Humberto Moreira
Cemex, S.A. de C.V.
(52 8) 328-3480
hmoreira@cemex.com

Patrick Carney
Cemex, S.A. de C.V.
(52 8) 328-3442
pcarney@cemex.com

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

1997 First Quarter Results

Debt service coverage and capital structure improves

- Net sales for the Group increased 3% in *real terms* (see explanation on page 9) to Ps. 6.232 billion during the first quarter of 1997 compared with the same period in 1996. In dollar terms, net sales increased 10% to US$787 million.
- Beginning in the first quarter of 1997, all references to pesos (Ps.) in the consolidated figures (including current and prior periods) are restated based on a weighted average inflation factor. This factor is calculated with the inflation in each country in which Cemex operates weighted by such operations as a percentage of total assets in accordance with Bulletin B-15 (see explanation on page 9).
- Operating margin for the Group decreased to 23.0% in the first quarter from 25.2% in 1996.
- Cash flow (EBITD) decreased 6%, in real terms, to Ps. 1.957 billion (US$247 million) during the quarter.
- Cash earnings (EBITD less net financial expenses) were Ps. 1.029 million (US$130 million) for the quarter, an increase of 8%, in real terms, over the same period in 1996.
- Net income decreased to Ps. 1.341 billion (US$169 million) during the first quarter of 1997 as a result of a drop in non-cash gains arising from lower inflation year over year. Net income for the first quarter of 1996 was Ps. 2.701 billion (US$319 million) in 1996 mostly from the effect of monetary gains due to high inflation. Net income per ADR (ratio 2:1) was Ps. 2.16 (US$0.27) based on an average of 1,245,676,903 shares outstanding during the quarter (not including shares held in trust for equity swaps).
- The debt to total capitalization ratio at the end of the quarter was 51.9%. Debt increased 21%, or $809 million, from March 1996 to March 1997 primarily due to the acquisitions of Diamante and Samper in Colombia. From December 1996 to March 1997 total debt decreased 1%, or $61 million.
- At March 31, 1997 interest coverage for the prior twelve months was 1.68 times, and 1.97 times in the first quarter. Financial expenses decreased 15%, or US$22 million, in dollar terms from the first quarter of 1996.
- In Mexico, domestic cement sales volumes increased 4% in the first quarter compared with the same period of 1996, while ready-mix sales volumes increased 15%.
- Operating margin for the Mexican operations decreased to 23.8% in the first quarter from 34.9% in the same period in 1996, due to increased energy costs which were partially offset by higher prices in dollar terms.
- Operating margin in the Spanish operations declined to 18.9% from 23.8%, the U.S. dropped to 2.8% from 9.0%, Venezuela decreased to 31.5% from 37.9% and Colombia was 23.7%.
- As of January 1, 1997, Industrias e Inversiones Samper was consolidated into the results from Cementos Diamante. The combined Colombian operations now represent 12% of Group sales and 14% of Group cash flow.

Consolidated Results (in real terms)

Monterrey, N.L., Mexico April 25, 1997 Cemex, S.A. de C.V. (OTC: CMXBY) today announced first quarter results:

Net sales increased to Ps. 6.232 billion in the first quarter, representing an increase of 3% in real terms over the same period in 1996. This increase is primarily attributable to the consolidation of Cementos Diamante and Samper. In dollar terms, net sales increased 10% to US$787 million resulting from the consolidation of Colombia and higher dollar prices in Mexico offsetting the decrease in dollar prices in Spain which are a result of the recent devaluation of the peseta versus the dollar.

Mexico represented 39% of the total revenues for the first quarter, Spain 22%, Colombia 12%, the United States 12%, Venezuela 10%, the Caribbean and Panama 5%.

Gross margin was lower at 38.5% vs. 39.4% in the first quarter of 1996 as higher energy costs caused the Group's average cash cost of production to increase 17% in dollar terms, outpacing growth in the Group's average prices in dollar terms.

Operating margin in the quarter decreased to 23.0% from 25.2% in 1996, primarily as a result of higher energy costs and an increase in selling and administrative expenses as a percent of sales in some of the subsidiaries.

Operating income decreased 6% in real terms to Ps. 1.435 billion for the quarter and was flat in dollar terms at US$181 million.

Cash flow (EBITD) in the quarter was Ps. 1.957 billion, a decrease of 6% in real terms over the first quarter of 1996 due to weak results in some of the subsidiaries which was offset by the consolidation of Diamante and Samper. In dollar terms, cash flow was flat at US$247 million as compared to the same period a year earlier. Cash flow margin was 31.4% versus 34.4% in the first quarter of 1996.

Cash earnings (EBITD less net financial expenses) were Ps. 1.029 billion in the quarter, 8% higher in real terms. In dollar terms cash earnings increased 16% to US$130 million from the first quarter of 1996. This increase was due mainly to a significant reduction in financial expenses year over year.

In the first quarter, Mexico represented 42% of the total cash flow, Spain 21%, Colombia 14%, Venezuela 12%, the Caribbean and Panama 8%, and the United States 3%.

First quarter **financial expenses** were Ps. 995 million, a decrease of 21% over the same period in 1996 in real terms. In dollars, financial expenses were US$126 million. This represents a 15% decrease despite the higher debt level as result of the Colombian acquisitions. This decrease was achieved mainly a result of a reduction of Mexican peso debt, lower peseta interest and foreign exchange rates, and lower dollar rates (both a result of lower base rates and tighter credit spreads). This more than offset the increased financial expenses arising from the Colombian acquisitions.

