Carlos Jacks
Investor Relations
(528) 328-3393
cjacks@cemex.com

Amy Figueroa
Analyst Relations
(212) 317-6008
afigueroa@cemex.com

CEMEX homepage: http://www.cemex.com

1998 Second Quarter Results

EBITDA Increases 28% and Cash Earnings 52% in Dollar Terms During the First Six Months of 1998

- Net sales increased 8% in real terms to Ps. 9.500 billion during the second quarter of 1998 versus the same quarter of 1997. In dollar terms, net sales increased 10% in the second quarter to US$1.056 billion. Year over year, CEMEX´s consolidated cement volumes decreased 3% while ready-mix volumes increased 22%.

- Operating margin was 27.4% during the second quarter, versus 23.6% for the period year ago. Operating income increased 25% to Ps. 2.606 billion in the second quarter 1998.

- EBITDA increased 18% in real terms during the second quarter to Ps. 3.287 billion. In dollar terms, EBITDA grew 21% to US$365 million during the second quarter as compared to US$303 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 33% in real terms versus the prior year, to Ps. 2.278 billion (Ps.3.72 per ADR), or 37% in dollar terms to US$253 million (US$0.42 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 1,223 million.

- Net income during the second quarter of 1998 was Ps. 1.658 billion, or US$184 million (including monetary position gains of Ps. 1.199 billion). Net income during the same period in 1997 was Ps. 1.423 billion or US$154 million (including monetary position gains of Ps. 1.186 billion). Net income per ADR in the second quarter was Ps. 2.72 (US$0.30), versus Ps. 2.30 (US$0.26) during the same period a year ago.

- 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 3.03 times in the second quarter and 2.75 times for the trailing twelve months. Interest plus tax coverage (EBITDA before operating lease payments and cost restatements for inflation divided by interest expense plus Preferred dividend plus cash taxes paid) was 2.47 times on a trailing twelve months basis during the second quarter of 1998. Interest expense declined 3% in dollar terms to US$121 million in the second quarter of 1998.

- Net debt (on- plus off-balance sheet debt plus Preferred Capital Securities minus cash and cash equivalents) was US$4,684 million at the second quarter of 1998.

- Leverage as defined by Net debt to EBITDA declined to 3.50 times versus 4.43 times in the second quarter of 1997.

Consolidated Results (in real terms)

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

Net sales increased 8% in real terms versus the same period a year ago to Ps. 9.500 billion. This increase was attributable to strong pricing and higher domestic demand in many of the Company's markets. In dollar terms, net sales grew at a higher rate of 10% to US$1.056 billion.

Mexico represented 43% of the net sales for the second quarter, Spain 20%, Venezuela 11%, Colombia 7%, the United States 13% and Central America and the Caribbean 6%.

Gross margin increased from 38.2% in the second quarter of 1997 to 42.4% in the second quarter of 1998 as higher sales in most subsidiaries were accompanied by a decline in certain production costs, particularly energy-related costs.

Operating income increased 25% in real terms to Ps. 2.606 billion for the quarter and increased 28% in dollar terms to US$290 million. **Operating margin** in the second quarter increased to 27.4% in the second quarter 1998 from 23.6% last year, attributable to the higher gross margin.

EBITDA in the quarter was Ps. 3.287 billion, an increase of 18% in real terms over the second quarter of 1997 due to performance improvements in many operations. In dollar terms, EBITDA reached US$365 million, a 21% increase over the US$303 million reported during last year's second quarter. **EBITDA margin** was 34.6% in the quarter versus 31.6% in the second quarter of 1997.

In the second quarter, Mexico represented 55% of the total cash flow, Spain 19%, Venezuela 13%, Colombia 3%, the United States 6% and Central America and the Caribbean 4%.

Cash earnings (EBITDA less net financial expenses) were Ps. 2.278 billion (Ps. 3.72 per ADR) in the quarter, 33% higher in real terms. In dollar terms, cash earnings increased 37% to US$253 million (US$0.42 per ADR) from the second quarter of 1997.

Second quarter **interest expenses** were Ps. 1.089 billion, a 5% decrease over the same period in 1997 in real terms. In dollars, interest expenses were US$121 million, a 3% decrease.

For the calculation of **Net Debt, Net Debt to EBITDA, Interest Coverage**, and **Interest Expense plus Cash Tax Coverage**, the Company, conservatively, is adding the Preferred Capital Security (US$250 million) because of the Put option to CEMEX under the structure.

Interest coverage improved to 3.03 times, up from 2.50 times during the second quarter of 1997. On a trailing twelve month basis, interest coverage improved to 2.75 times from 1.87 a year ago. **Interest expense plus cash tax coverage** was 2.47 times on a trailing twelve months basis at the end of the second quarter of 1998.

Total on-balance sheet debt, in millions of constant pesos as of June 30, 1998 and billions of dollars at the end of each period:

	Jun. 30, 1998	Mar. 31. 1998	Jun. 30, 1997	Var. Mar. - Jun.	Var. Jun. - Jun.
Pesos	38,321	41,518	43,632	(8%)	(12%)
Dollars	4.258	4.579	4.734	(7%)	(10%)

Net debt (on- plus off-balance sheet debt plus Preferred Capital Securities minus cash and cash equivalents) decreased 4% compared to the second quarter of 1997 to US$4,684 million, from a 12% decrease in on-balance sheet debt. Off-balance sheet debt remained flat at US$500 million during the last three months.

