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1999 Second Quarter Results

EBITDA Increases 27% and Cash Earnings 39% in US Dollar Terms

- Net sales increased 7% in real terms to Ps.11.288 billion during the second quarter of 1999 versus the same quarter of 1998. In dollar terms, net sales increased 14% in the second quarter to US\$1.198 billion.
- Operating margin was 32.1% during the second quarter, versus 27.4% for the year ago period. Operating income increased 25% to Ps.3.624 billion (US\$385 million) in the second quarter 1999.
- EBITDA increased 20% in real terms during the second quarter to Ps.4.373 billion. In dollar terms, EBITDA grew 27% to US\$464 million during the second quarter as compared to US\$365 million during the same period a year ago. EBITDA, with respect to the CEMEX Group, equals operating income before amortization expense plus depreciation. Amortization of goodwill is not included in operating income, but instead recorded in other income (expense) below the operating line. EBITDA does not include certain extraordinary income and expenses, which are not included in operating income under Mexican GAAP.
- Cash earnings (EBITDA less net interest expense) in the second quarter grew 31% in real terms versus the prior year, to Ps.3.328 billion (Ps.5.38 per ADR), or 39% in dollar terms to US\$353 million (US\$0.58 per ADR). The ADR ratio is 2:1 per ordinary share. Excluding shares held in trust for equity swaps, the average number of ordinary shares outstanding during the quarter totaled 1,238 million.
- Majority net income during the second quarter of 1999 increased 28% to Ps.2.357 billion (including monetary position gains of Ps.868 million) or US\$250 million. Majority net income during the same period in 1998 was Ps. 1.841 billion (including monetary position gains of Ps. 1.331 billion) or US\$184 million.
- Earnings per ADR in the second quarter was Ps.3.80 (US\$0.40), versus Ps.3.02 (US\$0.30) during the same period a year ago.
- For the second quarter of 1999 Free Cash Flow totaled Ps.2.553 billion (Ps.4.12 per ADR), a 106% increase from the same period of last year. In dollar terms, free cash flow grew 119% to US\$271 million (US\$0.44 per ADR).
- Interest plus Preferred dividend coverage (EBITDA before operating lease payments and cost restatements for inflation divided by interest expense plus dividend on Preferred Capital Securities) was 3.33 times for the trailing twelve months versus 2.75 times a year ago. Leverage as defined by Net Debt to Trailing Twelve Month EBITDA declined to 2.98 times, versus 3.50 times at the end of the second quarter of 1998.
- Net debt (on-balance sheet debt plus equity obligations minus cash and cash equivalents) was US\$4.930 billion at the end of the second quarter of 1999. Net debt increased US\$246 million as compared to the second quarter of 1998, mainly as a result of the acquisition of APO Cement and consolidation of Rizal Cement in the first quarter of 1999 and the consolidation of APO Cement in the second quarter of 1999.
- CEMEX consolidated cement volumes increased 6% in the second quarter (domestic volumes increased 7% and export volumes decreased 5%), while ready-mix volumes decreased 10%.

Consolidated Results (in real terms)

Monterrey, N.L., Mexico, July 20, 1999, CEMEX, S.A. de C.V. (OTC: CMXBY) announced today second quarter 1999 results:

Net sales increased 7% in real terms to Ps.11.288 billion during the second quarter of 1999 versus the same quarter of 1998. Of the 7% increase, 3 percentage points were due to the consolidation of Rizal Cement and APO Cement of the Philippines, and the rest was attributable to strong pricing and higher domestic demand in many of the Company's markets. In dollar terms, net sales increased 14% in the second quarter to US\$1.198 billion.

North America represented 59% of second quarter net sales, South America & the Caribbean 21% and Europe and Asia 20%.

CEMEX **consolidated cement volumes** increased 6% in the second quarter (domestic volumes increased 7% and export volumes decreased 5%), while **ready-mix volumes** decreased 10%.

Operating income increased 25% in real terms to Ps.3.624 billion for the quarter and increased 33% in dollar terms to US\$385 million. **Operating margin** in the second quarter increased to 32.1% from 27.4% last year, attributable to strong pricing, increase in volumes and lower costs.

EBITDA in the quarter was Ps.4.373 billion, an increase of 20% in real terms over the second quarter of 1998. In dollar terms, EBITDA reached US\$464 million, a 27% increase over the US\$365 million reported during last year's second quarter. **EBITDA margin** was 38.7% in the quarter versus 34.7% in the second quarter of 1998.

In the second quarter, North America represented 66% of total EBITDA, South America & the Caribbean 15% and Europe and Asia 19%.

Cash earnings (EBITDA less net financial expenses) were Ps.3.328 billion (Ps.5.38 per ADR) in the quarter, 31% higher in real terms. In dollar terms, cash earnings increased 39% to US\$353 million (US\$0.58 per ADR) from the second quarter of 1998.

Second quarter **interest expense** was Ps.1.103 billion, a 9% decrease over the same period in 1998. In dollar terms, interest expenses were US\$117 million, a 3% decrease versus the second quarter of 1998.

Net Foreign Exchange Gain (Loss) in the second quarter was a gain of Ps.111 million, a significant change versus the loss of Ps. 463 million reported during the second quarter of 1998, principally due to the strength of the Mexican Peso versus the US Dollar during the second quarter 1999.

A **net monetary position gain** of Ps.868 million was recognized during the second quarter, a decrease of 35% in real terms versus the comparable period a year earlier. The weighted average inflation factor used in the second quarter to calculate the net monetary position gain was 2.11%.

Other Expenses and Income was an expense of Ps.864 million versus an expense of Ps.484 million during the second quarter of 1998. This increase was mainly attributable to a non-cash impairment charge of Ps.290 million for certain operating assets in Mexico and Colombia. In cash, this account reflected an expense in the second quarter of 1999 of Ps.136 million (US\$14 million).

Cash tax paid during the second quarter of 1999 was approximately Ps.215 million (US\$21 million). The **total effective tax rate** was 11% in the quarter.

