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1998 First Quarter Results

67% Increase in Cash Earnings from a 34% Growth in Operating Cash Flow and Additional Reduction of 5% in Interest Expense

- CEMEX's consolidated net sales increased 22% in real terms to Ps. 8.489 billion during the first quarter of 1998 versus 1997. In dollar terms, net sales increased 26% in the first quarter to US\$993 million.
- Consolidated cement and ready-mix volumes increased 13% and 30% year over year, respectively, driven by strong domestic growth in almost every subsidiary.
- Representing 52% of CEMEX's cash flow, CEMEX Mexico's first quarter domestic gray cement sales volumes increased 20%, while prices in dollar terms increased 19%. Mexican ready-mix sales volumes were 45% higher versus the same quarter a year ago with a 10% price increase in dollar terms.
- CEMEX's operating margin was 27.1% during the first quarter, versus 23.0% for the prior year period. Operating income increased 44% to Ps. 2.300 billion in the first quarter 1998.
- Cash earnings (operating cash flow less net financial expenses) in the first quarter grew 67% in real terms versus the prior year, to Ps. 2.006 billion (Ps. 3.29 per ADR), or 72% in dollar terms to US\$235 million (US\$0.39 per ADR). (ADR ratio 2:1)
- Operating cash flow (EBITD before lease payments and cost restatements) increased 34% in real terms during the first quarter to Ps. 2.985 billion. In dollar terms, cash flow grew 38% to US\$349 million during the first quarter as compared to US\$254 million during the same period a year ago.
- Net income during the first quarter of 1998 was Ps. 1.553 billion, or US\$182 million (including monetary position gains of Ps. 1.411 billion). Net income during the same period in 1997 was Ps. 1.488 billion or US\$169 million (including monetary position gains of Ps. 1.575 billion).
- Net income per ADR in the first quarter was Ps. 2.55 (US\$0.30), versus Ps. 2.39 (US\$0.27) during the same period a year ago. Excluding shares held in trust for equity swaps, the average number of ordinary shares outstanding during the quarter totaled 1,217.6 million, a 2% decrease from the first quarter 1997.
- Interest coverage was 2.84 times in the first quarter and 2.62 times for the trailing twelve months. Interest expense plus cash tax coverage was 2.41 times on a trailing twelve months basis during the first quarter of 1998. Financial expenses decreased 2% in dollar terms to US\$123 million in the first quarter of 1998.
- Net debt (on- plus off-balance sheet debt minus cash and cash equivalents) was US\$4,657 million, over US\$300 million lower than the first quarter of 1997.
- Leverage as defined by net debt to operating cash flow declined to 3.55 times versus 4.55 times in the first quarter of 1997. The debt to total capitalization ratio at the end of the quarter declined to 49.4% primarily to a reduction of debt.

Consolidated Results (in real terms)

Monterrey, N.L., Mexico April 20, 1998 CEMEX, S.A. de C.V. (OTC: CMXBY) today announced first quarter 1998 results:

Consolidated net sales increased 22% in real terms versus the same period a year ago to Ps. 8.489 billion. This increase is attributable to higher volumes and prices in most subsidiaries. In dollar terms, net sales grew at a higher rate of 26% to US\$993 million.

Mexico represented 43% of the net sales for the first quarter, Spain 19%, Venezuela 12%, Colombia 9%, the United States 11% and Central America and the Caribbean 6%.

Gross margin increased from 38.5% in the first quarter of 1997 to 42.0% in the first quarter of 1998 as increases in volumes and average prices in most subsidiaries were accompanied by a decline in certain production costs, particularly energy costs.

Operating margin in the first quarter increased to 27.1% in the first quarter 1998 from 23.0% last year, attributable to the higher gross margin and greater operating efficiencies.

Operating income increased 44% in real terms to Ps. 2.300 billion for the quarter and increased 48% in dollar terms to US\$269 million.

Operating cash flow (EBITD before lease payments and cost restatements) in the quarter was Ps. 2.985 billion, an increase of 34% in real terms over the first quarter of 1997 due to improvements in all major operations. In dollar terms, cash flow reached US\$349 million, a 38% increase over the US\$254 million reported during last year's first quarter. Cash flow margin was 35.1% in the quarter versus 32.1% in the first quarter of 1997.

In the first quarter, Mexico represented 52% of the total cash flow, Spain 17%, Venezuela 14%, Colombia 9%, the United States 4% and Central America and the Caribbean 4%.

Cash earnings (operating cash flow less net financial expenses) were Ps. 2.006 billion (Ps. 3.29 per ADR) in the quarter, 67% higher in real terms. In dollar terms, cash earnings increased 72% to US\$235 million (US\$0.39 per ADR) from the first quarter of 1997.

First quarter **financial expenses** were Ps. 1.051 billion, a 5% decrease over the same period in 1997 in real terms. In dollars, financial expenses were US\$123 million, a 2% decrease. **Interest coverage** improved to 2.84 times, up from 2.02 times during the first quarter of 1997. On a trailing twelve month basis, interest coverage improved to 2.62 times from 1.73 a year ago.

CEMEX also believes it is worthwhile to analyze the ratio of interest expense plus cash tax coverage because it better reflects the coverage of the Company's mandatory obligations. **Interest expense plus cash tax coverage** was 2.41 times on a trailing twelve months basis at the end of the first quarter of 1998.

