Carlos Jacks
Investor Relations
CEMEX, S.A. de C.V.
(528) 328-3393
cjacks@cemex.com

Amy Figueroa
Analyst Relations
CEMEX, S.A. de C.V.
(212) 317-6008
afigueroa@cemex.com

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

1997 Fourth Quarter Results

Strong group cash flow and lower interest expense result in significant higher cash earnings and interest coverage ratios

- CEMEX's consolidated net sales increased 8% in *real terms* (see explanation on page 10) to Ps. 7.953 billion during the fourth quarter of 1997 versus 1996. Approximately 5 percentage points of this increase is attributable to the consolidation of Colombian subsidiary Samper beginning in 1997. Net sales also increased 8% for the full year 1997 to Ps. 30.573 billion. In dollar terms, net sales increased 13% in the both the fourth quarter and the full year to US$985 million and US$3,788 million, respectively.

- In Mexico, CEMEX's fourth quarter domestic grey cement sales volumes increased 2%, while prices in dollar terms increased 18%. Mexican ready-mix sales volumes were 27% higher versus the same quarter a year ago with a 13% price increase in dollar terms. For all of 1997, cement volumes increased 12% and ready-mix volumes grew 33%.

- CEMEX's operating margin was 23.9% during the fourth quarter, versus 21.8% for the prior year period. The operating margin for the year was 23.6% as compared to 23.8% in 1996.

- Cash earnings (EBITD less net financial expenses) in the fourth quarter grew 111% in real terms versus the prior year, to Ps. 1.553 billion (Ps. 1.27 per share), or 119% in dollar terms to US$192 million (US$0.16 per share). For the year, cash earnings increased 47% to 5.815 billion (Ps. 4.70 per share), or 52% in dollar terms to US$721 million (US$0.58 per share).

- Cash flow (EBITD) increased 15% in real terms during the fourth quarter to Ps. 2.475 billion. In dollar terms, cash flow grew 19% to US$307 million during the fourth quarter as compared to US$257 million during the same period a year ago. Cash flow from January through December 1997 grew 6% to Ps. 9.631 billion or US$1.193 billion.

- Net income during the fourth quarter of 1997 was Ps. 1.470 billion or US$182 million (including monetary position gains of Ps. 1.017 billion). Net income during the same period in 1996 was Ps. 1.868 billion or US$223 million (including monetary position gains of Ps. 2.396 billion). For the full year 1997, net income was Ps. 6.140 billion or US$761 million (including monetary gains of Ps. 4.657 billion). Net income for the full year 1996 was Ps. 8.202 billion or US$977 million (including monetary gains of Ps. 10.203 billion).

- Net income per ADR (ratio 2:1) in the fourth quarter was Ps. 2.40 (US$0.30), versus Ps. 3.00 (US$0.36) during the same period a year ago. For the full year 1997, net income per ADR was Ps. 9.94 (US$1.24), versus Ps. 13.38 (US$1.57) in 1996. Excluding shares held in trust for equity swaps, the average number of shares outstanding during the quarter and the full year 1997 totaled 1,222.8 million and 1,236.0 million, respectively, reflecting purchases under CEMEX's previously announced share repurchase program.

- Interest coverage in the fourth quarter was 2.42 times, and 2.34 times for the trailing twelve months. When measured using cash flow before lease payments and cost restatements for inflation, interest coverage was 2.49 times in the fourth quarter and 2.41 times for the trailing twelve months. In comparison with the fourth quarter of 1996, financial expenses decreased 30% to US$127 million in the fourth quarter of 1997.

- Net debt (on- plus off-balance sheet debt minus cash and cash equivalents) was US$4,738 million, over US$250 million lower than the fourth quarter of 1996. This marks the third consecutive quarter that CEMEX reduced its net debt.

- The debt to total capitalization ratio at the end of the quarter was reduced to 49.6% due to a reduction of debt and despite the acquisition of a 30% stake in Rizal Cement in the Philippines, the US$119 million of shares bought back under the stock repurchase program and the acquisition of the 30% remaining minority interest in Cementos Nacionales of the Dominican Republic.

Consolidated Results (in real terms)

Monterrey, N.L., Mexico February 12, 1998 CEMEX, S.A. de C.V. (OTC: CMXBY) today announced fourth quarter 1997 results:

Consolidated net sales increased 8% in real terms versus the same period a year ago to Ps. 7.953 billion. This increase is attributable to higher volumes and prices in most subsidiaries, and the consolidation of Colombian subsidiary Samper beginning in 1997 which contributed 5 percentage points of the increase. In dollar terms, net sales grew at a faster pace to US$985 million, or 13%, resulting from the relative strength of the peso versus the dollar during the last twelve months.

Mexico represented 43% of the net sales for the fourth quarter, Spain 19%, Venezuela 11%, Colombia 10%, the United States 11% and Central America and the Caribbean 6%.

Gross margin increased from 38.8% in the fourth quarter of 1996 to 39.9% in the fourth quarter of 1997 as increases in volumes and prices in most subsidiaries were accompanied by an overall decline in costs.

Operating margin in the fourth quarter increased from 21.8% last year to 23.9% this year, attributable to the higher gross margin and a decline in SG&A expenses as a percentage of sales.