Minority interest declined 41% to Ps.99 million in the quarter in real terms from Ps.169 million in the second quarter of 1998, due principally to losses in the Colombian operations.

North America Region

Mexico (Constant Pesos)

In the following section we analyze the results of our businesses in Mexico on a proforma basis, but only the operational aspects as a business unit rather than an independent company. For this reason we do not analyze the remaining items in the financial statements and these figures are not included in the tables.

Beginning in 1999, CEMEX-Mexico's results will only include cement and cement related activities. In the past, CEMEX-Mexico's results included the tourism business, which is being held for divestment. Tourism results are presented within CEMEX's consolidated results. CEMEX-Mexico's historic proforma results excluding tourism business are available upon request.

Net sales during the second quarter were Ps.5.236 billion, an increase of 9% compared with the equivalent period in 1998 due primarily to stronger domestic cement volumes and prices. In dollar terms, net sales increased 22% to US\$556 million.

Domestic grey cement volume increased 4.3% in the second quarter of 1999 versus 1998. During the second quarter, domestic cement volumes continued to grow due to solid demand from the self-construction sector. This sector represents approximately 40% of the total cement consumption in Mexico.

Ready-mix volumes, which are mainly tied to private investment, continue to underperform and declined 1% in the second quarter versus the same period a year ago. The combination of high real interest rates and scarce commercial credit have been limiting factors on investment and economic growth.

CEMEX's **average realized grey cement price** (invoice) in Mexico during the second quarter increased 5% versus the second quarter of 1998 in constant peso terms. In dollar terms, prices rose 15% versus the same period a year ago.

The **average ready-mix price** increased 5% in constant peso terms and increased 14% in dollar terms over the second quarter 1998.

Total export volumes increased 9% during the quarter compared with the second quarter of 1998. Exports from Mexico during the quarter were distributed as follows:

North America: 46% The Caribbean: 31% Central/South America: 23%

The **average cash cost of goods sold** per ton in the second quarter of 1999 decreased 5% in constant peso terms versus the second quarter of 1998. The 3% reduction in variable costs was primarily due to lower electricity and other miscellaneous costs. The 8% reduction in fixed costs was lead by lower maintenance costs. In dollar terms, cash costs increased 6% versus the year ago period.

Operating income was Ps.2.456 billion, 18% higher than the same quarter a year ago. **Operating margin** in Mexico increased to 46.9% during the period from 43.2% in 1998.

EBITDA in Mexico increased 15% in constant peso terms to Ps.2.751 billion in the second quarter and in dollar terms grew 29% to US\$292 million. **EBITDA margin** was 52.5% in the second quarter of 1999 versus 49.7% a year ago.

United States (US Dollars)

For analysis purposes, CEMEX USA's figures are presented in dollars. In the consolidation process, CEMEX USA's figures are converted into pesos and to Mexican GAAP. Cement and aggregate volumes and prices have been converted from short tons to metric tons using 1.102311 short tons per metric ton, and ready-mix volumes from cubic yards to cubic meters using 1.3079 cubic yards per cubic meter.

Net sales in the United States operations during the second quarter of 1999 were US\$155 million, a 14% increase over the same period a year ago from stronger prices and volumes for cement.

Cement sales volume increased by 21% during the second quarter of 1999 as compared to the same period in 1998. This increase was supported by better weather conditions in our three main markets of California, Arizona and Texas. Highway construction, commercial development and housing continue to drive volumes. **Ready-mix volumes** decreased 2% and **aggregates volumes** increased 20% over the same period a year ago.

Average realized cement prices increased 6% in the second quarter versus the same period in 1998 as local cement producers are operating at capacity. **Average ready-mix prices** during the quarter increased 8% versus a year ago, while the **average price of aggregates** increased 12%.

Operating margin increased to 21.7% in the second quarter from 15.0% in 1998 due to a more favorable pricing environment and lower operating costs as a percentage of sales.

Operating income in the second quarter of 1999 was US\$34 million, 65% higher than the second quarter of 1998.

EBITDA increased 54% to US\$38 million from US\$25 million for the same period a year ago. **EBITDA margin** increased to 24.5% from 18.1% in the in the second quarter of 1998.

South America & the Caribbean Region

Venezuela (Constant Bolivars)

For analysis purposes, Vencemos' figures are presented in constant Bolivars considering Venezuelan inflation. When consolidated into CEMEX's results, these figures are converted into Dollars and then into Pesos and Mexican GAAP.

In 1998, Vencemos began consolidating its majority interest in Cementos Nacionales of the Dominican Republic. Vencemos completed the purchase of 100% of Cementos Nacionales in December of 1998, requiring full consolidation of results. Vencemos' historic proforma results including Cementos Nacionales are available upon request.

During the second quarter of 1999, **net sales** in Vencemos were Bs.102.257 billion. This represents a 3% decrease in constant Bolivar terms over the same period in 1998 and was due primarily to lower prices in constant Bolivar terms as well as lower domestic cement volumes. In dollar terms, net sales increased 10% to US\$169 million for the same period.

Venezuela **domestic cement volume** decreased 19% in the quarter compared to the second quarter of 1998, as economic and political uncertainty continue to inhibit private investment and economic growth. **Ready-mix volumes** decreased 18%.

The volume of **exports** from Venezuela grew 48% during the second quarter as compared to same period a year ago and in the period comprised 55% of total sales volumes versus 41% a year ago. Exports during the quarter were distributed as follows:

North America: 55% The Caribbean & Central America: 40% South America: 5%

Venezuela **domestic cement prices** and **ready-mix prices** decreased by 1% and 4% respectively, in constant Bolivar terms, when compared with the second quarter of 1998. In dollar terms, cement and ready-mix prices increased 11% and 8%, respectively, as inflation between June 1998 and June 1999 was approximately 24%, while the Bolivar devalued only 10% during the period.