Total on-balance sheet debt, in millions of constant pesos and billions of dollars, as of March 31, 1998:

	<u>Mar. 31, 1998</u>	<u>Dec. 31, 1997</u>	<u>Mar. 31, 1997</u>	<u>Var. Dec. - Mar.</u>	<u>Var. Mar. - Mar.</u>
Pesos	39,153	39,259	41,373	0%	(5%)
Dollars	4.579	4.618	4.708	(1%)	(3%)

Net debt (on- plus off-balance sheet debt minus cash and cash equivalents) decreased 4% compared to the first quarter of 1997 to US\$4,657 million, as 3% decrease in on-balance sheet debt and a 28% increase in cash and cash equivalents. Off-balance sheet debt remained flat during the last three months. Between the fourth quarter 1997 and first quarter 1998, **net debt** fell 2% in dollar terms due to an 11% increase in cash and cash equivalents and a 1% decrease in on-balance sheet financing.

Leverage (Net debt to operating cash flow for the previous twelve months) was reduced from 4.55 at the end of the first quarter of 1997, to 3.55 in the same period of 1998.

Total debt / total capitalization at the end of the quarter was 49.4%, lower than the 51.9% at March 31, 1997 and the 49.6% level at December 31, 1997.

Long-term debt: 87.6% or Ps. 34,302 million (US\$ 4,012 million)

Short-term debt: 12.4% or Ps. 4,852 million (US\$ 567 million)

Denomination	Dollars	Pesetas	Bolivares	Col. Pesos
1998	96%	4%	0%	0%
1997	92%	6%	1%	1%

Average Cost	Dollars	Pesetas	Bolivares	Col. Pesos
1998	8.1%	5.1%	22.8%	10.2%
1997	8.1%	6.2%	19.2%	24.6%

To actively manage interest rate and currency exposure arising from its ordinary business, CEMEX has entered into financial arrangements in the derivatives and swaps markets. At the end of the first quarter of 1998, the outstanding transactions have been designated for either interest rate or capital hedges. The financial effect of these operations is reflected as part of the interest expense or the stockholders equity, as it corresponds.

Net Foreign Exchange Gain (Loss) in the first quarter was a loss of Ps. 509 million, a significant increase versus the Ps. 24 million reported during the first quarter of 1997, principally from the greater depreciation of the Mexican Peso versus the US dollar during the first quarter 1998 as compared to the same period a year ago.

Exchange rates used by the Company at March 31, 1997 and March 31, 1998 were Ps. 7.92 and Ps. 8.55 per dollar, respectively.

A **net monetary position gain** of Ps. 1.411 billion was recognized during the first quarter, a decrease of 10% in real terms versus the comparable period a year earlier. The weighted average inflation factor used in the first quarter to calculate the net monetary position gain was 3.9%.

Other Expenses and Income was an expense of Ps. 257 million, a 9% increase in real terms from the first quarter of 1997. Amortization of goodwill, anti-dumping duties and a provision for severance payments comprise the majority of these expenses in both periods. Actual cash expense in the first quarter of 1998 was Ps. 26 million or US\$ 3 million.

The **total effective tax** rate was 8.3% in the quarter, comprised of income tax -ISR- (6.3%) and of workers participation in net income -PTU- (2.0%). In anticipation of CEMEX's annual cash tax payments, approximately Ps. 162 million (US\$ 19 million) were paid during the first quarter of 1998.

Minority interest income increased 7% in the quarter in real terms due to higher consolidated net income.

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 won't analyze the remaining items in the financial statements, and these figures are not included in the tables.

Net sales during the first quarter were Ps. 3.937 billion, an increase of 27% compared with the equivalent period in 1997 due to higher domestic cement prices and strong volume growth. In dollar terms, net sales increased 36% to US\$461 million.

The breakdown of total sales in Mexico during the first quarter was as follows: 72% from domestic cement sales, 17% from ready-mix sales, 5% from exports and 6% from tourism and others.

Domestic gray cement volume grew 20% in the first quarter of 1998 versus 1997, while the sales volume of **ready-mix** increased 45% driven by private sector demand.

Both domestic cement and ready-mix volumes continue to increase from strong growth in the Mexican cement market. Sales volumes have been driven by continued strength in the housing and commercial segments of the market. Housing growth has been supported by increased consumer purchasing power (attributable to higher real wages) and stable interest rates. Since less than 10% of CEMEX's volume is sold directly or indirectly to government entities, CEMEX has not been negatively impacted by the recent budget cuts. CEMEX believes housing, industrial and commercial construction will continue to support demand growth through the rest of this year.

During the first quarter of 1998, ready-mix volume growth was driven by increases in industrial and commercial construction. As recent budget cuts are most likely to impact non-cement intensive projects (mainly Comisión Federal de Electricidad- and Pemex-related), CEMEX believes ready-mix demand should continue to enjoy strong growth in 1998.

Total export volumes declined 41% during the quarter compared with the first quarter of 1997, principally the result of the elimination of exports to Southeast Asia following the Asian economic crisis. Exports from Mexico during the quarter were distributed as follows:

Central/South America: 40% The Caribbean: 33% United States: 27%

CEMEX's **average realized cement price** (invoice) in Mexico during the first quarter increased 11% versus the first quarter of 1997 in constant peso terms. In dollar terms, prices rose 19% versus the same period a year ago. Effective March 25, 1998 CEMEX raised average cement prices 6.5% in peso terms.

The **average ready-mix price** increased 3% in constant peso terms and increased 10% in dollar terms over the first quarter 1997.