Total debt outstanding as of March 31, 1997 was Ps. 37.286 billion, an 13% increase from the March 31, 1996 level of Ps. 33.003. In dollars, total debt increased 21% to US$4.708 billion from US$3.899 billion. Total debt at December 31, 1996 was Ps. 38.075 billion (US$4.769 billion).

Long-term: 84% or Ps. 31.448 billion (US$3.971 billion)   Short-term: 16% or Ps. 5.838 billion (US$737 million)

Dollar denominated: 92%	Peseta denominated: 6%	Peso denominated: 0%
Bolivar denominated: 1%	Colombian peso denominated: 1%	

During the first quarter of 1997, the average cost of debt for the group in each currency was:

8.1% for US dollars	6.2% for Pesetas	24.3% for Mex. Pesos
19.2% for Bolivares	24.6% for Col. Pesos	

There was no change in off-balance sheet transactions during the first quarter.

In order to manage exposures arising from its ordinary business, Cemex has entered into financial arrangements in the derivatives and swaps markets. At the end of the first quarter these transactions had an aggregate notional amount of US$500 million and involved interest rate swaps. The contingent liability of these transactions at March 31 was a net amount of approximately US$1.6 million.

Leverage (total debt / total capitalization) at the end of the quarter was 51.9%, higher than the 49.9% at March 1996 but lower than the 53.0% level at December 1996. The calculation of total debt includes balance sheet debt plus the SRUs and the exchangeable note from the Dominican Republic financing.

Net Exchange Loss in the first quarter was Ps. 22 million in 1997 versus Ps. 185 million from a year earlier. A large portion of foreign exchange loss in the first quarter of 1996 was due to a provision for the then imminent devaluation of the Venezuelan Bolivar, which more than offset a gain of 0.20 pesos per dollar. In the first quarter of 1997, a loss of 0.04 pesos per dollar was realized. Foreign exchange losses related to debt used to acquire assets outside of Mexico have been charged to equity in accordance with generally accepted accounting principles. The impact of this charge to the equity account was more than offset by the revaluation of the Group's fixed assets that is in accordance with Mexican GAAP.

During the first quarter, the peso depreciated 0.8% (in peso terms) with respect to the dollar, as measured by the interbank exchange rate. The depreciation for Cemex totaled 0.5% as the company uses an exchange rate based on the following average of the exchange rates provided by Banamex at the end of the period: (i) bank transfer, (ii) cash, and (iii) bank document.

Exchange rates used by the Company at March 31, 1996 and March 31, 1997 were Ps. 7.53 and Ps. 7.92 per dollar, respectively.

A **net monetary position gain** of Ps. 1.420 billion was recognized during the quarter, a decrease of 51% in real terms versus a year earlier due to a reduction in inflation from 8.35% in the first quarter of 1996 to 3.94% in 1997. A portion of this change in inflation (a 53% reduction year over year) is due to the implementation of a new subsidiary-weighted inflation conversion method which is being implemented in Mexico in 1997 (please refer the Changes to Mexican Accounting Principles section on page 9 of this report).

Other Expenses and Income were an expense of Ps. 281 million, a 19% increase in real terms over the first quarter of 1996 (Ps. 237 million) due to the consolidation of the Colombian operations. Amortization of goodwill, anti-dumping duties and a provision for severance payments make up the majority of these expenses, with most of them being non-cash items. Actual cash expense was approximately 16% of the total in the first quarter of both 1996 and 1997.

The **income tax** rate was 10.1% in the quarter. The full amount represents a tax provision based on the expected tax rate for 1997, and no cash taxes were paid during the quarter. Considering only taxes (ISR), the rate was 9.0%.

Minority interest decreased 22% in the quarter in real terms. The decrease was due the repayment of the Citibank equity swap in May 1996, which was colateralized with shares of Sunbelt Enterprises. Of the total registered in the income statement, 45% is directly related to the Valenciana equity swap, which represents 33% of the total minority interest registered in the balance sheet. The shares committed to this transaction represent 25% of the total capital of Valenciana. However, Cemex retains the right to repurchase these shares at specified times and prices over the next two years, and the economic rights to these shares are retained by Cemex for the benefit of its majority shareholders.

The average number of shares outstanding during the period (not including shares held in trust for equity swaps) was 1,245,676,903 (A shares: 517,048,776; B shares: 391,328,457; CPO shares: 337,299,670). Transactions related to shares that were put into trust for equity swaps comprised an aggregate of 23,606,558 Cemex CPO shares and 34,896,921 Cemex B shares.

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. 2.688 billion, a decrease of 7% compared with the equivalent period in 1996 as volume increases did not sufficiently compensate for lower prices in constant peso terms. In dollar terms, net sales increased 9% to US$339 million. For the cement related businesses on a stand alone basis sales decreased 4%.

The breakdown of total sales in Mexico during the first quarter was as follows: 70% from domestic cement sales, 15% from ready-mix sales, 8% from exports and 7% from tourism and others.

Cemex's **domestic cement volume** grew 4% in the first quarter of 1997 versus 1996. Volume increases year over year were driven by the continuing recovery of the Mexican cement market, market share increases in certain regions and an increase in the number of points of sale versus a year ago.

Sales volume of **ready-mix** in Mexico increased 15% compared to the first quarter of 1996. The increase in volume is coming off a low base as volumes begin to recover from the severe recession of 1995.

Cemex's **export volume** declined 25% during the quarter compared with the first quarter of 1996 as exports to South East Asia declined substantially. Exports during the quarter were distributed as follows:
The Far East: 33% United States: 18% The Caribbean: 12% Central and South America: 37%

In the first quarter of 1997, Cemex's **average realized cement price** (invoice) in Mexico decreased 10% in constant peso terms when compared with the first quarter of 1996, as price increases did not keep pace with inflation over the last twelve months. In dollar terms, prices increased 9% as the peso depreciated less than the rate of inflation during the period.