The average **cash cost of goods sold** per ton in Venezuela increased 1% in constant Bolivar terms in the second quarter of 1999 compared to the second quarter of 1998. Fixed costs per ton increased 2% due primarily to higher salaries. Variable costs per ton decreased 2% as lower maintenance and raw material costs offset higher natural gas costs. In dollar terms, the cash cost per ton increased 13% versus the same period a year ago.

Operating margin for Vencemos consolidated decreased to 26.0% in the second quarter from 32.2% in the prior year. **Operating income** was Bs.26.553 billion, 22% lower in constant Bolivar terms than the second quarter last year.

For Vencemos, **EBITDA** was Bs.33.387 billion for the quarter, a 20% decrease over the same period in 1998. In dollar terms, EBITDA decreased 10% to US\$55 million. The **EBITDA margin** was 32.6% in the second quarter of 1999 versus 39.8% in 1998.

Colombia (Colombian pesos)

For analysis purposes, figures for 1999 are presented in nominal Colombian Pesos, whereas figures for 1998 are presented in constant terms in accordance with recent modifications to Colombian GAAP. When consolidated into CEMEX's results, these figures are converted into dollars and then into Mexican pesos and Mexican GAAP.

Net sales of the Colombian operations, in constant Colombian pesos, were CPs. 74.445 billion (US\$43 million), 37% lower as compared to the second quarter of 1998.

Unfavorable economic conditions continue to impact the Colombian construction sector where cement demand remains depressed. **Domestic grey cement volume** decreased 51% in the second quarter of 1999 versus 1998, while **ready-mix volumes** decreased 58%.

CEMEX's **average realized grey cement price** (invoice) in Colombia during the second quarter increased 41% versus the second quarter of 1998 in constant peso terms. In dollar terms, prices were 30% higher versus the same period a year ago.

The **average ready-mix price** increased 8% in constant Colombian peso terms and decreased 1% in dollar terms over the second quarter 1998.

The **average cash cost of goods sold** per ton in the second quarter of 1999 decreased 24% in constant Colombian peso terms versus the second quarter of 1998. The 23% reduction in variable costs was primarily due to lower raw material and fuel costs, while the 26% reduction in fixed costs was lead by lower labor and spare part costs. In dollar terms, cash costs decreased 34% versus the year ago period.

Operating margin was 21.9% in the second quarter on an **operating profit** of CPs.16.301 billion. This compares to an operating margin of (2.7)% and operating loss of CPs. 3.139 billion a year ago.

EBITDA was CPs. 26.924 billion (US\$16 million) in the second quarter of 1999, a increase of 49% versus the same period in 1998. **EBITDA margin** increased from 15.3% last year to 36.2% in the second quarter of 1999.

Europe and Asia Region

Spain (Pesetas)

For analysis purposes, Spanish results are presented in pesetas. When consolidated into CEMEX's results, these figures are converted into dollars and then into pesos under Mexican GAAP.

The Spanish operations reported **net sales** of Ptas.33.378 billion during the second quarter, a 1% increase compared with the same period in 1998. This increase was due primarily to stronger prices and growth in domestic cement. Considering the sale of the Andalusian assets in November, on a like-like basis sales grew 16% versus the same period in 1998 in peseta terms.

Domestic cement volume increased 6% while **ready-mix volume** decreased 12% during the second quarter of 1999 compared to the same period of 1998. Considering the sale of the Andalusian assets in November, on a like-like basis domestic cement volume increased 22%, whereas ready-mix volume grew 19% versus the same period in 1998. Despite the Euro's weakness, the Spanish economy continues to perform very well and is one of the most solid economies in the European Union. GDP continues to increase, unemployment remains very low and the public deficit is in check. The construction sector has been very strong, driven primarily by housing, industrial projects and government spending on infrastructure projects.

Exports from CEMEX Spain decreased 38% in the second quarter compared to the second quarter of 1998, distributed as follows:

North America: 72% Europe & the Middle East: 21% Africa: 7%

The average **domestic price for cement** increased 3% in peseta terms, when compared with the same period of the previous year, and decreased 2% in dollar terms due to the depreciation of the Peseta. The **average price for ready-mix** during the period increased 8% in peseta terms and increased 3% in dollar terms.

The average **cash cost of goods sold** per ton decreased 6%, in Peseta terms, in the second quarter of 1999 versus 1998. Fixed costs per ton remained stable, while variable costs per ton decreased by 10% in Peseta terms due primarily to lower raw material and energy costs. In dollar terms the cash cost of goods sold per ton decreased 10% year over year.

Operating income in the second quarter was Ptas.11.313 billion, 21% higher than in 1998. **Operating margin** was 33.9% as compared to 28.1% in the same period a year ago.

EBITDA increased 14% year over year to Ptas.13.733 billion. In dollar terms, EBITDA grew 8% to US\$85 million in the second quarter of 1999, while **EBITDA margin** increased to 41.1% versus 36.4% a year earlier. Considering the sale of the Andalusian assets in November, on a like-like basis EBITDA grew 29% versus the same period in 1998 in peseta terms.

Philippines

For analysis purposes, Philippine results are presented in Philippine pesos. When consolidated into CEMEX's results, these figures are converted into dollars and then into Mexican pesos under Mexican GAAP.

Note: As of the second quarter of 1999, the Philippines section includes the combined results of Rizal Cement and APO Cement. Financial statements for the Philippines include APO results for the first and second quarter.

Net sales in the second quarter of 1999 were PHP. 1.178 billion, 3% lower versus the first quarter of 1999, as higher prices were offset by lower volumes.

Average domestic prices continue to recover versus last year and increased 36% in dollar terms versus the first quarter of 1999. Construction activity has been mainly driven by government spending while private investment continues to lag. The economy has been recovering partially due to the agricultural sector which has been stronger than expected while industrial production has been slower.

Operating income increased to PHP. 100 million in the second quarter of 1999 versus a loss of PHP. 150 million in the first quarter of 1999. **Operating margin** was 8.5% as compared to (12.4)% in the first quarter of 1999.