Leverage (Net debt to EBITDA for the previous twelve months) was reduced from 4.43 at the end of the second quarter of 1997, to 3.50 in the same period of 1998.

Long-term debt: 88.1% or Ps. 33,757 million (US$3.751 billion)

Short-term debt: 11.9% or Ps. 4,564 million (US$507 million)

Denomination	Dollars	Pesetas	Bolivares	Col. Pesos
June 1998	95%	4%	0%	1%
June 1997	92%	6%	1%	1%

Average Cost	Dollars	Pesetas	Bolivares	Col. Pesos
June 1998	8.1%	5.0%	33.8%	12.6%
June 1997	8.2%	6.0%	18.0%	28.1%

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 second 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 second quarter was a loss of Ps. 417 million, a significant increase versus the Ps. 32 million reported during the second quarter of 1997, principally due to the greater depreciation of the Mexican Peso versus the US Dollar during the second quarter 1998 as compared to the same period a year ago. Exchange rates used by the Company at June 30, 1997 and June 30, 1998 were Ps. 7.95 and Ps. 9.00 per dollar, respectively.

A **net monetary position gain** of Ps. 1.199 billion was recognized during the second quarter, an increase of 1% 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 3.2%.

Other Expenses and Income was an expense of Ps. 436 million, a 135% increase in real terms from the second quarter of 1997. A loss on marketable securities comprised the majority of this increase in the period. Actual cash expense in the second quarter of 1998 was Ps. 9 million or US$1 million.

The **total effective tax** rate was 9.2% in the quarter, comprised of income tax -ISR- (7.2%) and of employees' statutory profit sharing -PTU- (2.0%). In anticipation of CEMEX's annual cash tax payments, approximately Ps. 117 million (US$13 million) was paid during the second quarter of 1998.

Minority interest income decreased 53% in the quarter in real terms compared to the second quarter of 1997 in part from net losses in the Colombian operations.

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 second quarter were Ps. 4.291 billion, an increase of 13% compared with the equivalent period in 1997 due to higher domestic cement prices. In dollar terms, net sales increased 15% to US$477 million.

The breakdown of total sales in Mexico during the second quarter was as follows: 71% from domestic cement sales, 19% from ready-mix sales, 5% from exports and 5% from tourism and others.

Domestic gray cement volume decreased 4% in the second quarter of 1998 versus 1997, while the sales volume of **ready-mix** increased 31% driven by private sector demand.

CEMEX's **average realized cement price** (invoice) in Mexico during the second quarter increased 26% versus the second quarter of 1997 in constant peso terms. In dollar terms, prices rose 30% versus the same period a year ago.

The **average ready-mix price** increased 8% in constant peso terms and increased 12% in dollar terms over the second quarter 1997.

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 approximately 6% of CEMEX's volume is sold directly or indirectly to government entities, CEMEX has not been impacted directly by recent budget cuts. CEMEX believes housing, industrial and commercial construction will continue to support demand growth through the rest of this year.

During the second quarter of 1998, ready-mix volume growth was driven by increases in industrial and commercial construction. In addition, CEMEX has developed new products for urban pavements as well as entered new markets that demand lower but consistent ready-mix volumes. As recent budget cuts are most likely to impact non-cement intensive projects (mainly Pemex-related), CEMEX believes ready-mix demand should continue to enjoy strong growth in 1998.

Total export volumes declined 49% during the quarter compared with the second 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: 33%   The Caribbean: 32%   United States: 35%

The average **cash cost of goods sold** per ton in the second quarter of 1998 decreased 4% in real terms versus the second quarter of 1997 primarily due to a 10% decrease in variable costs which was partially offset by a 2% increase in fixed costs. Total CEMEX Mexico fixed costs decreased approximately 6% due to a more efficient maintenance schedule and a reduction of personnel costs. Fuel oil costs decreased 27% in real terms year over year, due to lower fuel oil prices and increased usage of petroleum coke, while electricity costs decreased 6% in the same period. CEMEX estimates reduced energy costs have saved nearly US$18 million during 1998 versus the original forecast.

Gross margin increased from 39.4% in the second quarter of 1997 to 52.3% in 1998.

Operating income was Ps. 1.744 billion, 67% higher than the prior year. **Operating margin** in Mexico increased to 40.7% during the period from 27.3% in 1997.

EBITDA in Mexico increased 50% in real terms to Ps. 2.032 billion in the second quarter and in dollar terms grew 52% to US$226 million. **EBITDA margin** was 47.4% in the second quarter of 1998 versus 35.6% 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. 33,090 million during the second quarter, a 12% 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 11%, and **ready-mix volume** 18% during the second quarter of 1998 compared to the same period of 1997 as strong fundamentals in the Spanish economy have supported annual GDP growth of about 3.7%. Inflation and unemployment have declined significantly and together with decreasing interest rates, have strengthened building activity particularly the housing sector. In addition, non-residential construction is continues to improve, primarily in commercial centers and new office space.

Imports into Spain during the quarter fell 43% compared to the second 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 fulfill domestic demand, **exports** from Spain decreased 13% in the second quarter compared to the second quarter of 1997, distributed as follows:

United States: 54% Africa: 28% Europe & the Middle East: 18%

The average **domestic sales price for cement** increased 2% in peseta terms, when compared with the same period of the previous year, and decreased 2% in dollar terms due to the devaluation of the peseta. The **average price for ready-mix** during the period increased 1% in peseta terms and decreased 3% in dollar terms.