The **average ready-mix price** decreased 2% in constant peso terms year over year and increased 17% in dollar terms.

The average **cash cost** of cement production per ton increased 12% in real terms versus the first quarter of 1996 primarily due to higher energy costs. Fuel oil costs increased 19% in real terms when comparing the first quarter of 1997 to that of 1996, and electricity costs increased 26% in the same period. Labor, the other important component, increased 18% in this time period. Energy costs per ton decreased in dollar terms from January to March.

Gross margin decreased to 36.8% in the first quarter of 1997 from 46.9% in the first quarter of 1996. This decrease was a result of the lower revenues and higher production costs.

Operating margin in Mexico decreased to 23.8% during the period from 34.9% in 1996. This decrease was due to the combination of lower gross margin and flat selling and administrative expenses. **Operating income** was Ps. 639 million, 37% lower than in 1996.

Cash from operations (EBITD) in Mexico decreased 31% to Ps. 903 million in the first quarter, due to the above mentioned factors. In dollar terms cash from operations fell 18% to US$114 million. EBITD margin was 33.6% in the first quarter versus 44.7% 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. 24.105 billion during the first quarter, a 7% increase compared with the same period in 1996. This increase was mainly due to the inclusion of Cementos Especiales de las Islas, SA, a company in which Cemex has maintained a position, but in which Cemex management has only recently decided to consolidate resulting from increased management control. Prior to the present quarter, the Company's participation in Islas was reflected as an equity participation.

Domestic cement volume increased 2% during the quarter due to the consolidation of Islas. Overall, volumes were negatively impacted by a lower level of GDP growth for the Spanish economy and a decrease in formal sector construction spending by the government as it attempts to comply with European Monetary Union entrance requirements. The decline in formal sector construction was partially offset by improvement in housing construction.

Ready-mix sales volume increased 6% in the first quarter, largely due to the consolidation of Islas. Improved weather conditions in the first quarter of 1997 as compared to the first quarter of 1996 also had a positive effect on construction activity.

Exports increased 4% in the first quarter and were distributed as follows:
United States: 52% Africa: 28% Europe & the Middle East: 20%

The average **sales price for cement** was unchanged in peseta terms, when compared with the same period of the previous year, but decreased 12% in dollar terms due to a devaluation of the peseta in the first quarter of 1997. The **average price for ready-mix** during the period decreased 2% in peseta terms and 14% in dollar terms.

The average **cash cost** of cement production increased 3%, in peseta terms, in the first quarter of 1997 versus 1996 but decreased 10% in dollar terms. Fuel oil costs, the largest portion of the increase, were negatively affected by the devaluation of the peseta against the dollar during the quarter as fuel oil costs are based in dollars. This increase was partially compensated by a reduction in labor costs.

Gross margin decreased to 31.9% in the first quarter, from 35.6% in the previous year primarily due to non-cash charges, including a 31% increase in depreciation expense resulting from new fiscal accounting laws in Spain.

Selling and administrative expenses increased 18% in the quarter, due primarily to the increased depreciation, a non-cash item, and the consolidation of Islas. SG&A expenses now represent 13% of sales versus 12% in the first quarter of 1996.

Operating margin in the first quarter fell to 18.9% from 23.8% in 1996, due to the increase in depreciation. **Operating income** was Ptas. 4.546 billion, 15% lower than in 1996.

Cash from operations (EBITD) was flat year over year at Ptas. 7.508 billion. In dollar terms, cash from operations fell 13% to US$53 million. EBITD margin was 31.1% in the first quarter versus 33.4% a year earlier.

The United States (Dollars)

For analysis purposes, Sunbelt Corporation's figures are presented in dollars. In the consolidation process, Sunbelt's figures are converted into pesos and to Mexican GAAP.

Net sales in the United States during the first quarter increased 1% to US$94 million as higher prices for cement and ready-mix offset volume reductions.

Cement sales volume decreased by 17% during the first quarter of 1997 as compared to the same period in 1996 mainly due to an absence of large construction projects and unfavorable weather conditions in Texas.

Ready-mix volumes decreased 14% during the quarter due to the poor weather in Texas. Similarly, **aggregates volumes** decreased 11% in the same period.

Average realized **cement prices** increased 4% in the first quarter versus the same period in 1996. **Average ready-mix prices** increased by 2%, while the average **price of aggregates** decreased 3%.

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.

Gross margin decreased to 10.8% in the quarter from 17.1% in 1996, as a reduction in sales volumes caused fixed operating costs to increase as a percentage of sales. In addition, a petcoke operation was consolidated beginning in the third quarter of 1996.

Operating margin decreased to 2.8% in the first quarter from 9.0% in 1996 as a result of the above mentioned increase in operating costs. On both an absolute and percentage of sales basis, SG&A remained essentially unchanged. The operating margin for cement-related businesses on a stand-alone basis was 4.1%.

Operating income was 68% lower than the first quarter of 1996 and **cash from operations** (EBITD) decreased 45% to US$7 million. EBITD margin was 7.5% in the quarter versus 13.6% a year ago.

Venezuela (Constant bolivares)

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 1997, **net sales** in Venezuela were Bs. 39.283 billion, a 9% decrease in constant bolivar terms over the same period in 1996. This was primarily the result of a decrease in domestic cement prices and volumes, coupled by an increase in the percentage of lower-priced export sales relative to domestic sales.