Cost of sales decreased 23% compared to the first quarter due to the optimization of operations and increased usage of the more efficient capacity of the APO plant. Variable costs have been lower this quarter due to the change in the production utilization mix between the Rizal and APO facilities.

EBITDA in the second quarter of 1999 was PHP. 334 million, representing a 209% increase versus the first quarter of 1999. In dollar terms, EBITDA was US\$9 million in the second quarter of 1999. **EBITDA margin** was 28.4% in the second quarter of 1999 versus 8.9% in the first quarter of 1999.

Financial Position and Activities

	<u>06/30/99</u>	<u>03/31/99</u>	<u>06/30/98</u>
Interest Coverage (LTM)	3.33	3.12	2.75
Interest Expense plus Cash Tax Coverage (LTM)	2.96	2.92	2.47
Leverage (Net Debt / EBITDA –LTM-)	2.98	3.16	3.50
Net Debt (USD billion)	4.930	4.956	4.684
Total Debt plus Equity Obligations (USD billion)	5.296	5.332	5.008
On-Balance Sheet Debt (USD billion)	4.546	4.582	4.258
Equity Obligations (USD million)	750	750	750
Short Term Debt	24%	26%	12%
Long Term Debt	76%	74%	88%
Denomination	96% USD, 3% Ptas, 1% PHP	98% USD, 1% Ptas	95% USD, 4% Ptas, 1% Col. Pesos
Average Cost	7.8% USD, 3.1% Ptas, 14.5% PHP	7.9% USD, 3.8% Ptas	8.1% USD, 5.0% Ptas, 12.6% Col. Pesos

Note. For the calculation of Net Debt, Net Debt to EBITDA, Interest Coverage, and Interest Expense plus Cash Tax Coverage, the Company is conservatively adding the Preferred Capital Security (US\$250 million) because of the Put option to CEMEX in 2005 under the structure. Net debt is defined as on-balance sheet debt plus equity obligations minus cash and cash equivalents. LTM represents "Latest Twelve Months."

Free Cash Flow Calculation (USD millions)	<u>2Q-99</u>	<u>2Q-98</u>
EBITDA less:	464	365
-- Net Interest Expense	111	112
-- Capital Expenditures	49	93
-- Increase (Decrease) in Working Capital	(28)	(10)
-- Taxes and Dividends	61	46
Free Cash Flow	271	124

Principal uses of Free Cash Flow in the second quarter of 1999 was a reduction in debt from existing operations (US\$114 million), additions to the CEMEX Pension Fund (\$35 million), employee profit sharing and dumping charges (US\$22 million), investments in Cementos Bio Bio of Chile (US\$34 million) and PT Semen Gresik of Indonesia (US\$10 million), CEMEX and subsidiary shares (US\$23 million) and other strategic investments and cash expenses (US\$33 million).

US\$1,100 Million Syndicated Loan

CEMEX through its Spanish subsidiary, Valenciana de Cementos Portland, S.A., closed a multiple currency syndicated loan for US\$1,100 Million. The loan is for a seven-year term and arranged by the following banks: Argentaria, BBV, Citibank, and Société Generale. The funds will be used to refinance the existing syndicated loan, the bridge loan for the APO acquisition and other obligations of Valenciana including the repayment of the existing US\$98 Million to CEMEX. The transaction was syndicated among 49 financial institutions.

Issue US\$ 250 Million Eurobond

On June 17, CEMEX issued a US\$250 Million Eurobond with the following characteristics:

Term	Price	Coupon	YTM	Spread over Treasury
3 years	99.6617%	9.25%	9.38%	362 bps

The net proceeds from the offering were used to prepay US\$ 200 Million of the **Revolving Credit Facility** and repay other short-term debt. The remaining balance of the Revolving Credit Facility for US\$400 Million was converted into a term loan maturing in May 2001. In addition, on June 14, CEMEX closed a New **Forward Lending Facility** in which participant banks are committed to refinance up to US\$250 Million of the US\$ 400 Million remaining of the Revolving Credit Facility for an additional year from May 2001 to May 2002.

Renewal of the U.S. Commercial Paper Program for US\$ 250 Million

During the second quarter CEMEX renewed its U.S. Commercial Paper Program for an additional two-year period. The program is rated A1+/P1 and is backed by a letter of credit from Bayerische Hypo und Vereinsbank AG. Bank of America acted as arranger and administrative agent on the transaction, which was syndicated among 21 international banks.

Other Activities

Year 2000 Issues Addressed

In January 1997 CEMEX launched a company-wide program called "CEMEX 2000". The objective of this program is to assure continuous business operation in the year 2000 and beyond, through the preparation of sensitive business areas to the Year 2000 Problem (Y2K). This preparation includes information technology, manufacturing technology and the extended business network. The program has been reviewed by IBM Global Services in order to identify areas of opportunity for process improvement and to reduce business risk. TAVA Technologies is providing assistance in the preparation of the manufacturing technology, the identification of potential problems and in the implementation of solutions in our plants.

CEMEX's Y2K solution includes improvement of business practices and the replacement of certain technologies worldwide to provide benefits in the future. As part of the program, CEMEX has also implemented a continuous follow-up plan to monitor the progress of its most important suppliers, customers, financial institutions and government. As of June 1999, the total amount executed has been approximately US\$28 million and the program is estimated to be 99% complete. The budget for executing this company-wide effort is expected to reach an estimated total cost of US\$43 million.

The program is currently in the implementation and testing phases and is expected to be completed in the following months. The scope of the program also includes the implementation of selective contingency plans that support the continuous operation of the core business processes.

