371)	(32%)
Net Income Before Participation						
of Uncons. Subs. and Ext. Items	22,081,929	13,760,751	60%	2,224,465	3,399,884	(35%)
Participation in Unconsolidated Subsidiaries	927,677	427,984	117%	466,908	147,351	217%
Consolidated Net Income	23,009,605	14,188,735	62%	2,691,373	3,547,235	(24%)
Net Income Attributable to Min. Interest	584,540	223,624	161%	100,980	(25,073)	N/A
MAJORITY INTEREST NET INCOME	22,425,066	13,965,111	61%	2,590,393	3,572,308	(27%)
EBITDA	37,776,391	27,116,891	39%	9,567,692	6,215,003	54%
Earnings per ADR	64.82	43.74	48%	7.35	10.98	(33%)

BALANCE SHEET	As of December 31		
	2005	2004	% Var.
Total Assets	284,227,716	185,684,365	53%
Cash and Temporary Investments	6,387,425	3,657,166	75%
Trade Accounts Receivables	16,914,120	4,572,289	270%
Other Receivables	8,236,090	4,856,748	70%
Inventories	11,014,882	6,757,894	63%
Other Current Assets	1,697,258	1,005,779	69%
Current Assets	44,249,774	20,849,876	112%
Fixed Assets	165,053,799	102,703,018	61%
Other Assets	74,924,143	62,131,472	21%
Total Liabilities	174,270,280	97,871,776	78%
Current Liabilities	43,687,092	25,771,889	70%
Long-Term Liabilities	88,006,226	52,207,453	69%
Other Liabilities	42,576,962	19,892,434	114%
Consolidated Stockholders' Equity	109,957,436	87,812,590	25%
Stockholders' Equity Attributable to Minority Interest	5,613,142	4,155,040	35%
Stockholders' Equity Attributable to Majority Interest	104,344,294	83,657,550	25%

## Operating Summary per Country

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

In thousands of U.S. dollars

NET SALES	January - December			Fourth quarter		
	2005	2004	% Var.	2005	2004	% Var.
Mexico	3,176,301	2,920,055	9%	817,247	720,645	13%
U.S.A.	4,040,181	1,959,174	106%	1,042,993	503,260	107%
Spain	1,486,216	1,358,543	9%	370,196	336,071	10%
United Kingdom	1,526,993	N/A	N/A	416,012	N/A	N/A
Rest of Europe	2,673,293	N/A	N/A	749,485	N/A	N/A
South / Central America and Caribbean	1,315,849	1,246,945	6%	326,588	290,781	12%
Africa and Middle East	534,572	190,734	180%	145,433	46,503	213%
Asia	297,077	194,813	52%	77,603	47,559	63%
<i>Others and intercompany eliminations</i>	<i>270,476</i>	<i>279,096</i>	<i>(3%)</i>	<i>17,001</i>	<i>57,262</i>	<i>(70%)</i>
<b>TOTAL</b>	<b>15,320,958</b>	<b>8,149,360</b>	<b>88%</b>	<b>3,962,557</b>	<b>2,002,081</b>	<b>98%</b>

### GROSS PROFIT

Mexico	1,722,226	1,657,077	4%	434,622	399,685	9%
U.S.A.	1,543,589	658,869	134%	396,977	180,107	120%
Spain	542,057	503,246	8%	128,336	127,821	0%
United Kingdom	472,106	N/A	N/A	101,336	N/A	N/A
Rest of Europe	943,385	N/A	N/A	150,973	N/A	N/A
South / Central America and Caribbean	443,920	552,495	(20%)	102,093	118,326	(14%)
Africa and Middle East	192,762	99,651	93%	42,497	23,931	78%
Asia	99,918	83,253	20%	25,264	20,466	23%
<i>Others and intercompany eliminations</i>	<i>89,797</i>	<i>8,420</i>	<i>967%</i>	<i>(18,632)</i>	<i>(6,982)</i>	<i>167%</i>
<b>TOTAL</b>	<b>6,049,761</b>	<b>3,563,011</b>	<b>70%</b>	<b>1,363,465</b>	<b>863,353</b>	<b>58%</b>