Vencemos' **domestic cement sales volumes** in the quarter decreased 8% compared with the same period a year earlier due to a general decrease in cement demand caused by an economic slowdown in Venezuela and a reduction in governmental infrastructure investment in compliance with economic adjustments mandated by the IMF. In addition, first quarter 1996 volumes were positively affected by municipal elections in the first half of 1996 in Venezuela.

Vencemos' **ready-mix volume** increased 19% due to an increase in demand by the petroleum industry in Eastern Venezuela and by improved distribution through an increase in the number of concrete plants.

The **volume of exports** from Venezuela increased 9% during the quarter as compared with the first quarter 1996 and comprised 52% of total sales volumes.

Exports were distributed as follows:
United States: 52% The Caribbean: 31% South America: 17%

Cement prices decreased 5% in constant bolivar terms, when compared with the first quarter of 1996. In addition, **ready-mix prices** decreased 1%. This was due to price increases which did not keep pace with inflation over the last twelve months. However, in dollar terms, cement prices increased 5% while ready-mix prices increased 9% as the bolivar depreciated against the dollar at a lesser rate than inflation over the same period.

The average **cash cost** of cement production increased 22% in constant bolivar terms in the first quarter of 1997 compared to the first quarter of 1996, due to increased expenditures for labor and spare parts, which offset lower energy costs.

Gross margin decreased to 40.2% in the first quarter from 45.5% in 1996 due to an increase in operating costs as a percentage of sales. On a absolute basis, operating costs were flat year over year.

Selling and administrative expenses increased 5% in the quarter, and now represent 9% of sales versus 8% in 1996.

As a result of the above, **operating margin** decreased to 31.5% in the first quarter from 37.9% in the prior year, on **operating income** of Bs. 12.378 billion, 24% lower in real terms than a year ago.

Cash from operations (EBITD) for the quarter was Bs. 15.763 billion (US$33 million) a 24% decrease over the same period in 1996. The EBITD margin was 40.1% in the first quarter of this year versus 48.4% in 1996.

Colombia (Colombian pesos)

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

As of January 1, 1997, Industrias e Inversiones Samper was consolidated into the results from Cementos Diamante.

The post-merger integration process is well underway in Colombia and as of the end of the first quarter, US$55 million in annualized savings for Diamante and Samper have been identified for 1997. It is anticipated that further savings will be identified as the merger of the two companies proceeds and resulting synergies become apparent.

Net sales in Cementos Diamante were CPs. 97.523 billion (US$92 million). Sales in the first quarter were augmented by the consolidation of Samper. Cement demand in Colombia continues to be weak as a result of the emergency economic measures put in place in the first quarter and the ensuing uncertainty.

Diamante´s **average price** for domestic cement in the first quarter benefited from the consolidation of Samper. Samper is recognized as a premium brand of cement and is generally able to garner a higher price than the Diamante brand. The combined average price of the two brands was approximately US$94 per ton in the first quarter.

Gross margin was 41.1% for the quarter.

Selling and administrative expenses represent 17% of sales.

Operating margin was 23.7% in the quarter on **operating income** of CPs. 23.160 billion (US$22 million).

Cash from operations (EBITD) was CPs. 36.421 billion (US$34 million) in the quarter, with a margin of 37.3%.

The Dominican Republic and Panama

Net sales in the Dominican Republic were US$27.3 million in the first quarter. Net sales in Panama were US$10.4 million in the quarter.

The **operating margin** in the Dominican Republic was 38.7% with an **operating income** of US$10.6 million. The **operating cash flow** was US$11.4 million, with a margin of 41.9%.

The **operating margin** in Panama was 15.7% with an **operating income** of US$1.6 million. The **operating cash flow** was US$4.5 million with a margin of 42.9%.

Relevant Factors

Financing Activities and Strategy

The following is a summary of the transactions

Committed Revolving Credit Facility

Cemex is currently in the process of syndicating a three-year, US$600 million Committed Revolving Credit Facility to help reduce the perceived refinancing risk that currently exists. The Company has received and accepted a commitment letter from a group of four banks that will act as co-arrangers, and has received commitment letters from ten institutions which will act as co-managers. The facility has a commitment period of one year, and may be renewable at market conditions and each lender's option for another year. Any funds drawn by Cemex under this facility may be converted to a term loan with a final maturity of May 2000. The closing is expected during May.

The facility will only be available for Cemex to refinance maturing debt and should provide the flexibility to access the international capital markets in an orderly fashion despite temporary market disruptions. In addition to addressing the short-term nature of the liability structure, the incurrence test accepted by Cemex reinforces our commitment to gradually reducing leverage and exemplifies our confidence that debt service coverage will continue to improve. This demonstrates a commitment to reducing the risk of the capital structure, as well as confidence in the expected improvement in interest coverage during 1997 and 1998.

The indicative terms and conditions are as follows: Total debt must not be greater than US$5.4 billion on a proforma basis unless we can demonstrate that for each dollar of incremental debt we have US$1.5 of incremental equity; interest coverage must be greater than 1.6 times through June 1997, greater than 1.75 times from July through December 1997, and greater than 2.00 times in 1998; the commitment fee is 37.5 basis points per year over the undrawn amount; and if the funds are drawn the cost is LIBOR plus 125 basis points during the commitment period.

We expect to recuperate the costs related to this transaction through savings in credit spreads on future refinancings.