Equity Related Information

The breakdown of the average number of shares outstanding for the second quarter of 1999 is as follows:

Average number of shares outstanding	1,238,122,156
CEMEX A shares	429,954,732
CEMEX B shares	400,722,773
CEMEX CPO shares	408,059,947
Average number of shares held in trust for equity swaps	
CEMEX B shares	0
CEMEX CPO shares	0

Change in period end shares outstanding as of March 31, 1999:

Number of shares outstanding as of May 31, 1999	1,223,341,850
Change in the number of total shares subscribed and paid between periods resulting from the reinvestment of dividends under the 1998 dividend election program	47,379,116
Change in the number of total shares subscribed and paid between periods resulting from the exercise of stock options	1,877,408
Decrease (Increase) in CEMEX shares held at subsidiaries	<u>(4,752,669)</u>
Number of shares outstanding as of June 30, 1999	1,267,845,705

Employee Stock Options

In 1995, the Company adopted a stock option plan under which the Company is authorized to grant, to directors, officers and other employees, options to acquire up to 72,100,000 CEMEX B shares. As of June 30, 1999 options to acquire a total of 36,249,487 shares remain outstanding, distributed as follows:

- 24,137,848 with a weighted average strike price of Ps. 32.02 per share, an average time to full vesting of 1.3 years and an average maximum exercisable period of 7.6 years. Of this amount, 31% are fully vested with a weighted average strike price of Ps. 27.25 per share.
- 3,427,624 options for which the share price must reach a 12-month average price, in dollars terms, of US\$9.62 per share by the end of 2002 to fully vest.
- 8,684,015 options for which the share price must reach a 12-month average price, in dollars terms, of US\$7.90 per share by the end of 2003 to fully vest.

Under these types of programs, the company is not required to register a liability for the options.

As of June 30, 1999, the Voluntary Employee Stock Option Plan (VESOP) is composed of 1,049,125 five-year options on CEMEX B shares and 25,796,504 five-year options on CEMEX CPO shares, both with an escalating strike price indexed quarterly in dollar terms reflecting market funding costs for this fully hedged program.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Convenience translation in thousands of dollars)*

FINANCIAL INDICATORS**	January - June		% Var.	Quarters		% Var.
	1999	1998		II 1999	II 1998	
Operating Margin	30.2%	27.3%		32.1%	27.4%	
EBITDA Margin	37.2%	34.6%		38.7%	34.7%	
Interest Coverage ⁽²⁾	3.33 ⁽¹⁾	2.75 ⁽¹⁾		3.84	3.10	
Interest + Cash Tax Coverage ⁽³⁾	2.98 ⁽¹⁾	2.47 ⁽¹⁾		3.24	2.83	
Net Debt / EBITDA ⁽⁴⁾	2.98 ⁽¹⁾	3.50 ⁽¹⁾				
Debt / Total Capitalization (Covenant)	46.3%	48.0%				
Net Return on Equity ⁽⁵⁾	21.5% ⁽¹⁾	16.1% ⁽¹⁾				
Gross Return on Operating Assets ⁽⁶⁾	16.6% ⁽¹⁾	14.1% ⁽¹⁾				
EBITDA per Share ⁽⁷⁾	0.71	0.58	21%	0.37	0.30	25%
Cash Earnings per Share ⁽⁷⁾	0.52	0.40	32%	0.29	0.21	38%
Free Cash Flow per Share ⁽⁷⁾	0.38	0.24	58%	0.22	0.10	116%
Earnings per Share ⁽⁷⁾	0.45	0.30	49%	0.20	0.15	34%
Share Price Series "A" (End of period)	4.96	3.76	32%			
Share Price Series "B" (End of period)	4.96	4.39	13%			
Share Price Series "CPO" (End of period)	4.93	3.75	31%			

⁽¹⁾ Results for 1999 may be converted to dollars by dividing by the June 1999 exchange rate of 9.42. Results for 1998 may be converted to dollars by dividing by the weighted average inflation factor of 11.02% (1.1102) and then dividing by the June 1998 exchange rate of 9.00.

^(*) Note that in the calculation of Interest Coverage, Interest Plus Cash Tax Coverage and Net Debt to EBITDA, the US\$250 Million Preferred Capital Security was conservatively considered as an obligation.

⁽¹⁾ Trailing twelve months.

⁽²⁾ Interest Coverage is defined as EBITDA before operating lease payments and cost restatements for inflation, divided by financial expenses plus the Preferred dividend.

⁽³⁾ Interest Plus Cash Tax Coverage is defined as EBITDA before operating lease payments and cost restatements for inflation, divided by interest expense, the Preferred dividend and the amount of total income tax and profit sharing actually paid in cash.

⁽⁴⁾ Net Debt is defined as on- plus off-balance sheet debt less cash.

⁽⁵⁾ Return on Equity is defined as: (Cash earnings - Cash taxes - Other non-operating cash expenses) / Average consolidated shareholders equity

⁽⁶⁾ Return on Operating Assets is defined as: EBITDA / (Average consolidated shareholders equity + Average net debt)

⁽⁷⁾ Considering 1,238,737 thousand average shares for II 1999, 1,223,020 thousand average shares for II 1998, 1,227,430 thousand average shares for 1999 accumulated and 1,220,329 thousand average shares for 1998 accumulated

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Convenience translation in thousands of dollars)*