The average **cash cost of goods sold** per ton increased 5%, in peseta terms, in the second quarter of 1998 versus 1997. Fixed costs per ton in Peseta terms increased 9% from an increased in spare part costs and labor. Variable costs per ton increased by 3% 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 increased 1% year over year.

Gross margin increased to 38.8% in the second quarter of 1998 from 34.7% in the second 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 income in the second quarter was Ptas. 9,312 million, 32% higher than in 1997. **Operating margin** was 28.1% as compared to 23.9% in the same period a year ago .

EBITDA increased 14% year over year to Ptas. 12,051 million. In dollar terms, EBITDA grew 9% to US$79 million in the second quarter of 1998, while **EBITDA margin** increased to 36.4% versus 35.7% a year earlier.

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.

During the second quarter of 1998, **net sales** in Venezuela were Bs. 66,197 million. This represents an 8% decrease in constant Bolivar terms over the same period in 1997 and was due primarily to lower prices in constant Bolivar terms and lower export volumes, which offset higher domestic cement and ready-mix volumes. In dollar terms, net sales increased 13% to US$120 million for the same period.

Domestic cement volume increased 11% in the quarter compared to the second quarter of 1997, principally driven by private sector demand. **Ready-mix volume** increased 27% supported by the participation in a railroad concession project. Construction projects that started last year have continued affecting cement demand. During this quarter Vencemos was awarded a contract to supply cement for the construction of the Carauchi dam in the eastern part of Venezuela. This project will require more than 450 thousand metric tons of cement over the next 3 years.

Resulting from the ongoing privatization of the oil industry, private investment has been entering the country to modernize the sector and establish the necessary infrastructure in eastern Venezuela. Despite Venezuelan government budget cuts, demand is expected to continue to be driven by private sector, concession-related spending and long-term investment in the petroleum sector. Pre-election spending has not yet had an impact on demand in 1998, but is expected to generate additional cement demand in the second half of 1998 as December elections draw near.

The **volume of exports** from Venezuela fell 30% during the second quarter as compared to same period a year ago and in the period comprised 39% of total sales volumes versus 50% a year ago. Exports during the quarter were distributed as follows:

United States: 67% The Caribbean & Central America: 22% South America: 11%

Domestic cement prices and **ready-mix prices** declined by 16% and 3% respectively, in constant Bolivar terms, when compared with the second quarter of 1997. In dollar terms, cement and ready-mix prices increased 5% and 21%, respectively, as inflation between June 1997 and June 1998 was approximately 39%, while the Bolivar devalued only 14% during the period.

The average **cash cost of goods sold** per ton decreased 3% in constant Bolivar terms in the second quarter of 1998 compared to the second quarter of 1997. Fixed costs per ton increased 4% due to higher labor costs. Variable costs per ton decreased 10% from lower costs associated with the grinding of raw materials. In dollar terms, the cash cost per ton increased 21% due to the overvaluation of the Bolivar.

Gross margin increased to 44.9% in the second quarter from 43.8% in the second quarter of 1997.

Operating margin slightly decreased to 36.5% in the second quarter from 36.7% in the prior year, on **operating income** of Bs. 24,164 million, 9% lower in constant Bolivar terms than the second quarter last year.

EBITDA was Bs. 29,636 million for the quarter, a 10% decrease over the same period in 1997. In dollar terms, operating cash flow increased 11% to US$54 million. The **EBITDA margin** was 47.3% in the second quarter of 1998 versus 48.3% 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. 107 billion (US$79 million), 17% lower as compared to the second quarter of 1997.

Cement demand in Colombia has come down as a result of higher interest rates and economic uncertainty caused by the presidential election period. In addition, inflation continues to impact the Colombian economy and the construction sector. As a result, prices of cement in Colombia have declined by approximately 26% versus the first quarter of 1998. Prices fell by roughly 50% in the month of June, but have since begun to recover. The Company expects this situation will be temporary as market dynamics return the cement market to normal levels due to an improved economic environment created by the election of the new President.

Gross margin was 15.1% for the 1998 second quarter versus 35.5% in the second quarter 1997.

Operating margin was -2.7% in the second quarter on an **operating loss** of CPs. 2.8 billion (US$2 million). This compares to an operating margin of 23.1% and operating income of CPs. 30 billion (US$35 million) a year ago.

EBITDA was CPs. 16 billion (US$11 million) in the second quarter of 1998, an decrease of 67% versus the same period in 1997. **EBITDA margin** decreased from 38.6% last year to 17.1% in the second 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 second quarter of 1998 were US$136 million, a 23% increase over the same period a year ago from stronger prices and volumes for both cement and ready-mix.

Cement sales volume increased by 18% during the second quarter of 1998 as compared to the same period in 1997. **Ready-mix volumes** increased 17% and **aggregates volumes** increased 9% over the same period a year ago.

Average realized **cement prices** increased 6% in the second quarter versus the same period in 1997 as local cement producers are operating at capacity. **Average ready-mix prices** during the quarter increased 4% versus a year ago, while the average **price of aggregates** decreased 2%.

Gross margin increased to 20.7% in the quarter from 15.2% in 1997 primarily as a result of higher volumes and better prices coupled with lower costs. The import of less expensive cement from China has favorably impacted margins during the second quarter.

Operating margin increased to 15.0% in the second quarter from 8.3% 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 16.6% vs. 10.7% a year ago.