Share Repurchase Program

At the 1996 annual shareholder's meeting held on April 24, 1997, shareholders approved a program to repurchase shares. On March 30, Cemex's Board of Directors approved a repurchase with a minimum amount of Ps.920 million (US$115) and maximum of up to Ps. 1.6 billion (US$200 million). The purchases will occur from time to time in the open market, and/or in privately negotiated transactions as market conditions warrant. Any purchase would depend on price, market conditions and other factors. The Company will fund the share repurchase program with internally-generated funds from existing operations. Also approved was the proposal to reinvest all earnings from 1996 and therefore not pay a cash dividend.

This share repurchase program is consistent with the Company's stated goal of making investments that are accretive to shareholders. It also reaffirms its commitment to creating shareholder value both in the long-term and the short-term.

Other Transactions

During the quarter the Company issued US$53 million in US commercial paper.

Breakdown of Share Transactions

The average shares outstanding for the first quarter of 1997 were derived as follows:

	Average for 1Q 1997
Average total shares subscribed and paid for the first quarter of 1997	1,419,189,050
less: Average number of shares held by Cemex subsidiaries	(115,008,668)
less: Average number of shares held in trust for equity swaps	(58,503,479)
Average total shares outstanding for the first quarter of 1997	1,245,676,903

The change in the average number of shares outstanding between the fourth quarter of 1996 and the first quarter of 1997 is explained as follows:

Reported average number of shares outstanding for the fourth quarter of 1996	1,243,898,988
Adjustment to reflect actual number of shares outstanding in the fourth quarter of 1996	460,000
Change in the number of total shares subscribed and paid between periods	4,070
Cemex operations at subsidiaries: Sales (Purchases)	1,313,845
Average number of shares outstanding for the first quarter of 1997	1,245,676,903

Changes to Mexican Accounting Principles

Beginning January 1, 1997, the following changes were adopted in the consolidated financial information of Cemex:

In 1997, the restatement of the consolidated financial statements from the prior period to "real terms" will be calculated using a weighted average of the inflation from each country in which we operate and the change in exchange rate of each country, in place of using an inflation factor based only on Mexican inflation. The March 1996 to March 1997 inflation factor based on inflation in Mexico is 1.246, while the weighted average factor used by Cemex in the consolidated financial statements is 1.124.

In the same manner, the calculation of consolidated Monetary Position Gain or Loss will be determined using the inflation from the country of origin for each of the operations of the Cemex Group (in accordance with bulletin B-15, which is expected to be implemented during this year, retroactive to January 1, 1997); through 1996 Mexican inflation was used in this calculation (in accordance with bulletin B-10). In the first quarter of 1997, inflation in Mexico was 5.7% while the weighted average used by Cemex was 3.9%. The effect of this change in methodology during the first quarter of 1997 is a reduction in the Monetary Position Gain of $728 million pesos.

With the implementation of the Fifth Amendment to Bulletin B-10 (5° Documento de Adecuaciones al Boletín B-10), the practice of using independent appraisers to determine the factor by which fixed assets are to be revalued has been eliminated, and the revaluation of the assets in each country of operation will be calculated according to the inflation in the assets country of origin and converted using the end of period exchange rate.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
(Thousands of Pesos in Real Terms as of Mar. 1997)(*)

INCOME STATEMENT	January - March 1997	January - March 1996	% Var.	Quarters I 1997	Quarters I 1996	% Var.
Net Sales	6,231,892	6,075,944	3%	6,231,892	6,075,944	3%
Cost of Sales	(3,833,961)	(3,684,557)	4%	(3,833,961)	(3,684,557)	4%
Gross Profit	2,397,931	2,391,387	0%	2,397,931	2,391,387	0%
Selling, General and Administrative Expenses	(962,498)	(861,698)	12%	(962,498)	(861,698)	12%
Operating Income	1,435,433	1,529,689	(6%)	1,435,433	1,529,689	(6%)
Financial Expenses	(994,813)	(1,251,756)	(21%)	(994,813)	(1,251,756)	(21%)
Financial Income	66,491	110,680	(40%)	66,491	110,680	(40%)
Exchange Gain (Loss), Net	(21,782)	(184,590)	(88%)	(21,782)	(184,590)	(88%)
Monetary Position Gain (Loss)	1,419,786	2,913,831	(51%)	1,419,786	2,913,831	(51%)
Total Comprehensive Financing (Cost) Income	469,682	1,588,166	(70%)	469,682	1,588,166	(70%)
Gain or (Loss) on Marketable Securities	68,652	157,916	(57%)	68,652	157,916	(57%)
Other Expenses, Net	(280,851)	(236,697)	19%	(280,851)	(236,697)	19%
Other Income (Expense)	(212,199)	(78,781)	169%	(212,199)	(78,781)	169%
Net Income Before Income Taxes	1,692,916	3,039,073	(44%)	1,692,916	3,039,073	(44%)
Income Tax	(152,691)	(67,110)	128%	(152,691)	(67,110)	128%
Employees' Statutory Profit Sharing	(17,507)	(37,769)	(54%)	(17,507)	(37,769)	(54%)
Total Income Tax & Profit Sharing	(170,198)	(104,879)	62%	(170,198)	(104,879)	62%
Net Income Before Participation of Uncons. Subs. and Ext. Items	1,522,718	2,934,194	(48%)	1,522,718	2,934,194	(48%)
Participation in Unconsolidated Subsidiaries	32,184	39,387	(18%)	32,184	39,387	(18%)
Consolidated Net Income	1,554,902	2,973,582	(48%)	1,554,902	2,973,582	(48%)
Net Income Attributable to Min. Interest	213,634	272,584	(22%)	213,634	272,584	(22%)
NET INCOME AFTER MINORITY INTEREST	1,341,268	2,700,998	(50%)	1,341,268	2,700,998	(50%)
EBITD (Op. Inc. + Depreciation)	1,956,929	2,091,209	(6%)	1,956,929	2,091,209	(6%)