The average **cash cost** of goods sold per ton in the first quarter of 1998 decreased 24% in real terms versus the first quarter of 1997 primarily due to a 1% reduction in fixed costs coupled with a 18% decrease in variable costs. Fuel oil costs decreased 26% in real terms when comparing the first quarter of 1998 to that of 1997 due to lower fuel oil prices and increased usage of petroleum coke, while electricity costs decreased 10% in the same period. CEMEX estimates reduced energy costs saved nearly US\$6 million during the first quarter versus last year. In dollar terms, the cash cost of goods sold decreased 19%. Although not considered part of the cash cost of goods sold, distribution costs increased 1% in real terms year over year due to higher transportation fees.

Gross margin increased from 36.8% in the first quarter of 1997 to 49.7% in 1998.

Operating margin in Mexico increased to 38.0% during the period from 23.8% in 1997. **Operating income** was Ps. 1.499 billion, 104% higher than the prior year.

Operating cash flow (EBITD before lease payments and cost restatements) in Mexico increased 67% in real terms to Ps. 1.749 billion in the first quarter and in dollar terms grew 78% to US\$205 million. Operating cash flow margin was 44.4% in the first quarter of 1998 versus 33.9% a year ago.

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. 29,502 million during the first quarter, a 22% increase compared with the same period in 1997. This increase was due primarily to significant domestic cement and ready-mix volume growth.

Domestic cement volume increased 29%, and **ready-mix volume** 21% during the first quarter of 1998 compared to the same period of 1997 as the housing construction sector continued to grow. The housing sector's strength is due to a general improvement in the Spanish economy, particularly decreasing interest rates and increasing employment levels. Non-residential construction is continuing to improve as well, primarily in commercial centers and new office space. For the first time in over two years, public sector construction has begun to show improvement and is expected to contribute to volume growth in 1998. Finally, all sectors benefited from improved weather conditions during the first quarter of 1998 versus the same period a year ago.

Imports into Spain during the quarter fell 37% compared to the first quarter of 1997 due to the weak peseta. This decrease has had a positive impact on CEMEX's market share in Spain as imports which would have otherwise been sold in Valenciana's coastal markets have been replaced by Valenciana and other Spanish producers.

Due to a redirection of production to domestic demand, **exports** from Spain decreased 9% in the first quarter compared to the first quarter of 1997, distributed as follows:

United States: 69% Africa: 23% Europe & the Middle East: 8%

The average **domestic sales price for cement** decreased 1% in peseta terms, when compared with the same period of the previous year, and decreased 10% in dollar terms due to the devaluation of the peseta during 1997. The **average price for ready-mix** during the period increased 1% in peseta terms and decreased 8% in dollar terms.

The average **cash cost** of goods sold per ton decreased 1%, in peseta terms, in the first quarter of 1998 versus 1997. Fixed costs per ton in Peseta terms decreased 7% from lower labor and maintenance costs. Variable costs per ton increased by 4% in Peseta terms as increased demand has mandated the utilization of some kilns that were previously not in use and which require raw material augmentation from other plants. In dollar terms the cash cost decreased 10% year over year.

Gross margin increased to 35.4% in the first quarter of 1998 from 31.9% in the first quarter of the previous year. This increase was primarily due to higher capacity utilization rates from the increase in cement and ready-mix volumes.

Operating margin in the first quarter was 24.4% as compared to 18.9% in 1997. **Operating income** was Ptas. 7,213 million, 59% higher than in 1997.

Operating cash flow (EBITD) increased 34% year over year to Ptas. 10,057 million. In dollar terms, operating cash flow grew 21% to US\$64 million, despite the devaluation of the Spanish Peseta year-over-year. Operating cash flow margin was 34.1% in the first quarter versus 31.1% a year earlier.

Venezuela (Constant Bolivars)

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

During the first quarter of 1998, **net sales** in Venezuela were Bs. 63,951 million, an 18% increase in constant Bolivar terms over the same period in 1997, due to higher domestic cement and ready-mix volumes. In dollar terms, net sales increased 48% to US\$122 million due to the strong dollar resulting from the stable Bolivar.

Domestic cement volume increased 37% in the quarter compared to the first quarter of 1997, principally driven by private sector demand. **Ready-mix volume** increased 58% supported by the participation in a railroad concession project. Cement demand has been increasing across all sectors due to the improved economic situation. Construction projects that started last year have continued affecting cement demand. Concession-related spending is also increasing rapidly, with highway and railroad construction projects currently underway and hydroelectric and other infrastructure projects expected in the future.

Resulting from the ongoing privatization of the oil industry, private investment has been flowing into the country in order to modernize the sector and establish the necessary infrastructure in eastern Venezuela. Despite Venezuelan government budget cuts, demand is expected to grow from the private sector, concession-related spending and long-term focused government petroleum sector spending. Pre-election spending has not yet impacted demand in 1998, but is expected to generate additional cement demand closer to the elections scheduled for December 1998.

The **volume of exports** from Venezuela fell 7% during the first quarter as compared to same period a year ago and in the period comprised 43% of total sales volumes versus 53% a year ago. Vencemos currently operates at near full capacity, therefore, exports are expected to continue to decline as production is shifted to the growing domestic market. Exports during the quarter were distributed as follows:

United States: 51% The Caribbean & Central America: 36% South America: 13%

Domestic cement prices declined by 11%, while **ready-mix prices** increased by 1%, in constant Bolivar terms, when compared with the first quarter of 1997. In dollar terms, cement and ready-mix prices increased 14% and 28%, respectively, as inflation between March 1997 and March 1998 was approximately 38%, while the Bolivar devalued only 10% during the period.