INCOME STATEMENT	January - June		%	Quarters		%
	1999	1998	Var.	II 1999	II 1998	Var.
Net Sales	2,333,075	2,055,780	13%	1,198,265	1,055,547	14%
Cost of Sales	(1,297,063)	(1,187,889)	9%	(646,551)	(608,058)	6%
Gross Profit	1,036,012	867,891	19%	551,714	447,490	23%
Selling, General and Administrative Expenses	(332,166)	(307,290)	8%	(166,984)	(157,923)	6%
Operating Income	703,846	560,601	26%	384,730	289,566	33%
Financial Expenses	(239,004)	(244,820)	(2%)	(117,122)	(120,967)	(3%)
Financial Income	14,102	17,371	(19%)	6,212	8,858	(30%)
Exchange Gain (Loss), Net	56,544	(106,339)	(153%)	11,821	(46,321)	(126%)
Monetary Position Gain (Loss)	247,084	299,465	(17%)	92,184	133,222	(31%)
Total Comprehensive Financing (Cost) Income	78,727	(34,323)	(329%)	(6,905)	(25,208)	(73%)
Gain or (Loss) on Marketable Securities	8,242	(14,370)	(157%)	4,713	(8,536)	(155%)
Other Expenses, Net	(161,219)	(64,301)	151%	(96,435)	(39,855)	142%
Other Income (Expense)	(152,978)	(78,672)	94%	(91,722)	(48,391)	90%
Net Income Before Income Taxes	629,595	447,607	41%	286,102	215,967	32%
Income Tax	(42,806)	(30,056)	42%	(23,642)	(15,421)	53%
Employees' Statutory Profit Sharing	(14,659)	(8,949)	64%	(7,235)	(4,369)	66%
Total Income Tax & Profit Sharing	(57,465)	(39,006)	47%	(30,877)	(19,791)	56%
Net Income Before Participation of of Uncons. Subs. and Ext. Items	572,131	408,601	40%	255,225	196,176	30%
Participation of Unconsolidated Subsidiaries	8,296	5,397	54%	5,471	4,998	9%
Consolidated Net Income	580,427	413,998	40%	260,697	201,175	30%
Net Income Attributable to Min. Interest	28,711	46,815	(39%)	10,529	16,952	(38%)
NET INCOME AFTER MINORITY INTEREST	551,715	367,182	50%	250,168	184,222	36%
EBITDA (Operating Income + Depreciation)	867,568	710,441	22%	464,252	365,812	27%
EBITDA before Operating Leases and Cost Restatements for Inflation	886,692	727,508	22%	472,914	375,860	26%

BALANCE SHEET	January - June		%
	1999	1998	Var.
Total Assets	11,153,765	10,103,479	10%
Cash and Temporary Investments	366,762	324,359	13%
Trade Accounts Receivables	562,704	525,472	7%
Other Receivables	184,781	119,362	55%
Inventories	435,169	425,480	2%
Other Current Assets	73,869	102,869	0%
Current Assets	1,623,285	1,497,541	8%
Fixed Assets	6,536,583	5,938,759	10%
Other Assets	2,993,896	2,667,179	12%
Total Liabilities	5,597,476	5,210,681	7%
Current Liabilities	1,847,803	1,127,953	64%
Long-Term Liabilities	3,435,820	3,750,793	(8%)
Other Liabilities	313,853	331,935	(5%)
Consolidated Stockholders' Equity	5,556,290	4,892,798	14%
Stockholders' Equity Attributable to Minority Interest	1,226,270	1,359,082	(10%)
Stockholders' Equity Attributable to Majority Interest	4,330,020	3,533,716	23%

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Thousands of Pesos in Real Terms as of June 1999)*

FINANCIAL INDICATORS**	January - June		%	Quarters		%
	1999	1998	Var.	II 1999	II 1998	Var.
Operating Margin	30.2%	27.3%		32.1%	27.4%	
EBITDA Margin	37.2%	34.6%		38.7%	34.7%	
Interest Coverage ⁽²⁾	3.33	2.75	(1)	3.84	3.10	
Interest + Cash Tax Coverage ⁽³⁾	2.98	2.47	(1)	3.24	2.83	
Net Debt / EBITDA ⁽⁴⁾	2.98	3.50	(1)			
Debt / Total Capitalization (Covenant)	46.3%	48.0%				
Net Return on Equity ⁽⁵⁾	21.5%	16.1%	(1)			
Gross Return on Operating Assets ⁽⁶⁾	16.6%	14.1%	(1)			
EBITDA per Share ⁽⁷⁾	6.66	5.82	14%	3.53	2.99	18%
Cash Earnings per Share ⁽⁷⁾	4.93	3.95	25%	2.69	2.07	30%
Free Cash Flow per Share ⁽⁷⁾	3.55	2.38	49%	2.06	1.01	103%
Earnings per Share ⁽⁷⁾	4.23	3.01	41%	1.90	1.51	26%
Share Price Series "A" (End of period)	46.70	33.80	38%			
Share Price Series "B" (End of period)	46.70	39.50	18%			
Share Price Series "CPO" (End of period)	46.45	33.75	38%			

^(*) Results for 1999 may be converted to dollars by dividing by the June 1999 exchange rate of 9.42. Results for 1998 may be converted to dollars by dividing by the weighted average inflation factor of 11.02% (1.1102) and then dividing by the June 1998 exchange rate of 9.00.

^(**) Note that in the calculation of Interest Coverage, Interest Plus Cash Tax Coverage and Net Debt to EBITDA, the US\$250 Million Preferred Capital Security was conservatively considered as an obligation.

⁽¹⁾ Trailing twelve months.

⁽²⁾ Interest Coverage is defined as EBITDA before operating lease payments and cost restatements for inflation, divided by financial expenses plus the Preferred dividend.

⁽³⁾ Interest Plus Cash Tax Coverage is defined as EBITDA before operating lease payments and cost restatements for inflation, divided by interest expense, the Preferred dividend and the amount of total income tax and profit sharing actually paid in cash.

⁽⁴⁾ Net Debt is defined as on- plus off-balance sheet debt less cash.