Operating income in the second quarter of 1998 was US$20 million, 122% higher than the second quarter of 1997.

EBITDA increased 83% to US$25 million from US$13 million for the same period a year ago. **EBITDA margin** increased to 20.0% from 14.8% in the in the second quarter of 1997.

Financing Activities and Strategy

The following is a summary of the transactions carried out during the second quarter.

Extension of Revolving Credit Facility

During the quarter, CEMEX successfully extended its US$600 million Revolving Credit Facility to May 1999. The Facility allows CEMEX to refinance up to US$600 million of outstanding debt, subject to certain terms and conditions, and any funds drawn under the facility may be converted to a long-term loan with final maturity on May 2001.

Preferred Capital Security Issuance

In May, CEMEX's Spanish subsidiary Valenciana, through one of its subsidiaries, issued US$250 million of Putable Capital Securities in preferred shares at 9.66% per annum. This transaction improves the financial structure of Valenciana. Under this transaction, at its option, CEMEX may purchase the outstanding capital securities on November 15, 2004 or on any Dividend payment date thereafter. In addition, the security holders have the option to sell them to CEMEX on May 15, 2005. Proceeds were applied by Valenciana as a partial payment in the acquisition of CEMEX´s Colombian operations (Cementos Diamante-Samper) for US$346, the remaining balance of which will be paid through an inter-company note. CEMEX in turn, used the proceeds to pay debt at the Holding Company level.

Payment of the Jumbo Bond

During the month of June, CEMEX paid the remaining US$459 million of the original US$1 billion Jumbo Bond. The payment was made with the proceeds from the sale of Cementos Diamante - Samper to Valenciana, as well as with free cash flow and short-term debt. This instrument was the only major obligation pending for CEMEX during 1998.

Divestiture of Cement Assets in Spain

Through its subsidiary in Spain, Valenciana de Cementos, CEMEX finalized negotiations to sell the Alcalá de Guadaira Plant and related assets in Seville, Spain, to the Spanish Grupo Valderrivas corporation. The amount of the transaction is 39 billion pesetas (approximately US$260 million). The sale represents about 11% of CEMEX's operations in Spain.

The plant has an installed production capacity of one million metric tons of cement per year. The agreed price also includes the sale of the ready-mix concrete, mortar and aggregates plants in Andalucia and Extremadura.

CEMEX Selected as the Preferred Bidder in Semen Gresik Privatization in Indonesia

On July 3, 1998 the Indonesian government selected CEMEX as the Preferred Bidder for the privatization of market leading cement producer PT Semen Gresik.

Semen Gresik is the leading cement producer in Indonesia with a 39% of the market and annual installed capacity of 12.7 million metric tons. Current investments in progress of US$50 million will increase the installed capacity to 17.2 million metric tons by December 1998. Gresik has net debt of approximately US$285 million.

CEMEX has offered to purchase 35% of the Government's interest in Semen Gresik at US$1.38 per share, or a total cash consideration of US$287 million. CEMEX has also offered to purchase the remaining 30% owned by the Indonesian government during the next five years, but after August 1999, at the same price in US Dollars plus a premium of 8.2% per annum. In addition, CEMEX has agreed to make a further payment to the Indonesian Government in the year 2006 of up to US$129 million should the operating cash flow performance significantly exceed current projections for Semen Gresik.

Between July 3 and August 17, the Ministry of State-Owned Enterprises in Indonesia and its financial advisors will actively solicit offers from other qualified strategic investors. CEMEX, as the Preferred Bidder, will have the option to match the highest bid within five business days of the close of this period.

CEMEX´s offer would also include its intent to purchase up to 16% of Semen Gresik shares from the public at US$1.38 per share.

Equity Related Information

The breakdown of the average number of shares outstanding for the second quarter of 1998 is as follows:

Average number of shares outstanding	**1,223,019,507**
CEMEX A shares	478,359,966
CEMEX B shares	382,338,843
CEMEX CPO shares	362,320,697
Average number of shares held in trust for equity swaps	**51,368,786**
CEMEX B shares	34,225,928
CEMEX CPO shares	17,142,858

Change in period end shares outstanding as of June 30, 1998:

Number of shares outstanding as of March 31, 1998	**1,219,144,009**
Change in the number of total shares subscribed and paid between periods resulting from the reinvestment of dividends under the 1997 dividend election program (see description below) or the exercise of stock options	33,075,763
Decrease (Increase) in CEMEX shares held at subsidiaries *(including change in number of shares held in trust for equity swaps)*	(12,973,286)
Number of shares outstanding as of June 30, 1998	**1,239,246,486**

1997 Dividend Election Program

At the annual general shareholders meeting on April 23, 1998, shareholders approved a dividend program in which holders of CEMEX A, B and CPO series shares were given the right to elect a cash dividend of Ps. 1.00 per share or its equivalent in CPOs (representing series A shares) valued at a price of Ps. 33.3333 per CPO.

Nearly 80% of shareholders elected the CPOs, for a total of 32,878,217 CPOs issued on June 19, 1998. The remaining 20% of shareholders elected to receive the Ps. 1.00 per share cash dividend, for a total of approximately Ps. 300 million (US$33 million) paid by CEMEX.

Employee Stock Options

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. In May 1998, a total of 5,760,875 options were exercised by the executives. A significant portion of the proceeds from the exercised options were reinvested in a new ESOP based on CEMEX CPOs. Under this voluntary stock option purchase program, executives elected to purchase a total of 14,255,000 five-year options on CEMEX CPO shares, with an escalating strike price indexed quarterly in dollar terms reflecting market funding costs.