BALANCE SHEET	January - March 1997	January - March 1996	% Var.
Total Assets	79,192,813	73,289,384	8%
Cash and Temporary Investments	2,620,645	2,997,066	(13%)
Trade Accounts Receivables	3,485,326	3,346,001	4%
Other Receivables	1,233,949	1,746,524	(29%)
Inventories	3,501,211	3,300,785	6%
Other Current Assets	689,158	439,293	57%
Current Assets	11,530,289	11,829,669	(3%)
Fixed Assets	47,009,102	43,154,284	9%
Other Assets	20,653,422	18,305,430	13%
Total Liabilities	43,741,462	39,340,686	11%
Current Liabilities	9,732,767	11,546,147	(16%)
Long-Term Liabilities	31,448,186	25,421,815	24%
Other Liabilities	2,560,509	2,372,724	8%
Consolidated Stockholders' Equity	35,451,351	33,948,697	4%
Stockholders' Equity Attributable to Minority Interest	8,569,207	8,235,032	4%
Stockholders' Equity Attributable to Majority Interest	26,882,144	25,713,665	5%

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Figures
Financial and Operating Indicators
(Thousands of Pesos in Real Terms as of Mar. 1997)(*)

FINANCIAL INDICATORS	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
Operating Margin	23.0%	25.2%	(9%)	23.0 %	25.2%	(9%)
Current Ratio						
(Current Assets / Current Liabilities)	1.18	1.02	16%			
Debt / Total Capitalization	51.9%	49.9%	4%			
Debt Coverage (EBITD/Int. Exp.) (1)	1.68	1.33	26%	1.97	1.67	18%
Return on Equity (Con. Net Income / Con. Sh. Eq	20.7%	27.9%	(26%)	4.4%	8.8%	(50%)
Return on Assets (Con. Net Income / Total Asset:	9.3%	12.9%	(28%)	2.0%	4.1%	(52%)
Earnings per Share (2)	1.08	2.28	(53%)	1.08	2.28	(53%)
Cash Flow per Share(2)	1.57	1.76	(11%)	1.57	1.76	(11%)
Dividends per Share (2)(3)(4)	0.00	0.00				

VOLUMES Volumes in thousands	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
MEXICO	3,710.0	3,811.0	(3%)	3,710.0	3,811.0	(3%)
Domestic (Met. Tons, Gray Cement)	3,023.0	2,901.0	4%	3,023.0	2,901.0	4%
Exports (Met. Tons, Gray Cement)	687.0	910.0	(25%)	687.0	910.0	(25%)
Ready-mix (m3)	834.2	726.0	15%	834.2	726.0	15%
U.S.A.						
Cement (Met. Tons)	652.0	789.2	(17%)	652.0	789.2	(17%)
Ready-Mix(m3)	435.2	509.0	(14%)	435.2	509.0	(14%)
Aggregates (Met. Tons)	2,519.0	2,822.0	(11%)	2,519.0	2,822.0	(11%)
SPAIN	2,004.0	1,949.9	3%	2,004.0	1,949.9	3%
Domestic (Met. Tons)	1,461.8	1,429.3	2%	1,461.8	1,429.3	2%
Exports (Met. Tons)	542.2	520.6	4%	542.2	520.6	4%
Ready-Mix (m3)	764.6	723.7	6%	764.6	723.7	6%
VENEZUELA	1,016.0	1,016.4	(0%)	1,016.0	1,016.4	(0%)
Domestic (Met. Tons) (5)	485.3	529.4	(8%)	485.3	529.4	(8%)
Exports (Met. Tons)	530.7	487.0	9%	530.7	487.0	9%
Ready-Mix (m3)	205.9	172.4	19%	205.9	172.4	19%
PANAMA						
Domestic (Met. Tons)	94.8	92.8	2%	94.8	92.8	2%
Ready-Mix (m3)	31.4	10.8	191%	31.4	10.8	191%
COLOMBIA						
Domestic (Met. Tons)	567.9	0.0	N/A	567.9	0.0	N/A
Ready-Mix (m3)	282.1	0.0	N/A	282.1	0.0	N/A

(*) Figures can be converted to dollars by using constant pesos of 1997 and dividing them by 7.92; and using constant pesos o
and deflating them using 1.1241 as the weighted average inflation rate for Cemex and dividing them by 7.53

(1) Trailing twelve months.

(2) Considering 1,245,677 thousand average shares for I 1997, 1,186,698 thousand average shares for I 1996
1,245,677 thousand average shares for 1997 and 1,186,698 thousand average shares for 1996

(3) In 1996 the dividend was paid in two tranches, one in May and one in November.

(4) In nominal pesos.

(5) Includes gray cement and others.