### OPERATING INCOME

Mexico	1,124,185	1,105,934	2%	282,335	242,583	16%
U.S.A.	741,086	302,707	145%	151,990	87,350	74%
Spain	358,828	331,522	8%	86,947	78,953	10%
United Kingdom	52,000	N/A	N/A	(18,968)	N/A	N/A
Rest of Europe	188,320	N/A	N/A	(841)	N/A	N/A
South / Central America and Caribbean	251,142	378,430	(34%)	60,430	72,734	(17%)
Africa and Middle East	112,310	57,613	95%	31,837	12,123	163%
Asia	39,038	29,479	32%	8,744	6,950	26%
<i>Others and intercompany eliminations</i>	<i>(380,250)</i>	<i>(354,009)</i>	<i>7%</i>	<i>(95,694)</i>	<i>(86,359)</i>	<i>11%</i>
<b>TOTAL</b>	<b>2,486,659</b>	<b>1,851,677</b>	<b>34%</b>	<b>506,781</b>	<b>414,334</b>	<b>22%</b>

Due to the standardization effort currently underway in the RMC operations, some expenses have been reclassified between cost of sales and SG&A during the quarter and the full year. This reclassification is being done only in the new operations, and has no effect on operating income or EBITDA.

## Operating Summary per Country

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

EBITDA in thousands of US dollars. EBITDA margin as a percentage of net sales

EBITDA	January - December			Fourth quarter		
	2005	2004	% Var.	2005	2004	% Var.
Mexico	1,279,948	1,263,745	1%	319,396	281,814	13%
U.S.A.	1,015,088	462,189	120%	270,376	129,653	109%
Spain	437,730	417,973	5%	107,300	100,396	7%
United Kingdom	147,371	N/A	N/A	27,229	N/A	N/A
Rest of Europe	352,168	N/A	N/A	87,855	N/A	N/A
South / Central America and Caribbean	381,663	496,836	(23%)	93,040	102,816	(10%)
Africa and Middle East	148,324	87,147	70%	37,296	18,886	97%
Asia	60,042	54,937	9%	13,799	12,241	13%
<i>Others and intercompany eliminations</i>	<i>(265,234)</i>	<i>(244,567)</i>	<i>8%</i>	<i>(55,377)</i>	<i>(64,056)</i>	<i>(14%)</i>
<b>TOTAL</b>	<b>3,557,099</b>	<b>2,538,260</b>	<b>40%</b>	<b>900,913</b>	<b>581,752</b>	<b>55%</b>

### EBITDA MARGIN

Mexico	40.3%	43.3%	39.1%	39.1%
U.S.A.	25.1%	23.6%	25.9%	25.8%
Spain	29.5%	30.8%	29.0%	29.9%
United Kingdom	9.7%	N/A	6.5%	N/A
Rest of Europe	13.2%	N/A	11.7%	N/A
South / Central America and Caribbean	29.0%	39.8%	28.5%	35.4%
Africa and Middle East	27.7%	45.7%	25.6%	40.6%
Asia	20.2%	28.2%	17.8%	25.7%
<b>CONSOLIDATED MARGIN</b>	<b>23.2%</b>	<b>31.1%</b>	<b>22.7%</b>	<b>29.1%</b>

Due to the standardization effort currently underway in the RMC operations, some expenses have been reclassified between cost of sales and SG&A during the quarter and the full year. This reclassification is being done only in the new operations, and has no effect on operating income or EBITDA.

## Volume Summary

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

### Consolidated volume summary

Cement and aggregates: Thousands of metric tons

Ready-mix: Thousands of cubic meters

	January - December			Fourth quarter		
	2005	2004	% Var.	2005	2004	% Var.
Consolidated cement volume	80,568	65,758	23%	20,699	16,266	27%
Consolidated ready-mix volume	69,520	23,893	191%	18,588	5,993	210%
Consolidated aggregates volume	160,067	44,832	257%	42,271	10,743	293%

### Per-country volume summary <sup>(1)</sup>

	January - December		Fourth quarter	Fourth quarter 2005 Vs.
	2005 Vs.	2004	2005 Vs. 2004	Third quarter 2005
<b>DOMESTIC CEMENT VOLUME</b>				
Mexico	1%		5%	4%
U.S.A.	6%		8%	(9%)
Spain	4%		2%	0%
United Kingdom	N/A		N/A	(10%)
Rest of Europe	N/A		N/A	(20%)
South / Central America and Caribbean	19%		23%	5%
Africa and Middle East	23%		33%	(14%)
Asia	2%		(3%)	(6%)