ANNOUCEMENT

The CEMEX quarterly report is also available by email in PDF format. If you would like to receive the CEMEX quarterly report by email only or would prefer to receive the report by email and fax, please fill out and fax the form below.

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Please fax this form to Kristin Anderson of Ludgate Communications at (212) 688-5213.

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

	January - June		%	Quarters		%
INCOME STATEMENT	**1998**	**1997**	**Var.**	**II 1998**	**II 1997**	**Var.**
Net Sales	18,502,020	16,188,394	14%	9,499,923	8,835,899	8%
Cost of Sales	(10,690,998)	(9,993,913)	7%	(5,472,518)	(5,463,455)	0%
Gross Profit	7,811,022	6,194,480	26%	4,027,406	3,372,444	19%
Selling, General and Administrative Expenses	(2,765,610)	(2,423,885)	14%	(1,421,310)	(1,290,869)	10%
Operating Income	5,045,412	3,770,595	34%	2,606,096	2,081,575	25%
Financial Expenses	(2,203,384)	(2,320,447)	(5%)	(1,088,706)	(1,149,902)	(5%)
Financial Income	156,342	142,238	10%	79,724	64,002	25%
Exchange Gain (Loss), Net	(957,053)	(57,274)	1571%	(416,894)	(31,644)	1217%
Monetary Position Gain (Loss)	2,695,012	2,856,939	(6%)	1,198,823	1,186,351	1%
Total Comprehensive Financing (Cost) Income	(309,083)	621,456	(150%)	(227,052)	68,806	(430%)
Gain or (Loss) on Marketable Securities	(129,333)	124,759	(204%)	(76,821)	43,980	(275%)
Other Expenses, Net	(578,710)	(559,588)	3%	(358,695)	(229,125)	57%
Other Income (Expense)	(708,043)	(434,829)	63%	(435,516)	(185,145)	135%
Net Income Before Income Taxes	4,028,285	3,957,222	2%	1,943,527	1,965,235	(1%)
Income Tax	(270,507)	(366,377)	(26%)	(138,792)	(186,714)	(26%)
Employees' Statutory Profit Sharing	(80,545)	(74,673)	8%	(39,323)	(54,073)	(27%)
Total Income Tax & Profit Sharing	(351,051)	(441,050)	(20%)	(178,115)	(240,787)	(26%)
Net Income Before Participation of Uncons. Subs. and Ext. Items	3,677,234	3,516,172	5%	1,765,412	1,724,449	2%
Participation in Unconsolidated Subsidiaries	48,574	59,244	(18%)	44,984	21,375	110%
Consolidated Net Income	3,725,808	3,575,416	4%	1,810,396	1,745,823	4%
Net Income Attributable to Min. Interest	421,339	574,051	(27%)	152,572	322,679	(53%)
NET INCOME AFTER MINORITY INTEREST	3,304,469	3,001,365	10%	1,657,824	1,423,144	16%
EBITDA (Operating Income + Depreciation)	6,382,980	5,095,050	25%	3,286,609	2,792,413	18%
EBITDA before Operating Leases and Cost Restatements for Inflation	6,547,573	5,241,753	25%	3,382,736	2,879,391	17%

	January - June		%
BALANCE SHEET	**1998**	**1997**	**Var.**
Total Assets	90,931,310	93,610,983	(3%)
Cash and Temporary Investments	2,919,230	3,633,024	(20%)
Trade Accounts Receivables	4,729,245	4,357,569	9%
Other Receivables	1,074,257	1,467,381	(27%)
Inventories	3,829,324	4,019,735	(5%)
Other Current Assets	925,816	1,348,599	(31%)
Current Assets	13,477,872	14,826,309	(9%)
Fixed Assets	53,448,827	54,516,653	(2%)
Other Assets	24,004,612	24,268,021	(1%)
Total Liabilities	46,896,129	51,729,235	(9%)
Current Liabilities	10,151,580	12,008,462	(15%)
Long-Term Liabilities	33,757,136	36,543,302	(8%)
Other Liabilities	2,987,412	3,177,471	(6%)
Consolidated Stockholders' Equity	44,035,181	41,881,748	5%
Stockholders' Equity Attributable to Minority Interest	12,231,737	10,200,645	20%
Stockholders' Equity Attributable to Majority Interest	31,803,444	31,681,102	0%

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

FINANCIAL INDICATORS**	January - June 1998		1997		% Var.	Quarters II 1998	II 1997	% Var.
Operating Margin	27.3%		23.3%			27.4%	23.6%	
EBITDA Margin	34.5%		31.5%			34.6%	31.6%	
Interest Coverage (2)	2.75	(1)	1.87	(1)		3.03	2.50	
Interest + Cash Tax Coverage (3)	2.47	(1)	1.81	(1)		2.74	2.50	
Net Debt / EBITDA (4)	3.50	(1)	4.43	(1)				
Debt / Total Capitalization (Covenant)	48.0%		51.7%					
Return on Equity (5)	16.0%	(1)	10.7%	(1)				
Return on Operating Assets (6)	19.1%	(1)	11.8%	(1)				
Cash Flow per Share (7)	5.23		4.10		28%	2.69	2.25	19%
Cash Earnings per Share (7)	3.55		2.35		51%	1.86	1.37	35%
Earnings per Share (7)	2.71		2.41		12%	1.36	1.15	18%