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

INCOME STATEMENT	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
Net Sales	786,855	717,817	10%	786,855	717,817	10%
Cost of Sales	(484,086)	(435,297)	11%	(484,086)	(435,297)	11%
Gross Profit	302,769	282,520	7%	302,769	282,520	7%
Selling, General and Administrative Expenses	(121,528)	(101,802)	19%	(121,528)	(101,802)	19%
Operating Income	181,242	180,719	0%	181,242	180,719	0%
Financial Expenses	(125,608)	(147,884)	(15%)	(125,608)	(147,884)	(15%)
Financial Income	8,395	13,076	(36%)	8,395	13,076	(36%)
Exchange Gain (Loss), Net	(2,750)	(21,808)	(87%)	(2,750)	(21,808)	(87%)
Monetary Position Gain (Loss)	179,266	344,242	(48%)	179,266	344,242	(48%)
Total Comprehensive Financing (Cost)Income	59,303	187,627	(68%)	59,303	187,627	(68%)
Gain or (Loss) on Marketable Securities	8,668	18,656	(54%)	8,668	18,656	(54%)
Other Expenses, Net	(35,461)	(27,964)	27%	(35,461)	(27,964)	27%
Other Income (Expense)	(26,793)	(9,307)	188%	(26,793)	(9,307)	188%
Net Income Before Income Taxes	213,752	359,039	(40%)	213,752	359,039	(40%)
Income Tax	(19,279)	(7,928)	143%	(19,279)	(7,928)	143%
Employees' Statutory Profit Sharing	(2,210)	(4,462)	(50%)	(2,210)	(4,462)	(50%)
Total Income Tax & Profit Sharing	(21,490)	(12,390)	73%	(21,490)	(12,390)	73%
Net Income Before Participation of of Uncons. Subs. and Ext. Items	192,262	346,648	(45%)	192,262	346,648	(45%)
Participation of Unconsolidated Subsidiaries	4,064	4,653	(13%)	4,064	4,653	(13%)
Consolidated Net Income	196,326	351,301	(44%)	196,326	351,301	(44%)
Net Income Attributable to Min. Interest	26,974	32,203	(16%)	26,974	32,203	(16%)
NET INCOME AFTER MINORITY INTEREST	169,352	319,098	(47%)	169,352	319,098	(47%)
EBITD (Op. Inc. + Depreciation)	247,087	247,057	0%	247,087	247,057	0%

BALANCE SHEET	January - March 1997	1996	% Var.
Total Assets	9,999,093	8,658,470	15%
Cash and Temporary Investments	330,890	354,076	(7%)
Trade Accounts Receivables	440,066	395,299	11%
Other Receivables	155,802	206,336	(24%)
Inventories	442,072	389,958	13%
Other Current Assets	87,015	51,898	68%
Current Assets	1,455,845	1,397,567	4%
Fixed Assets	5,935,493	5,098,284	16%
Other Assets	2,607,755	2,162,619	21%
Total Liabilities	5,522,912	4,647,742	19%
Current Liabilities	1,228,885	1,364,072	(10%)
Long-Term Liabilities	3,970,731	3,003,355	32%
Other Liabilities	323,297	280,316	15%
Consolidated Stockholders' Equity	4,476,181	4,010,728	12%
Stockholders' Equity Attributable to Minority Interest	1,081,971	972,894	11%
Stockholders' Equity Attributable to Majority Interest	3,394,210	3,037,834	12%

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

FINANCIAL INDICATORS	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
Operating Margin	23.0%	25.2%	(9%)	23.0%	25.2%	(9%)
Current Ratio						
(Current Assets / Current Liabilities)	1.18	1.02	16%			
Debt / Total Capitalization	51.9%	49.9%	4%			
Debt Coverage (EBITD/Int. Exp.) (1)	1.68	1.33	26%	1.97	1.67	18%
Return on Equity (Con. Net Income / Con. Sh. Eq	20.7%	27.9%	(26%)	4.4%	8.8%	(50%)
Return on Assets (Con. Net Income / Total Asset	9.3%	12.9%	(28%)	2.0%	4.1%	(52%)
Earnings per Share (2)	0.14	0.27	(49%)	0.14	0.27	(49%)
Cash Flow per Share (2)	0.20	0.21	(5%)	0.20	0.21	(5%)
Dividends per Share (2)(3)(4)	0.00	0.00				

VOLUMES Volume in Thousands	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
MEXICO	3,710.0	3,811.0	(3%)	3,710.0	3,811.0	(3%)
Domestic (Met. Tons, Gray Cement)	3,023.0	2,901.0	4%	3,023.0	2,901.0	4%
Exports (Met. Tons, Gray Cement)	687.0	910.0	(25%)	687.0	910.0	(25%)
Ready-mix (m3)	834.2	726.0	15%	834.2	726.0	15%
U.S.A.						
Cement (Met. Tons)	652.0	789.2	(17%)	652.0	789.2	(17%)
Ready-Mix(m3)	435.2	509.0	(14%)	435.2	509.0	(14%)
Aggregates (Met. Tons)	2,519.0	2,822.0	(11%)	2,519.0	2,822.0	(11%)
SPAIN	2,004.0	1,949.9	3%	2,004.0	1,949.9	3%
Domestic (Met. Tons)	1,461.8	1,429.3	2%	1,461.8	1,429.3	2%
Exports (Met. Tons)	542.2	520.6	4%	542.2	520.6	4%
Ready-Mix (m3)	764.6	723.7	6%	764.6	723.7	6%
VENEZUELA	1,016.0	1,016.4	(0%)	1,016.0	1,016.4	(0%)
Domestic (Met. Tons) (5)	485.3	529.4	(8%)	485.3	529.4	(8%)
Exports (Met. Tons)	530.7	487.0	9%	530.7	487.0	9%
Ready-Mix (m3)	205.9	172.4	19%	205.9	172.4	19%
PANAMA						
Domestic (Met. Tons)	94.8	92.8	2%	94.8	92.8	2%
Ready-Mix (m3)	31.4	10.8	191%	31.4	10.8	191%
COLOMBIA						
Domestic (Met. Tons)	567.9	0.0	N/A	567.9	0.0	N/A
Ready-Mix (m3)	282.1	0.0	N/A	282.1	0.0	N/A

(*) Figures were converted to dollars by using constant pesos of 1997 and dividing them by 7.92; and using constant pesos of 1 and deflating them using 1.1241 as the weighted average inflation rate for Cemex and dividing them by 7.53

(1) Trailing twelve months.