The average **cash cost** of goods sold per ton decreased 12% in constant Bolivar terms in the first quarter of 1998 compared to the first quarter of 1997. Fixed costs per ton decreased 13% as a reduction expenses related to replacement parts offset higher labor costs. Variable costs per ton decreased 3% from lower costs associated with the extraction and transportation of raw materials. In dollar terms, the cash cost per ton increased 10%.

Gross margin increased to 42.2% in the first quarter from 40.3% in the first quarter of 1997 as sales growth outpaced cost increases.

Operating margin increased to 33.7% in the first quarter from 31.6% in the prior year, on **operating income** of Bs. 21,517 million, 26% higher in constant Bolivar terms than the first quarter last year.

Operating cash flow (EBITD before cost restatements) was Bs. 28,210 million for the quarter, a 13% increase over the same period in 1997. In dollar terms, operating cash flow increased 42% to US\$54 million. The operating cash flow margin was 44.1% in the first quarter of 1998 versus 46.1% in 1997.

Colombia (Colombian pesos)

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

Net sales in the Colombian operations, in constant Colombian pesos, were CPs. 128 billion (US\$94 million), 11% higher than the CPs. 115 billion net sales in the first quarter of 1997.

High interest rates and inflation continue to impact the Colombian economy and the construction sector. Pre-election spending is expected to begin to provide additional cement demand beginning in the second quarter of 1998.

Gross margin was 37.6% for the 1998 first quarter versus 41.1% in the first quarter 1997.

Operating margin was 21.9% in the first quarter on **operating income** of CPs. 28 billion (US\$21 million). This compares to an operating margin of 23.7% and operating income of CPs. 27 billion in the first quarter of 1997.

Operating cash flow (EBITD before lease payments) was CPs. 47 billion (US\$35 million) in the first quarter of 1998, an increase of 5% versus the same period in 1997. **Operating cash flow margin** decreased from 39.2% last year to 37.1% in the first quarter of 1998.

The United States (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 first quarter of 1998 were US\$108 million, a 14% increase over the same period a year ago from stronger prices and volumes for both cement and ready-mix.

Cement sales volume increased by 13% during the first quarter of 1998 as compared to the same period in 1997. **Ready-mix volumes** increased 14% and **aggregates volumes** increased 7% over the same period a year ago.

Average realized **cement prices** increased 4% in the first quarter versus the same period in 1997 as local cement producers are operating at or near capacity. **Average ready-mix prices** during the quarter increased 2% versus a year ago, while the average **price of aggregates** was flat.

Gross margin increased to 13.9% in the quarter from 10.8% in 1997 primarily as a result of higher volumes and prices coupled with lower energy costs. The import of less expensive cement from China has also favorably impacted margins during the first quarter.

Operating margin increased to 6.6% in the first quarter from 2.8% in 1997 due to a higher gross margin and lower operating costs as a percentage of sales. The operating margin for the core businesses (cement, ready-mix and aggregates) was 10.1% vs. 4.1% a year ago.

Operating income in the first quarter of 1998 was US\$7 million, 166% higher than the first quarter of 1997 and **operating cash flow** (EBITD before lease payments) increased 51% to US\$14 million. The operating cash flow margin increased to 13.2% from 10.0% in the in the first quarter of 1997.

Financing Activities and Strategy

The following is a summary of the transactions carried out during the first quarter:

Extension of Revolving Credit Facility Commitment Period

The existing US\$600 million Revolving Credit Facility is currently in the process of documentation to extend the commitment period an additional year. The participating banks have agreed the terms and the Company expects to maintain the amount at US\$600 million.

Refinancing of Equity Swap

An equity swap amounting to US\$60 million was refinanced during the first quarter. The new instrument has a scheduled maturity of three years and a spread that is 50 basis points lower than the previous equity swap.

Equity Related Information

The breakdown of the average number of shares outstanding during the first quarter of 1998 is as follows:

Average number of shares outstanding	1,217,638,016
CEMEX A shares	485,297,866
CEMEX B shares	383,108,736
CEMEX CPO shares	349,231,414
Average number of shares held in trust for equity swaps	51,202,012
CEMEX B shares	34,943,296
CEMEX CPO shares	16,258,716

Change in period end shares outstanding as of March 31, 1998:

Number of shares outstanding as of December 31, 1997	1,218,512,851
Change in the number of total shares subscribed and paid between periods resulting from the exercise of stock options	7,500
Decrease (Increase) in CEMEX shares held at subsidiaries <i>(including change in number of shares held in trust for equity swaps)</i>	<u>623,658</u>
Number of shares outstanding as of March 31, 1998	<u>1,219,144,009</u>

Employee Stock Options

In January 1998, CEMEX introduced a new stock option plan as part of the variable compensation for key executives. Under this program, CEMEX has granted ten-year options to acquire a total of 3,427,624 CEMEX B

shares. Each option fully vests only if the 240 day moving average price of the stock doubles in dollar terms over the first five years of the life of the option.

To further align CEMEX executives' interest with those of its shareholders, in February 1998 the company initiated an Employee Stock Option Plan (ESOP). Under this voluntary stock option purchase program, executives elected to purchase a total of 6,810,000 five year options on CEMEX B shares, with an escalating strike price indexed quarterly in dollar terms reflecting market funding costs.