#### READY-MIX VOLUME

Mexico	15%		15%	4%
U.S.A.	177%		181%	(18%)
Spain	57%		61%	(3%)
United Kingdom	N/A		N/A	(9%)
Rest of Europe	N/A		N/A	(9%)
South / Central America and Caribbean	31%		55%	(4%)
Africa and Middle East	N/A		N/A	N/A
Asia	N/A		N/A	N/A

#### AGGREGATES VOLUME

Mexico	4%		12%	12%
U.S.A.	112%		121%	(12%)
Spain	70%		78%	(10%)
United Kingdom	N/A		N/A	(10%)
Rest of Europe	N/A		N/A	(13%)
South / Central America and Caribbean	22%		22%	(13%)
Africa and Middle East	N/A		N/A	N/A
Asia	N/A		N/A	N/A

1) Includes only the month of March in first quarter 2005 for RMC operations.

## Price Summary

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

### Variation in US Dollars <sup>(1)</sup>

DOMESTIC CEMENT PRICE	January - December	Fourth quarter	Fourth quarter 2005 Vs.
	2005 Vs. 2004	2005 Vs. 2004	Third quarter 2005
Mexico	6%	9%	(0%)
U.S.A.	18%	17%	2%
Spain	6%	(3%)	(2%)
United Kingdom	N/A	N/A	(2%)
Rest of Europe <sup>(2)</sup>	N/A	N/A	1%
South / Central America and Caribbean <sup>(2)</sup>	(11%)	(13%)	(3%)
Africa and Middle East <sup>(2)</sup>	21%	19%	2%
Asia <sup>(2)</sup>	10%	6%	(0%)

### READY-MIX PRICE

Mexico	5%	5%	1%
U.S.A.	25%	21%	5%
Spain	4%	(6%)	0%
United Kingdom	N/A	N/A	(2%)
Rest of Europe <sup>(2)</sup>	N/A	N/A	(0%)
South / Central America and Caribbean <sup>(2)</sup>	4%	(0%)	0%
Africa and Middle East <sup>(2)</sup>	N/A	N/A	N/A
Asia <sup>(2)</sup>	N/A	N/A	N/A

### AGGREGATES PRICE

Mexico	(5%)	(12%)	5%
U.S.A.	21%	25%	8%
Spain	16%	(0%)	(9%)
United Kingdom	N/A	N/A	(2%)
Rest of Europe <sup>(2)</sup>	N/A	N/A	2%
South / Central America and Caribbean <sup>(2)</sup>	7%	9%	11%
Africa and Middle East <sup>(2)</sup>	N/A	N/A	N/A
Asia <sup>(2)</sup>	N/A	N/A	N/A

1) Includes only the month of March in first quarter 2005 for RMC operations.

2) Volume weighted-average price.

## Price Summary

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC.

### Variation in Local Currency <sup>(1)</sup>

DOMESTIC CEMENT PRICE	January - December	Fourth quarter	Fourth quarter 2005 Vs.
	2005 Vs. 2004	2005 Vs. 2004	Third quarter 2005
Mexico <sup>(2)</sup>	(2%)	(1%)	(2%)
U.S.A.	18%	17%	2%
Spain	6%	7%	(0%)
United Kingdom	N/A	N/A	(0%)

### READY-MIX PRICE

Mexico <sup>(2)</sup>	(3%)	(4%)	(1%)
U.S.A.	25%	21%	5%
Spain	5%	5%	2%
United Kingdom	N/A	N/A	(0%)

### AGGREGATES PRICE

Mexico <sup>(2)</sup>	(13%)	(19%)	3%
U.S.A.	21%	25%	8%
Spain	17%	10%	(7%)
United Kingdom	N/A	N/A	(0%)

1) Includes only the month of March in first quarter 2005 for RMC operations.

2) In constant Mexican pesos as of December 31, 2005.

## Definition of Terms and Disclosures

### Methodology for consolidation and presentation of results

CEMEX consolidates its results in Mexican pesos under Mexican generally accepted accounting principles (GAAP). For the reader's convenience, U.S. dollar amounts for the consolidated entity are calculated by converting the constant Mexican peso amounts at the end of each quarter using the period-end MXN/USD exchange rate for each quarter. The exchange rates used to convert results for fourth quarter 2005, third quarter 2005, and fourth quarter 2004 are 10.62, 10.76, and 11.14 Mexican pesos per U.S. dollar, respectively. CEMEX's weighted-average inflation factor between December 31, 2004, and December 31, 2005, was -4.1%.