(2) Considering 1,245,677 thousand average shares for I 1997, 1,186,698 thousand average shares for I 1996
1,245,677 thousand average shares for 1997 and 1,186,698 thousand average shares for 1996

(3) In 1996 the dividend was paid in two tranches, one in May and one in November.

(4) In nominal pesos.

(5) Includes gray cement and others.

Mexico

(Thousands of Constant Pesos as of March 1997)[1]

INCOME STATEMENT	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
Net Sales	2,687,554	2,904,857	(7%)	2,687,554	2,904,857	(7%)
Cost of Sales	(1,697,793)	(1,542,040)	10%	(1,697,793)	(1,542,040)	10%
Gross Profit	989,760	1,362,817	(27%)	989,760	1,362,817	(27%)
Selling, General and Administrative Expen	(350,598)	(350,046)	0%	(350,598)	(350,046)	0%
Operating Income	639,162	1,012,771	(37%)	639,162	1,012,771	(37%)
EBITD (Op. Inc. + Depreciation)	903,013	1,299,445	(31%)	903,013	1,299,445	(31%)
Operating Margin	23.8%	34.9%	(32%)	23.8%	34.9%	(32%)

Spain

(Thousands of Pesetas)[2]

INCOME STATEMENT	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
Net Sales	24,104,974	22,559,788	7%	24,104,974	22,559,788	7%
Cost of Sales	(16,409,371)	(14,526,889)	13%	(16,409,371)	(14,526,889)	13%
Gross Profit	7,695,603	8,032,899	(4%)	7,695,603	8,032,899	(4%)
Selling, General and Administrative Expen	(3,149,630)	(2,672,026)	18%	(3,149,630)	(2,672,026)	18%
Operating Income	4,545,973	5,360,873	(15%)	4,545,973	5,360,873	(15%)
EBITD (Op. Inc. + Depreciation)	7,507,783	7,524,309	(0%)	7,507,783	7,524,309	(0%)
Operating Margin	18.9%	23.8%	(21%)	18.9%	23.8%	(21%)

Venezuela (Vencemos)

(Thousands of Constant Bolivares as of March 1997)[3]

INCOME STATEMENT	January - March 1997	1996	% Var.	Quarters I 1997	I 1996	% Var.
Net Sales	39,282,751	42,961,548	(9%)	39,282,751	42,961,548	(9%)
Cost of Sales	(23,475,520)	(23,400,743)	0%	(23,475,520)	(23,400,743)	0%
Gross Profit	15,807,231	19,560,805	(19%)	15,807,231	19,560,805	(19%)
Selling, General and Administrative Expen	(3,429,218)	(3,268,746)	5%	(3,429,218)	(3,268,746)	5%
Operating Income	12,378,013	16,292,059	(24%)	12,378,013	16,292,059	(24%)
EBITD (Op. Inc. + Depreciation)	15,763,195	20,778,514	(24%)	15,763,195	20,778,514	(24%)
Operating Margin	31.5%	37.9%	(17%)	31.5%	37.9%	(17%)

(1) Peso figures can be converted to dollars by using constant pesos of 1997 and dividing them by 7.92; and using constant pesos of 1996 and deflating them using 1.2446 as inflation rate in Mexico and dividing them by 7.53

(2) Peseta figures can be converted to dollars using the following exchange rates: 141.82 per dollar for 1997 and 124.11 per dollar for 1996

(3) Bolivar figures can be converted to dollars by using constant bolivars of 1997 and dividing them by 478.25 and those for 1996 using constant bolivars of 1996 and deflating them using 1.7491 as inflation rate in Venezuela and dividing them by 290

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The United States (Cemex USA Inc.)

(Thousands of Dollars)

INCOME STATEMENT	January - March 1997	January - March 1996	% Var.	Quarters I 1997	Quarters I 1996	% Var.
Net Sales	94,383	93,576	1%	94,383	93,576	1%
Cost of Sales	(84,145)	(77,611)	8%	(84,145)	(77,611)	8%
Gross Profit	10,238	15,965	(36%)	10,238	15,965	(36%)
Selling, General and Administrative Expen	(7,559)	(7,512)	1%	(7,559)	(7,512)	1%
Operating Income	2,679	8,453	(68%)	2,679	8,453	(68%)
EBITD (Op. Inc. + Depreciation)	7,045	12,711	(45%)	7,045	12,711	(45%)
Operating Margin	2.8%	9.0%	(69%)	2.8%	9.0%	(69%)

Colombia(4)

(Thousands of Colombian Pesos as of March 1997)(5)

INCOME STATEMENT	January - March 1997	January - March 1996	% Var.	Quarters I 1997	Quarters I 1996	% Var.
Net Sales	97,522,647	0	N/A	97,522,647	0	N/A
Cost of Sales	(57,484,632)	0	N/A	(57,484,632)	0	N/A
Gross Profit	40,038,014	0	N/A	40,038,014	0	N/A
Selling, General and Administrative Expen	(16,877,733)	0	N/A	(16,877,733)	0	N/A
Operating Income	23,160,281	0	N/A	23,160,281	0	N/A
EBITD (Op. Inc. + Depreciation)	36,421,131	0	N/A	36,421,131	0	N/A
Operating Margin	23.7%	0.0%	N/A	23.7%	0.0%	N/A

(4) Beginning in the first quarter of 1997, the results of Diamante and Samper are fully consolidated.

(5) Colombian peso figures for 1997 can be converted to dollars by using pesos of 1997 and dividing them by 1,060.

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