⁽⁵⁾ Return on Equity is defined as: (Cash earnings - Cash taxes - Other non-operating cash expenses) / Average consolidated shareholders equity

⁽⁶⁾ Return on Operating Assets is defined as: EBITDA / (Average consolidated shareholders equity + Average net debt)

⁽⁷⁾ Considering 1,238,737 thousand average shares for II 1999, 1,223,020 thousand average shares for II 1998, 1,227,430 thousand average shares for 1999 accumulated and 1,220,329 thousand average shares for 1998 accumulated

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Thousands of Pesos in Real Terms as of June 1999)*

INCOME STATEMENT	January - June		%	Quarters		%
	1999	1998	Var.	II 1999	II 1998	Var.
Net Sales	21,977,571	20,540,943	7%	11,287,652	10,546,815	7%
Cost of Sales	(12,218,335)	(11,869,146)	3%	(6,090,510)	(6,075,589)	0%
Gross Profit	9,759,236	8,671,797	13%	5,197,142	4,471,226	16%
Selling, General and Administrative Expenses	(3,129,005)	(3,070,381)	2%	(1,572,989)	(1,577,938)	(0%)
Operating Income	6,630,231	5,601,416	18%	3,624,153	2,893,288	25%
Financial Expenses	(2,251,413)	(2,446,197)	(8%)	(1,103,286)	(1,208,681)	(9%)
Financial Income	132,839	173,571	(23%)	58,516	88,510	(34%)
Exchange Gain (Loss), Net	532,646	(1,062,520)	(150%)	111,351	(462,835)	(124%)
Monetary Position Gain (Loss)	2,327,535	2,992,195	(22%)	868,370	1,331,128	(35%)
Total Comprehensive Financing (Cost) Income	741,607	(342,951)	(316%)	(65,049)	(251,878)	(74%)
Gain or (Loss) on Marketable Securities	77,638	(143,586)	(154%)	44,392	(85,287)	(152%)
Other Expenses, Net	(1,518,687)	(642,484)	136%	(908,416)	(398,224)	128%
Other Income (Expense)	(1,441,049)	(786,070)	83%	(864,024)	(483,511)	79%
Net Income Before Income Taxes	5,930,789	4,472,395	33%	2,695,080	2,157,899	25%
Income Tax	(403,232)	(300,316)	34%	(222,703)	(154,087)	45%
Employees' Statutory Profit Sharing	(138,085)	(89,421)	54%	(68,154)	(43,657)	56%
Total Income Tax & Profit Sharing	(541,317)	(389,737)	39%	(290,857)	(197,744)	47%
Net Income Before Participation						
of Uncons. Subs. and Ext. Items	5,389,472	4,082,658	32%	2,404,223	1,960,155	23%
Participation in Unconsolidated Subsidiaries	78,147	53,927	45%	51,540	49,941	3%
Consolidated Net Income	5,467,619	4,136,585	32%	2,455,763	2,010,096	22%
Net Income Attributable to Min. Interest	270,460	467,771	(42%)	99,182	169,385	(41%)
NET INCOME AFTER MINORITY INTEREST	5,197,159	3,668,814	42%	2,356,581	1,840,711	28%
EBITDA (Operating Income + Depreciation)	8,172,488	7,098,582	15%	4,373,258	3,655,118	20%
EBITDA before Operating Leases and Cost Restatements for Inflation	8,352,634	7,269,116	15%	4,454,854	3,755,513	19%

BALANCE SHEET	January - June		%
	1999	1998	Var.
Total Assets	105,068,469	100,951,940	4%
Cash and Temporary Investments	3,454,901	3,240,929	7%
Trade Accounts Receivables	5,300,670	5,250,408	1%
Other Receivables	1,740,640	1,192,639	46%
Inventories	4,099,296	4,251,315	(4%)
Other Current Assets	695,842	1,027,842	(32%)
Current Assets	15,291,349	14,963,133	2%
Fixed Assets	61,574,616	59,338,888	4%
Other Assets	28,202,504	26,649,919	6%
Total Liabilities	52,728,221	52,064,082	1%
Current Liabilities	17,406,303	11,270,285	54%
Long-Term Liabilities	32,365,423	37,477,171	(14%)
Other Liabilities	2,956,495	3,316,626	(11%)
Consolidated Stockholders' Equity	52,340,248	48,887,858	7%
Stockholders' Equity Attributable to Minority Interest	11,551,460	13,579,674	(15%)
Stockholders' Equity Attributable to Majority Interest	40,788,788	35,308,184	16%

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Volume Summary

CONSOLIDATED VOLUMES	January - June		%	Quarters		%
	1999	1998	Var.	II 1999	II 1998	Var.
Cement (Thousands of Metric Tons)	21,114,384	19,403,208	9%	10,674,790	10,076,055	6%
Ready Mix Concrete (Thousands of Cubic Meters)	6,682,721	7,124,660	(6%)	3,425,063	3,794,747	(10%)

DOMESTIC CEMENT VOLUME	January - June	Quarter	Quarter
(% Change)	1999 - 1998	II 1999 - II 1998	II 1999 - I 1999
North America			
Mexico	5%	4%	1%
USA	30%	21%	14%
South America & Caribbean			
Venezuela	(18%)	(19%)	2%
Colombia	(48%)	(51%)	(7%)
Europe and Asia			
Spain	3%	6%	16%
Philippines	N/A	N/A	(26%)

EXPORT CEMENT VOLUME	January - June	Quarter	Quarter
(% Change)	1999 - 1998	II 1999 - II 1998	II 1999 - I 1999
North America			
Mexico	5%	9%	36%
USA	-	-	-
South America & Caribbean			
Venezuela	30%	48%	11%
Colombia	-	-	-
Europe and Asia			
Spain	(22%)	(38%)	(25%)
Philippines	-	-	-

READY MIX CONCRETE VOLUME	January - June	Quarter	Quarter
(% Change)	1999 - 1998	II 1999 - II 1998	II 1999 - I 1999
North America			
Mexico	0%	(1%)	6%
USA	10%	(2%)	2%
South America & Caribbean			
Venezuela	(16%)	(18%)	5%
Colombia	(56%)	(58%)	(13%)
Europe and Asia			
Spain	(8%)	(12%)	10%
Philippines	NA	NA	NA

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Operating Summary
(Convenience Translation in Thousands of Dollars) *