The information regarding the stock option plan begun in 1995 to grant options to directors, officers and other employees remained unchanged from year end 1997.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Thousands of Pesos in Real Terms as of Mar. 1998)(*)

INCOME STATEMENT	January - March		%	Quarters		%
	1998	1997	Var.	I 1998	I 1997	Var.
Net Sales	8,489,159	6,933,856	22%	8,489,159	6,933,856	22%
Cost of Sales	(4,921,132)	(4,272,502)	15%	(4,921,132)	(4,272,502)	15%
Gross Profit	3,568,027	2,661,354	34%	3,568,027	2,661,354	34%
Selling, General and Administrative Expenses	(1,267,702)	(1,068,504)	19%	(1,267,702)	(1,068,504)	19%
Operating Income	2,300,324	1,592,850	44%	2,300,324	1,592,850	44%
Financial Expenses	(1,051,164)	(1,103,896)	(5%)	(1,051,164)	(1,103,896)	(5%)
Financial Income	72,252	73,782	(2%)	72,252	73,782	(2%)
Exchange Gain (Loss), Net	(509,382)	(24,170)	N/A	(509,382)	(24,170)	N/A
Monetary Position Gain (Loss)	1,410,936	1,575,468	(10%)	1,410,936	1,575,468	(10%)
Total Comprehensive Financing (Cost) Income	(77,357)	521,183	(115%)	(77,357)	521,183	(115%)
Gain or (Loss) on Marketable Securities	(49,520)	76,180	(165%)	(49,520)	76,180	(165%)
Other Expenses, Net	(207,478)	(311,647)	(33%)	(207,478)	(311,647)	(33%)
Other Income (Expense)	(256,998)	(235,467)	9%	(256,998)	(235,467)	9%
Net Income Before Income Taxes	1,965,969	1,878,567	5%	1,965,969	1,878,567	5%
Income Tax	(124,209)	(169,434)	(27%)	(124,209)	(169,434)	(27%)
Employees' Statutory Profit Sharing	(38,873)	(19,427)	100%	(38,873)	(19,427)	100%
Total Income Tax & Profit Sharing	(163,082)	(188,860)	(14%)	(163,082)	(188,860)	(14%)
Net Income Before Participation						
of Uncons. Subs. and Ext. Items	1,802,887	1,689,706	7%	1,802,887	1,689,706	7%
Participation in Unconsolidated Subsidiaries	3,385	35,713	(91%)	3,385	35,713	(91%)
Consolidated Net Income	1,806,272	1,725,419	5%	1,806,272	1,725,419	5%
Net Income Attributable to Min. Interest	253,453	237,059	7%	253,453	237,059	7%
NET INCOME AFTER MINORITY INTEREST	1,552,819	1,488,360	4%	1,552,819	1,488,360	4%
Operating Cash Flow (Operating Income + Depreciation + Leases + Cost Restatements)	2,984,506	2,227,853	34%	2,984,506	2,227,853	34%

BALANCE SHEET	January - March		%
	1998	1997	Var.
Total Assets	87,114,191	87,857,990	(1%)
Cash and Temporary Investments	3,611,702	2,908,003	24%
Trade Accounts Receivables	4,204,120	3,867,497	9%
Other Receivables	1,352,726	1,631,240	(17%)
Inventories	3,973,991	3,885,124	2%
Other Current Assets	451,282	502,739	(10%)
Current Assets	13,593,821	12,794,603	6%
Fixed Assets	50,569,845	52,145,285	(3%)
Other Assets	22,950,525	22,918,102	0%
Total Liabilities	46,981,105	48,538,160	(3%)
Current Liabilities	10,061,446	10,800,358	(7%)
Long-Term Liabilities	35,543,965	36,514,306	(3%)
Other Liabilities	1,375,694	1,223,495	12%
Consolidated Stockholders' Equity	40,133,086	39,337,928	2%
Stockholders' Equity Attributable to Minority Interest	9,845,905	9,508,834	4%
Stockholders' Equity Attributable to Majority Interest	30,287,181	29,829,094	2%

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

Consolidated Figures

Financial and Operating Indicators

(Thousands of Pesos in Real Terms as of Mar. 1998)(*)

FINANCIAL INDICATORS	January - March		%	Quarters		%
	1998	1997	Var.	I 1998	I 1997	Var.
Operating Margin	27.1%	23.0%		27.1%	23.0%	
Operating Cash Flow Margin	35.1%	32.1%		35.1%	32.1%	
Interest Coverage (Op. Cash Flow / Int. Exp.) (1)	2.62	1.73		2.84	2.02	
Interest + Cash Tax Coverage (1)	2.41	1.65		2.46	1.93	
Net Debt / Operating Cash Flow (1)	3.55	4.55				
Debt / Total Capitalization (Covenant)	49.4%	51.9%				
Return on Equity (1)(3)	15.9%	10.4%				
Return on Operating Assets (1)(4)	14.6%	12.7%				
Cash Flow per Share(2)	2.45	1.79	37%	2.45	1.79	37%
Cash Earnings per Share(2)	1.65	0.96	71%	1.65	0.96	71%
Earnings per Share (2)	1.28	1.19	7%	1.28	1.19	7%

VOLUMES Volume in thousands	January - March		%	Quarters		%
	1998	1997	Var.	I 1998	I 1997	Var.
CONSOLIDATED						
Total Cement (Met. Tons)	9,328.0	8,271.6	13%	9,328.0	8,271.6	13%
Total Ready-mix (m3)	3,329.9	2,562.5	30%	3,329.9	2,562.5	30%