Per-country/region figures are presented in U.S. dollars for the reader's convenience. In the consolidation process, each country's figures (except those of CEMEX Mexico) are converted to U.S. dollars and then to Mexican pesos under Mexican GAAP. Figures presented in U.S. dollars for Mexico, Spain, and the United Kingdom as of December 31, 2005, and December 31, 2004, can be converted into their original local currency amount by multiplying the U.S.-dollar figure by the corresponding exchange rate provided below.

To convert December 31, 2004, U.S.-dollar figures for Mexico to constant Mexican pesos as of December 31, 2005, it is necessary to first convert the December 31, 2004, U.S.-dollar figure to Mexican pesos using the exchange rate provided below, and then multiply the resulting amount by 1.0320, the inflation-rate factor between December 31, 2004, and December 31, 2005.

Exchange rate	December 31	
	2005	2004
Mexican peso	10.62	11.14
Euro	0.84	0.74
British pound	0.58	0.52

Amounts provided in units of local currency per U.S. dollar.

### Breakdown of regions

The *South/Central America and Caribbean* region includes CEMEX's operations in Argentina, Colombia, Costa Rica, the Dominican Republic, Jamaica, Nicaragua, Panama, Puerto Rico, and Venezuela, as well as our trading operations in the Caribbean region.

*Rest of Europe* includes operations in Austria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Latvia, Norway, Poland, Portugal, and Sweden.

*Africa and Middle East* includes operations in Egypt, Israel, and the United Arab Emirates.

The *Asia* region includes operations in Bangladesh, Malaysia, the Philippines, Taiwan, and Thailand.

### Definition of terms

**EBITDA** equals operating income plus depreciation and operating amortization.

**Free cash flow** equals EBITDA minus net interest expense, capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation).

**Capital expenditures** consist of maintenance and expansion spending on our cement, ready-mix, and other core businesses in existing markets.

**Working capital** equals operating accounts receivable (including other current assets received as payment in kind) plus historical inventories minus operating payables.

**Net debt** equals total debt minus the fair value of cross-currency swaps associated with debt minus cash and cash equivalents (please refer to footnote 2 on the second page of this report for further details).

**Interest coverage** is calculated by dividing EBITDA for the last twelve months by interest expense for the last twelve months.

**Net debt/EBITDA** is calculated by dividing net debt at the end of the quarter by EBITDA for the last twelve months. This ratio includes CEMEX's EBITDA for the last twelve months plus the estimated EBITDA of RMC for the last twelve months (please refer to footnote 2 on the second page of this report for further details).

### Earnings per ADR

The number of average ADRs outstanding used for the calculation of earnings per ADR was 352.4 million for the fourth quarter 2005 and 346.0 million for the full-year 2005, 339.2 million for fourth quarter 2004 and 332.9 million for the full-year 2004.

## Definition of Terms and Disclosures

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### Effect of the purchase of RMC on our financial statements

The acquisition of RMC was concluded on March 1, 2005. The processes to allocate the purchase price paid for RMC's shares of approximately US\$4.2 billion, including other direct purchase costs and the proceeds from the sale of some assets, to the fair values of the assets acquired and liabilities assumed, began during March 2005 concurrent with the assumption of control by CEMEX and was undertaken through the year. As of December 31, 2005, CEMEX is close to complete the overall process in terms of determining the fair values of the net assets of RMC, including acquired intangible assets. Therefore, as of December 31, 2005, the difference between the purchase price paid and the fair values of RMC's net assets as of March 1, 2005, which represented a goodwill of approximately US\$1.2 billion, is a reasonable estimate of the final amount that would prevail after completion of the allocation process during the first quarter of 2006. At this stage, our only pending issue is to conclude if any portion of goodwill should be further allocated to other intangible assets.

As most of the fair value adjustments were determined during the fourth quarter of 2005, the increase in the depreciation and amortization expense in the fourth quarter versus the previous quarters was mainly due to the incremental value of Property, Plant and Equipment and Intangible Assets, others than goodwill, resulting from the fair value allocation of the purchase price paid in the acquisition of RMC.