NET SALES	January - June		%	II 1999	II 1998	%
	1999	1998	Var.			Var.
North America	1,375,681	1,123,718	22%	710,846	592,176	20%
Mexico	1,077,803	879,853	22%	555,862	456,055	22%
USA	297,878	243,865	22%	154,984	136,121	14%
South America and the Caribbean	492,287	544,212	(10%)	253,390	259,736	(2%)
Venezuela/Dominican Republic	328,173	314,184	4%	168,533	153,691	10%
Colombia	87,937	178,381	(51%)	42,980	78,744	(45%)
Central America and the Caribbean	76,177	51,647	47%	41,877	27,302	53%
Europe and Asia	457,059	408,856	12%	238,166	216,145	10%
Spain	394,273	408,856	(4%)	207,225	216,145	(4%)
Philippines	62,786	NA	NA	30,941	NA	NA
<i>Others and Intercompany Eliminations</i>	<i>8,048</i>	<i>(21,006)</i>		<i>(4,137)</i>	<i>(12,510)</i>	
NET SALES	2,333,075	2,055,780	13%	1,198,265	1,055,547	14%

GROSS PROFIT	January - June		%	II 1999	II 1998	%
	1999	1998	Var.			Var.
North America	677,905	507,223	34%	360,424	275,280	31%
Mexico	599,979	464,062	29%	318,188	247,098	29%
USA	77,926	43,161	81%	42,236	28,182	50%
South America and the Caribbean	168,133	187,958	(11%)	92,039	80,819	14%
Venezuela/Dominican Republic	107,185	124,474	(14%)	58,953	61,636	(4%)
Colombia	34,798	49,322	(29%)	18,920	11,881	59%
Central America and the Caribbean	26,149	14,162	85%	14,166	7,301	94%
Europe and Asia	176,452	152,086	16%	98,506	83,775	18%
Spain	171,008	152,086	12%	92,508	83,775	10%
Philippines	5,444	NA	NA	5,998	NA	NA
<i>Others and Intercompany Eliminations</i>	<i>13,522</i>	<i>20,625</i>		<i>745</i>	<i>7,615</i>	
GROSS PROFIT	1,036,012	867,891	19%	551,714	447,490	23%

OPERATING PROFIT	January - June		%	II 1999	II 1998	%
	1999	1998	Var.			Var.
North America	550,555	394,924	39%	294,439	217,582	35%
Mexico	488,452	367,347	33%	260,730	197,128	32%
USA	62,103	27,577	125%	33,709	20,454	65%
South America and the Caribbean	114,339	129,040	(11%)	64,239	52,639	22%
Venezuela/Dominican Republic	78,812	99,411	(21%)	43,763	49,469	(12%)
Colombia	16,008	19,708	(19%)	9,411	(2,087)	(551%)
Central America and the Caribbean	19,519	9,921	97%	11,065	5,257	110%
Europe and Asia	125,771	107,943	17%	72,867	60,827	20%
Spain	127,086	107,943	18%	70,238	60,827	15%
Philippines	(1,315)	NA	NA	2,629	NA	NA
<i>Others and Intercompany Eliminations</i>	<i>(86,819)</i>	<i>(71,306)</i>		<i>(46,815)</i>	<i>(41,482)</i>	
OPERATING PROFIT	703,846	560,601	26%	384,730	289,566	33%

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Operating Summary
(Convenience Translation in Thousands of Dollars) *

	January - June		%	II 1999	II 1998	%
	1999	1998	Var.			Var.
EBITDA						
North America	627,581	463,028	36%	329,971	251,392	31%
Mexico	556,892	427,172	30%	292,044	226,749	29%
USA	70,689	35,856	97%	37,927	24,643	54%
South America and the Caribbean	160,293	187,024	(14%)	84,226	81,387	3%
Venezuela/Dominican Republic	103,083	123,279	(16%)	55,025	61,128	(10%)
Colombia	32,296	47,746	(32%)	15,544	12,015	29%
Central America and the Caribbean	24,915	15,998	56%	13,657	8,244	66%
Europe and Asia	168,455	144,419	17%	94,045	78,718	19%
Spain	156,835	144,419	9%	85,263	78,718	8%
Philippines	11,620	NA	NA	8,782	NA	NA
<i>Others and Intercompany Eliminations</i>	<i>(88,762)</i>	<i>(84,029)</i>		<i>(43,989)</i>	<i>(45,685)</i>	
EBITDA	867,568	710,441	22%	464,252	365,812	27%

	January - June		%	II 1999	II 1998	%
	1999	1998	Var.			Var.
EBITDA MARGIN						
North America						
Mexico	51.7%	48.6%		52.5%	49.7%	
USA	23.7%	14.7%		24.5%	18.1%	
South America and the Caribbean						
Venezuela/Dominican Republic	31.4%	39.2%		32.6%	39.8%	
Colombia	36.7%	26.8%		36.2%	15.3%	
Central America and the Caribbean	32.7%	31.0%		32.6%	30.2%	
Europe and Asia						
Spain	39.8%	35.3%		41.1%	36.4%	
Philippines	18.5 %	NA		28.4 %	NA	
EBITDA MARGIN	37.2%	34.6%		38.7%	34.7%	

*

Mexico: Results for 1999 can be converted to dollars by dividing by the June 1999 exchange rate of 9.42. Results for 1998 can be converted to dollars by dividing by the Mexican inflation rate of 17.44% (1.1744) and then dividing by the June 1998 exchange rate of 9.00.

Spain: Results for 1999 can be converted to dollars by dividing by the June 1999 exchange rate of 161.07. Results for 1998 can be converted to dollars by dividing by the June 1998 exchange rate of 153.09.

Venezuela/DR: Results for 1999 can be converted to dollars by dividing by the Junio 1999 exchange rate of 606.75. Results for 1998 can be converted to dollars by dividing by the Venezuelan inflation rate of 23.59% (1.2359) and then dividing by the June 1998 exchange rate of 553.5.

Colombia: Results for 1999 can be converted to dollars by dividing by the June 1999 exchange rate of 1,732. Results for 1998 can be converted to dollars by dividing by the Colombian inflation rate of 10.32% (1.1032) and then dividing by the June 1998 exchange rate of 1,363

Philippines: Results for 1999 can be converted to dollars by dividing by the June 1999 exchange rate of 38.06.

DETAILED INFORMATION AVAILABLE UPON REQUEST