VOLUMES Variation in volume	January - March	Quarters	Quarters
	1998 - 1997	I 1998 - I 1997	I 1998 - IV 1997
MEXICO	8%	8%	(7%)
Domestic (Met. Tons, Gray Cement)	20%	20%	(2%)
Exports (Met. Tons)	(41%)	(41%)	(37%)
Ready-mix (m3)	45%	45%	(4%)
USA			
Domestic (Met. Tons)	13%	13%	(6%)
Ready-Mix(m3)	14%	14%	(5%)
Aggregates (Met. Tons)	7%	7%	(3%)
SPAIN	19%	19%	2%
Domestic (Met. Tons)	29%	29%	5%
Exports (Met. Tons)	(9%)	(9%)	2%
Ready-mix (m3)	21%	21%	9%
VENEZUELA	13%	13%	0%
Domestic (Met. Tons)	37%	37%	8%
Exports (Met. Tons)	(7%)	(7%)	(8%)
Ready-mix (m3)	58%	58%	0%
COLOMBIA			
Domestic (Met. Tons)	N/A	N/A	(11%)
Ready-Mix (m3)	N/A	N/A	(10%)
CARIBBEAN / CENTRAL AMERICA			
Domestic (Met. Tons)	3%	3%	(4%)
Ready-Mix (m3)	27%	27%	5%

(*) Results for 1998 can be converted to dollars by dividing by the March 1998 exchange rate of 8.55. Results for 1997 can be converted to dollars by dividing by the weighted average inflation factor of 10.96% (1.1096) and then dividing by the March 1997 exchange rate of 7.92.

(1) Trailing twelve months.

(2) Considering 1,217,638 thousand average shares for I 1998, 1,245,677 thousand average shares for I 1997, 1,217,638 thousand average shares for 1998 accumulated and 1,245,677 thousand average shares for 1997 accumulated

(3) (Cash earnings - Cash taxes - Other non-operating cash expenses) / Average consolidated shareholders equity

(4) Operating cash flow / (Average consolidated shareholders equity + Average net debt)

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Convenience translation in thousands of dollars) ⁽¹⁾

INCOME STATEMENT	January - March		%	Quarters		%
	1998	1997	Var.	I 1998	I 1997	Var.
Net Sales	992,884	789,011	26%	992,884	789,011	26%
Cost of Sales	(575,571)	(486,173)	18%	(575,571)	(486,173)	18%
Gross Profit	417,313	302,838	38%	417,313	302,838	38%
Selling, General and Administrative Expenses	(148,269)	(121,586)	22%	(148,269)	(121,586)	22%
Operating Income	269,044	181,252	48%	269,044	181,252	48%
Financial Expenses	(122,943)	(125,614)	(2%)	(122,943)	(125,614)	(2%)
Financial Income	8,451	8,396	1%	8,451	8,396	1%
Exchange Gain (Loss), Net	(59,577)	(2,750)	N/A	(59,577)	(2,750)	N/A
Monetary Position Gain (Loss)	165,022	179,274	(8%)	165,022	179,274	(8%)
Total Comprehensive Financing (Cost) Income	(9,048)	59,306	(115%)	(9,048)	59,306	(115%)
Gain or (Loss) on Marketable Securities	(5,792)	8,669	(167%)	(5,792)	8,669	(167%)
Other Expenses, Net	(24,266)	(35,463)	(32%)	(24,266)	(35,463)	(32%)
Other Income (Expense)	(30,058)	(26,794)	12%	(30,058)	(26,794)	12%
Net Income Before Income Taxes	229,938	213,764	8%	229,938	213,764	8%
Income Tax	(14,527)	(19,280)	(25%)	(14,527)	(19,280)	(25%)
Employees' Statutory Profit Sharing	(4,547)	(2,211)	106%	(4,547)	(2,211)	106%
Total Income Tax & Profit Sharing	(19,074)	(21,491)	(11%)	(19,074)	(21,491)	(11%)
Net Income Before Participation of of Uncons. Subs. and Ext. Items	210,864	192,274	10%	210,864	192,274	10%
Participation of Unconsolidated Subsidiaries	396	4,064	(90%)	396	4,064	(90%)
Consolidated Net Income	211,260	196,337	8%	211,260	196,337	8%
Net Income Attributable to Min. Interest	29,644	26,975	10%	29,644	26,975	10%
NET INCOME AFTER MINORITY INTEREST	181,616	169,362	7%	181,616	169,362	7%
Operating Cash Flow (Operating Income + Depreciation + Leases + Cost Restatements)	349,065	253,510	38%	349,065	253,510	38%

BALANCE SHEET	January - March		%
	1998	1997	Var.
Total Assets	10,188,794	9,997,459	2%
Cash and Temporary Investments	422,421	330,905	28%
Trade Accounts Receivables	491,710	440,087	12%
Other Receivables	158,214	185,621	(15%)
Inventories	464,794	442,093	5%
Other Current Assets	52,782	57,207	(8%)
Current Assets	1,589,921	1,455,912	9%
Fixed Assets	5,914,602	5,933,670	(0%)
Other Assets	2,684,272	2,607,876	3%
Total Liabilities	5,494,866	5,523,212	(1%)
Current Liabilities	1,176,777	1,228,985	(4%)
Long-Term Liabilities	4,157,189	4,155,004	0%
Other Liabilities	160,900	139,223	16%
Consolidated Stockholders' Equity	4,693,928	4,476,307	5%
Stockholders' Equity Attributable to Minority Interest	1,151,568	1,082,021	6%
Stockholders' Equity Attributable to Majority Interest	3,542,360	3,394,286	4%