VOLUMES Volume in thousands	January - June 1998	1997	% Var.	Quarters II 1998	II 1997	% Var.
CONSOLIDATED						
Total Cement (Met. Tons)	19,391.5	18,659.6	4%	10,064.4	10,388.0	(3%)
Total Ready-mix (m3)	7,124.7	5,680.0	25%	3,794.7	3,117.5	22%

VOLUMES Variation in volume	January - June 1998 - 1997	Quarters II 1998 - II 1997	Quarters II 1998 - I 1998
MEXICO	(3%)	(13%)	5%
Domestic (Met. Tons, Gray Cement)	6%	(4%)	3%
Exports (Met. Tons)	(45%)	(49%)	26%
Ready-mix (m3)	37%	31%	8%
USA			
Domestic (Met. Tons)	16%	18%	33%
Ready-Mix(m3)	16%	17%	31%
Aggregates (Met. Tons)	8%	9%	33%
SPAIN	12%	5%	9%
Domestic (Met. Tons)	19%	11%	10%
Exports (Met. Tons)	(9%)	(13%)	6%
Ready-mix (m3)	20%	18%	19%
VENEZUELA	0%	10%	3%
Domestic (Met. Tons)	22%	11%	5%
Exports (Met. Tons)	(19%)	(30%)	(13%)
Ready-mix (m3)	40%	27%	10%
COLOMBIA			
Domestic (Met. Tons)	N/A	N/A	7%
Ready-Mix (m3)	N/A	N/A	(1%)
CARIBBEAN / CENTRAL AMERICA			
Domestic (Met. Tons)	0%	(2%)	3%
Ready-Mix (m3)	27%	27%	13%

(*) Results for 1998 may be converted to dollars by dividing by the June 1998 exchange rate of 9.00. Results for 1997 may be converted to dollars by dividing by the weighted average inflation factor of 15.92% (1.1592) and then dividing by the June 1997 exchange rate of 7.95.

(**) 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 1,223,020 thousand average shares for II 1998, 1,241,338 thousand average shares for II 1997, 1,220,329 thousand average shares for 1998 accumulated and 1,243,508 thousand average shares for 1997 accumulated

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

INCOME STATEMENT	January - June 1998	January - June 1997	% Var.	Quarters II 1998	Quarters II 1997	% Var.
Net Sales	2,055,780	1,756,622	17%	1,055,547	958,794	10%
Cost of Sales	(1,187,889)	(1,084,451)	10%	(608,058)	(592,846)	3%
Gross Profit	867,891	672,170	29%	447,490	365,948	22%
Selling, General and Administrative Expenses	(307,290)	(263,019)	17%	(157,923)	(140,074)	13%
Operating Income	560,601	409,152	37%	289,566	225,874	28%
Financial Expenses	(244,820)	(251,794)	(3%)	(120,967)	(124,777)	(3%)
Financial Income	17,371	15,434	13%	8,858	6,945	28%
Exchange Gain (Loss), Net	(106,339)	(6,215)	1611%	(46,322)	(3,434)	1249%
Monetary Position Gain (Loss)	299,446	310,010	(3%)	133,203	128,732	3%
Total Comprehensive Financing (Cost) Income	(34,343)	67,435	(151%)	(25,228)	7,466	(438%)
Gain or (Loss) on Marketable Securities	(14,370)	13,538	(206%)	(8,536)	4,772	(279%)
Other Expenses, Net	(64,301)	(60,722)	6%	(39,855)	(24,863)	60%
Other Income (Expense)	(78,671)	(47,184)	67%	(48,391)	(20,090)	141%
Net Income Before Income Taxes	447,587	429,403	4%	215,947	213,250	1%
Income Tax	(30,056)	(39,756)	(24%)	(15,421)	(20,261)	(24%)
Employees' Statutory Profit Sharing	(8,949)	(8,103)	10%	(4,369)	(5,868)	(26%)
Total Income Tax & Profit Sharing	(39,006)	(47,859)	(18%)	(19,791)	(26,128)	(24%)
Net Income Before Participation of of Uncons. Subs. and Ext. Items	408,582	381,544	7%	196,157	187,122	5%
Participation of Unconsolidated Subsidiaries	5,397	6,429	(16%)	4,998	2,319	115%
Consolidated Net Income	413,979	387,973	7%	201,155	189,441	6%
Net Income Attributable to Min. Interest	46,815	62,291	(25%)	16,952	35,014	(52%)
NET INCOME AFTER MINORITY INTEREST	367,163	325,682	13%	184,203	154,427	19%
EBITDA (Operating Income + Depreciation)	709,220	552,870	28%	365,179	303,008	21%
EBITDA before Operating Leases and Cost Restatements for Inflation	727,508	568,789	28%	375,860	312,446	20%

BALANCE SHEET	January - June 1998	January - June 1997	% Var.
Total Assets	10,103,479	10,157,839	(1%)
Cash and Temporary Investments	324,359	394,224	(18%)
Trade Accounts Receivables	525,472	472,845	11%
Other Receivables	119,362	159,227	(25%)
Inventories	425,480	436,186	(2%)
Other Current Assets	102,868	146,338	(30%)
Current Assets	1,497,541	1,608,820	(7%)
Fixed Assets	5,938,759	5,915,667	0%
Other Assets	2,667,179	2,633,352	1%
Total Liabilities	5,210,681	5,613,201	(7%)
Current Liabilities	1,127,953	1,303,052	(13%)
Long-Term Liabilities	3,750,793	3,965,357	(5%)
Other Liabilities	331,935	344,791	(4%)
Consolidated Stockholders' Equity	4,892,798	4,544,638	8%
Stockholders' Equity Attributable to Minority Interest	1,359,082	1,106,884	23%
Stockholders' Equity Attributable to Majority Interest	3,533,716	3,437,754	3%