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Convenience translation in thousands of dollars) ⁽¹⁾

FINANCIAL INDICATORS	January - March		%	Quarters		%
	1998	1997	Var.	I 1998	I 1997	Var.
Operating Margin	27.1%	23.0%		27.1%	23.0%	
Operating Cash Flow Margin	35.1%	32.1%		35.1%	32.1%	
Interest Coverage (Op. Cash Flow / Int. Exp.) ⁽¹⁾	2.62	1.73		2.84	2.02	
Interest + Cash Tax Coverage ⁽¹⁾	2.41	1.65		2.46	1.93	
Net Debt / Operating Cash Flow ⁽¹⁾	3.55	4.55				
Debt / Total Capitalization (Covenant)	49.4%	51.9%				
Return on Equity ⁽¹⁾⁽³⁾	15.9%	10.4%				
Return on Operating Assets ⁽¹⁾⁽⁴⁾	14.6%	12.7%				
Cash Flow per Share ⁽²⁾	0.29	0.20	41%	0.29	0.20	41%
Cash Earnings per Share ⁽²⁾	0.19	0.11	76%	0.19	0.11	76%
Earnings per Share ⁽²⁾	0.15	0.14	10%	0.15	0.14	10%

VOLUMES Volume in thousands	January - March		%	Quarters		%
	1998	1997	Var.	I 1998	I 1997	Var.
CONSOLIDATED						
Total Cement (Met. Tons)	9,328.0	8,271.6	13%	9,328.0	8,271.6	13%
Total Ready-mix (m3)	3,329.9	2,562.5	30%	3,329.9	2,562.5	30%

VOLUMES Variation in volume	January - March	Quarters	Quarters
	1998 - 1997	I 1998 - I 1997	I 1998 - IV 1997
MEXICO	8%	8%	(7%)
Domestic (Met. Tons, Gray Cement)	20%	20%	(2%)
Exports (Met. Tons)	(41%)	(41%)	(37%)
Ready-mix (m3)	45%	45%	(4%)
USA			
Domestic (Met. Tons)	13%	13%	(6%)
Ready-Mix(m3)	14%	14%	(5%)
Aggregates (Met. Tons)	7%	7%	(3%)
SPAIN	19%	19%	2%
Domestic (Met. Tons)	29%	29%	5%
Exports (Met. Tons)	(9%)	(9%)	2%
Ready-mix (m3)	21%	21%	9%
VENEZUELA	13%	13%	0%
Domestic (Met. Tons)	37%	37%	8%
Exports (Met. Tons)	(7%)	(7%)	(8%)
Ready-mix (m3)	58%	58%	0%
COLOMBIA			
Domestic (Met. Tons)	N/A	N/A	(11%)
Ready-Mix (m3)	N/A	N/A	(10%)
CARIBBEAN / CENTRAL AMERICA			
Domestic (Met. Tons)	3%	3%	(4%)
Ready-Mix (m3)	27%	27%	5%

⁽¹⁾ Results for 1998 were converted to dollars by dividing by the March 1998 exchange rate of 8.55. Results for 1997 were converted to dollars by dividing by the weighted average inflation factor of 10.96% (1.1096) and then dividing by the March 1997 exchange rate of 7.92.

⁽¹⁾ Trailing twelve months.

⁽²⁾ Considering 1,217,638 thousand average shares for I 1998, 1,245,677 thousand average shares for I 1997, 1,217,638 thousand average shares for 1998 accumulated and 1,245,677 thousand average shares for 1997 accumulated

⁽³⁾ (Cash earnings - Cash taxes - Other non-operating cash expenses) / Average consolidated shareholders equity

⁽⁴⁾ Operating cash flow / (Average consolidated shareholders equity + Average net debt)

Mexico
(Thousands of Constant Pesos as of Mar. 1998)(1)

INCOME STATEMENT	January - March		%	I 1998	I 1997	%
	1998	1997	Var.			Var.
Net Sales	3,937,279	3,092,649	27%	3,937,279	3,092,649	27%
Cost of Sales	(1,981,321)	(1,953,702)	1%	(1,981,321)	(1,953,702)	1%
Gross Profit	1,955,958	1,138,947	72%	1,955,958	1,138,947	72%
Selling, General and Administrative Expenses	(457,019)	(403,444)	13%	(457,019)	(403,444)	13%
Operating Income	1,498,938	735,503	104%	1,498,938	735,503	104%
Operating Cash Flow (Operating Income + Depreciation + Leases + Cost Actualization)	1,749,123	1,048,922	67%	1,749,123	1,048,922	67%
Operating Margin	38.0%	23.8%		38.0%	23.8%	
Operating Cash Flow Margin	44.4%	33.9%		44.4%	33.9%	

Spain
(Thousands of Pesetas)(2)

INCOME STATEMENT	January - March		%	I 1998	I 1997	%
	1998	1997	Var.			Var.
Net Sales	29,502,209	24,104,974	22%	29,502,209	24,104,974	22%
Cost of Sales	(19,044,435)	(16,409,371)	16%	(19,044,435)	(16,409,371)	16%
Gross Profit	10,457,774	7,695,603	36%	10,457,774	7,695,603	36%
Selling, General and Administrative Expenses	(3,244,721)	(3,149,630)	3%	(3,244,721)	(3,149,630)	3%
Operating Income	7,213,053	4,545,973	59%	7,213,053	4,545,973	59%
Operating Cash Flow (Operating Income + Depreciation)	10,057,448	7,507,783	34%	10,057,448	7,507,783	34%
Operating Margin	24.4%	18.9%		24.4%	18.9%	
Operating Cash Flow Margin	34.1%	31.1%		34.1%	31.1%	

Venezuela
(Thousands of Constant Bolivares as of Mar. 1998)(3)

INCOME STATEMENT	January - March		%	I 1998	I 1997	%
	1998	1997	Var.			Var.
Net Sales	63,951,036	54,310,274	18%	63,951,036	54,310,274	18%
Cost of Sales	(36,975,086)	(32,456,024)	14%	(36,975,086)	(32,456,024)	14%
Gross Profit	26,975,950	21,854,249	23%	26,975,950	21,854,249	23%
Selling, General and Administrative Expenses	(5,458,854)	(4,741,057)	15%	(5,458,854)	(4,741,057)	15%
Operating Income	21,517,095	17,113,192	26%	21,517,095	17,113,192	26%
Operating Cash Flow (Operating Income + Depreciation + Leases + Cost Actualization)	28,210,031	25,003,588	13%	28,210,031	25,003,588	13%
Operating Margin	33.7%	31.6%		33.7%	31.6%	
Operating Cash Flow Margin	44.1%	46.1%		44.1%	46.1%	

- (1) Results for 1998 can be converted to dollars by dividing by the March 1998 exchange rate of 8.55. Results for 1997 can be converted to dollars by dividing by the Mexican inflation rate of 15.30% (1.153) and then dividing by the March 1997 exchange rate of 7.92.
- (2) Results for 1998 can be converted to dollars by dividing by the March 1998 exchange rate of 156.84. Results for 1997 can be converted to dollars by dividing by the March 1997 exchange rate of 141.82.
- (3) Results for 1998 can be converted to dollars by dividing by the March 1998 exchange rate of 525.25. Results for 1997 can be converted to dollars by dividing by the Venezuelan inflation rate of 38.25% (1.3825) and then dividing by the March 1997 exchange rate of 478.25.

DETAILED INFORMATION AVAILABLE UPON REQUEST

The United States

(Thousands of Dollars)

INCOME STATEMENT	January - March		%	I 1998	I 1997	%
	1998	1997	Var.			Var.
Net Sales	107,744	94,383	14%	107,744	94,383	14%
Cost of Sales	(92,765)	(84,145)	10%	(92,765)	(84,145)	10%
Gross Profit	14,979	10,238	46%	14,979	10,238	46%
Selling, General and Administrative Expenses	(7,856)	(7,559)	4%	(7,856)	(7,559)	4%
Operating Income	7,124	2,679	166%	7,124	2,679	166%
Operating Cash Flow (Operating Income + Depreciation + Leases)	14,252	9,429	51%	14,252	9,429	51%
Operating Margin	6.6%	2.8%		6.6%	2.8%	
Operating Cash Flow Margin	13.2%	10.0%		13.2%	10.0%	

Colombia

(Thousands of Colombian Pesos as of Mar. 1998)(4)

INCOME STATEMENT	January - March		%	I 1998	I 1997	%
	1998	1997	Var.			Var.
Net Sales	127,723,461	114,682,554	11%	127,723,461	114,682,554	11%
Cost of Sales	(79,729,306)	(67,599,523)	18%	(79,729,306)	(67,599,523)	18%
Gross Profit	47,994,155	47,083,031	2%	47,994,155	47,083,031	2%
Selling, General and Administrative Expenses	(20,055,559)	(19,847,508)	1%	(20,055,559)	(19,847,508)	1%
Operating Income	27,938,596	27,235,524	3%	27,938,596	27,235,524	3%
Operating Cash Flow (Operating Income + Depreciation + Leases)	47,328,815	44,980,939	5%	47,328,815	44,980,939	5%
Operating Margin	21.9%	23.7%		21.9%	23.7%	
Operating Cash Flow Margin	37.1%	39.2%		37.1%	39.2%	

Caribbean / Central America

(Thousands of Dollars)

INCOME STATEMENT	January - March		%	I 1998	I 1997	%
	1998	1997	Var.			Var.
Net Sales	54,909	43,176	27%	54,909	43,176	27%
Cost of Sales	37,223	28,334	31%	37,223	28,334	31%
Gross Profit	17,686	14,842	19%	17,686	14,842	19%
Selling, General and Administrative Expenses	4,405	3,558	24%	4,405	3,558	24%
Operating Income	13,281	11,284	18%	13,281	11,284	18%
Operating Cash Flow (Operating Income + Depreciation)	17,515	15,691	12%	17,515	15,691	12%
Operating Margin	24.2%	26.1%		24.2%	26.1%	
Operating Cash Flow Margin	31.9%	36.3%		31.9%	36.3%	

(4) Results for 1998 can be converted to dollars by dividing by the March 1998 exchange rate of 1,358.03. Results for 1997 can be converted, to dollars by dividing by the Colombian inflation rate of 17.66% (1.1766) and then dividing by the March 1997 exchange rate of 1,059.88.

DETAILED INFORMATION AVAILABLE UPON REQUEST