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

FINANCIAL INDICATORS**	January - June 1998		January - June 1997		% Var.	Quarters II 1998	Quarters II 1997	% Var.
Operating Margin	27.3%		23.3%			27.4%	23.6%	
EBITDA Margin	34.5%		31.5%			34.6%	31.6%	
Interest Coverage (2)	2.75	(1)	1.87	(1)		3.03	2.50	
Interest + Cash Tax Coverage (3)	2.47	(1)	1.81	(1)		2.74	2.50	
Net Debt / EBITDA (4)	3.50	(1)	4.43	(1)				
Debt / Total Capitalization (Covenant)	48.0%		51.7%					
Return on Equity (5)	16.0%	(1)	10.7%	(1)				
Return on Operating Assets (6)	19.1%	(1)	11.8%	(1)				
Cash Flow per Share (7)	0.58		0.44		31%	0.30	0.24	22%
Cash Earnings per Share (7)	0.39		0.25		55%	0.21	0.15	39%
Earnings per Share (7)	0.30		0.26		15%	0.15	0.12	21%

VOLUMES Volume in thousands	January - June 1998	January - June 1997	% Var.	Quarters II 1998	Quarters II 1997	% Var.
CONSOLIDATED						
Total Cement (Met. Tons)	19,391.5	18,659.6	4%	10,064.4	10,388.0	(3%)
Total Ready-mix (m3)	7,124.7	5,680.0	25%	3,794.7	3,117.5	22%

VOLUMES Variation in volume	January - June 1998 - 1997	Quarters II 1998 - II 1997	Quarters II 1998 - I 1998
MEXICO	(3%)	(13%)	5%
Domestic (Met. Tons, Gray Cement)	6%	(4%)	3%
Exports (Met. Tons)	(45%)	(49%)	26%
Ready-mix (m3)	37%	31%	8%
USA			
Domestic (Met. Tons)	16%	18%	33%
Ready-Mix(m3)	16%	17%	31%
Aggregates (Met. Tons)	8%	9%	33%
SPAIN	12%	5%	9%
Domestic (Met. Tons)	19%	11%	10%
Exports (Met. Tons)	(9%)	(13%)	6%
Ready-mix (m3)	20%	18%	19%
VENEZUELA	0%	10%	3%
Domestic (Met. Tons)	22%	11%	5%
Exports (Met. Tons)	(19%)	(30%)	(13%)
Ready-mix (m3)	40%	27%	10%
COLOMBIA			
Domestic (Met. Tons)	N/A	N/A	7%
Ready-Mix (m3)	N/A	N/A	(1%)
CARIBBEAN / CENTRAL AMERICA			
Domestic (Met. Tons)	0%	(2%)	3%
Ready-Mix (m3)	27%	27%	13%

(*) Results for 1998 were converted to dollars by dividing by the June 1998 exchange rate of 9.00. Results for 1997 were converted to dollars by dividing by the weighted average inflation factor of 15.92% (1.1592) and then dividing by the June 1997 exchange rate of 7.95.

(**) 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 1,223,020 thousand average shares for II 1998, 1,241,338 thousand average shares for II 1997, 1,220,329 thousand average shares for 1998 accumulated and 1,243,508 thousand average shares for 1997 accumulated

Mexico

(Thousands of Constant Pesos as of Jun. 1998)(1)

INCOME STATEMENT	January - June 1998	1997	% Var.	II 1998	II 1997	% Var.
Net Sales	8,348,694	7,000,011	19%	4,290,554	3,812,256	13%
Cost of Sales	(4,090,888)	(4,325,555)	(5%)	(2,048,849)	(2,311,774)	(11%)
Gross Profit	4,257,806	2,674,456	59%	2,241,705	1,500,482	49%
Selling, General and Administrative Expenses	(968,567)	(874,601)	11%	(497,540)	(458,746)	8%
Operating Income	3,289,239	1,799,856	83%	1,744,165	1,041,735	67%
EBITDA (Operating Income + Depreciation)	3,851,372	2,430,057	58%	2,031,721	1,358,969	50%
EBITDA before Operating Leases	3,849,768	2,455,020	57%	2,046,787	1,373,838	49%
and Cost Restatements for Inflación						
Operating Margin	39.4%	25.7%		40.7%	27.3%	
EBITDA Margin	46.1%	34.7%		47.4%	35.6%	

Spain

(Thousands of Pesetas)(2)

INCOME STATEMENT	January - June 1998	1997	% Var.	II 1998	II 1997	% Var.
Net Sales	62,591,781	53,761,051	16%	33,089,572	29,656,077	12%
Cost of Sales	(39,308,895)	(35,772,387)	10%	(20,264,460)	(19,363,016)	5%
Gross Profit	23,282,886	17,988,664	29%	12,825,112	10,293,060	25%
Selling, General and Administrative Expenses	(6,757,835)	(6,369,638)	6%	(3,513,114)	(3,220,008)	9%
Operating Income	16,525,051	11,619,026	42%	9,311,998	7,073,053	32%
EBITDA (Operating Income + Depreciation)	22,108,636	18,105,583	22%	12,051,188	10,597,799	14%
Operating Margin	26.4%	21.6%		28.1%	23.9%	
EBITDA Margin	35.3%	33.7%		36.4%	35.7%	

Venezuela

(Thousands of Constant Bolivars as of Jun. 1998)(3)

INCOME STATEMENT	January - June 1998	1997	% Var.	II 1998	II 1997	% Var.
Net Sales	135,325,390	130,786,284	3%	66,197,105	72,079,245	(8%)
Cost of Sales	(76,418,256)	(75,584,738)	1%	(36,449,798)	(40,501,190)	(10%)
Gross Profit	58,907,134	55,201,545	7%	29,747,308	31,578,054	(6%)
Selling, General and Administrative Expenses	(11,483,992)	(10,216,615)	12%	(5,583,208)	(5,091,738)	10%
Operating Income	47,423,142	44,984,931	5%	24,164,099	26,486,316	(9%)
EBITDA (Operating Income + Depreciation)	58,540,000	57,765,559	1%	29,635,575	32,760,783	(10%)
EBITDA before Operating Leases	61,809,010	61,846,269	(0%)	31,315,195	34,818,481	(10%)
and Cost Restatements for Inflation)						
Operating Margin	35.0%	34.4%		36.5%	36.7%	
EBITDA Margin	43.3%	44.2%		44.8%	45.5%	

(1) Results for 1998 can be converted to dollars by dividing by the June 1998 exchange rate of 9.00. Results for 1997 can be converted to dollars by dividing by the Mexican inflation rate of 15.31% (1.1531) and then dividing by the June 1997 exchange rate of 7.95.

(2) Results for 1998 can be can be converted to dollars by dividing by the June 1998 exchange rate of 153.09. Results for 1997 can be converted to dollars by dividing by the June 1997 exchange rate of 147.35.

(3) Results for 1998 can be converted to dollars by dividing by the June 1998 exchange rate of 553.5. Results for 1997 can be converted to dollars by dividing by the Venezuelan inflation rate of 39.01% (1.3901) and then dividing by the June 1997 exchange rate of 487.75.

DETAILED INFORMATION AVAILABLE UPON REQUEST

The United States

(Thousands of Dollars)

INCOME STATEMENT	January - June 1998	1997	% Var.	II 1998	II 1997	% Var.
Net Sales	243,865	205,359	19%	136,121	110,976	23%
Cost of Sales	(200,704)	(178,271)	13%	(107,939)	(94,126)	15%
Gross Profit	43,161	27,088	59%	28,182	16,849	67%
Selling, General and Administrative Expenses	(15,584)	(15,186)	3%	(7,728)	(7,626)	1%
Operating Income	27,577	11,902	132%	20,454	9,223	122%
EBITDA (Operating Income + Depreciation)	35,856	20,528	75%	24,643	13,483	83%
EBITDA before Operating Leases and Cost Restatements for Inflation	41,497	25,876	60%	27,245	16,447	66%
Operating Margin	11.3%	5.8%		15.0%	8.3%	
EBITDA Margin	14.7%	10.0%		20.0%	12.1%	

Colombia

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

INCOME STATEMENT	January - June 1998	1997	% Var.	II 1998	II 1997	% Var.
Net Sales	243,128,049	250,896,402	(3%)	107,324,644	128,959,741	(17%)
Cost of Sales	(175,904,168)	(155,003,170)	13%	(91,131,092)	(83,127,720)	10%
Gross Profit	67,223,881	95,893,233	(30%)	16,193,552	45,832,022	(65%)
Selling, General and Administrative Expenses	(40,362,702)	(37,117,498)	9%	(19,038,401)	(16,014,559)	19%
Operating Income	26,861,179	58,775,735	(54%)	(2,844,848)	29,817,463	(110%)
EBITDA (Operating Income + Depreciation)	63,463,650	92,758,213	(32%)	15,562,727	46,794,129	(67%)
EBITDA before Operating Leases and Cost Restatements for Inflation	68,692,605	97,555,939	(30%)	18,369,857	49,729,786	(63%)
Operating Margin	11.0%	23.4%		-2.7%	23.1%	
EBITDA Margin	26.1%	37.0%		14.5%	36.3%	

Caribbean / Central America

(Thousands of Dollars)

INCOME STATEMENT	January - June 1998	1997	% Var.	II 1998	II 1997	% Var.
Net Sales	111,852	97,801	14%	56,943	54,085	5%
Cost of Sales	77,285	63,306	22%	40,062	34,972	15%
Gross Profit	34,567	34,495	0%	16,881	19,113	(12%)
Selling, General and Administrative Expenses	8,740	7,115	23%	4,334	3,557	22%
Operating Income	25,827	27,380	(6%)	12,547	15,556	(19%)
EBITDA (Operating Income + Depreciation)	34,182	35,138	(3%)	16,668	19,447	(14%)
Operating Margin	23.1%	28.0%		22.0%	28.8%	
EBITDA Margin	30.6%	35.9%		29.3%	36.0%	

(4) Results for 1998 can be converted to dollars by dividing by the June 1998 exchange rate of 1,363.04. Results for 1997 can be converted, to dollars by dividing by the Colombian inflation rate of 19.18% (1.1918) and then dividing by the June 1997 exchange rate of 1,089.01.

DETAILED INFORMATION AVAILABLE UPON REQUEST