Operating income increased 19% in real terms to Ps. 1.904 billion for the quarter and increased 24% in dollar terms to US$236 million.

Operating Cash flow (EBITD) in the quarter was Ps. 2.475 billion, an increase of 15% in real terms over the fourth quarter of 1996 due to improvements in the Mexican and Venezuelan operations and the full consolidation of Samper, which represented 4 percentage points of the increase. In dollar terms, cash flow increased 19% over the same period a year ago to US$307 million. Cash flow margin was 31.1% in the quarter versus 29.4% in the fourth quarter of 1996.

In the fourth quarter, Mexico represented 51% of the total cash flow, Spain 17%, Venezuela 14%, Colombia 10%, the United States 4% and Central America and the Caribbean 4%.

Cash flow before lease payments and cost restatements for inflation (non-cash) increased 15% in the quarter to Ps. 2.544 billion, or US$315 million. CEMEX believes it is more appropriate to measure operating cash flow before lease payments, particularly when calculating interest coverage, since the interest component of these leases payments is already included in financial expenses.

Cash earnings (EBITD less net financial expenses) were Ps. 1.553 billion (Ps. 1.27 per share) in the quarter, 111% higher in real terms. This increase was due mainly to a significant reduction in financial expenses year over year (down 32% in real terms). In dollar terms, cash earnings increased 119% to US$192 million (US$0.16 per share) from the fourth quarter of 1996.

Fourth quarter **financial expenses** were Ps. 1.021 billion, a 32% decrease over the same period in 1996 in real terms. In dollars, financial expenses were US$127 million, a 30% decrease.

Interest coverage improved to 2.34 times for the full year 1997, from 1.63 times during 1996. Interest coverage before lease payments improved to 2.41 for the full year 1997, from 1.67 times during 1996. Starting in the first quarter of 1998, interest coverage will only be calculated using cash flow before lease payments. Financial Expenses will continue to be calculated including the interest component of lease payments.

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. As of December 31, 1997 the interest expense plus cash tax coverage was 2.21 times for the trailing twelve months.

Total on-balance sheet debt, in millions of constant pesos and billions of dollars, as of December 31, 1997:

	Dec. 31, 1997	Sept. 30. 1997	Dec. 31, 1996	Var. Sept. - Dec.	Var. Dec. - Dec.
Pesos	37,269	37,359	40,033	0%	(7%)

Dollars	4.618	4.608	4.769	0%	(3%)

Net debt (on- plus off-balance sheet debt minus cash and cash equivalents), decreased 5% to US$4,738 million compared to the fourth quarter of 1996, as a 22% reduction in off-balance sheet obligations and a 3% decrease in on-balance sheet debt more than offset a 7% decrease in cash and cash equivalents.

Between the third and fourth quarters of 1997, **net debt** fell 2% in dollar terms as a 6% reduction in cash and cash equivalents was offset by a 22% decrease in off-balance sheet financing. On-balance sheet debt remained essentially flat during the last three months, despite stock repurchases of Ps. 537 million and the US$93 million invested in Rizal Cement of the Philippines.

Leverage (total debt / total capitalization) at the end of the quarter was 49.6%, lower than the 53.0% at December 31, 1996 and the 49.9% level at September 30, 1997.

Financial leverage as measured by comparing total on-balance sheet debt to operating cash flow for the previous twelve months, was reduced from 4.39 at the end of the fourth quarter of 1996, to 3.87 in the same period of 1997, representing a reduction of 12% during 1997.

Long-term debt: 86% or Ps. 31,964 million (US$ 3.961 billion)

Short-term debt: 14% or Ps. 5,305 million (US$657 million)

Denomination	Dollars	Pesetas	Bolivares	Col. Pesos
1997	95%	4%	1%	-
1996	90%	7%	1%	2%

Average Cost	Dollars	Pesetas	Bolivares	Col. Pesos
1997	8.2%	5.6%	18.7%	8.8%
1996	8.1%	7.4%	23%	25%

At the end of the fourth quarter, off-balance sheet transactions totaled approximately US$500 million. The reduction in off-balance sheet transactions was principally due to the expiration of the SRUs (Share Repurchase Units) and the associated contingent liability of US$90 million which resulted in an extraordinary gain of approximately US$36 million.

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 fourth quarter of 1997, 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 Exchange Gain (Loss) in the fourth quarter was a loss of Ps. 132 million, a decline of 27% versus the fourth quarter of 1996.

During the fourth quarter, the peso depreciated 4% (in peso terms) with respect to the dollar, as measured by the interbank exchange rate. The depreciation for CEMEX also totaled 4% as the company uses an average exchange rate based on the following rates: (i) bank transfer, (ii) cash, and (iii) bank document.

Exchange rates used by the Company at December 31, 1996 and December 31, 1997 were Ps. 7.88 and Ps. 8.07 per dollar, respectively.

A **net monetary position gain** of Ps. 1.017 billion was recognized during the fourth quarter, a decrease of 58% in real terms versus the comparable period a year earlier due to lower inflation in Mexico as well as the implementation of a new subsidiary-weighted inflation conversion method mandated under Mexican Accounting Principles beginning in 1997. The weighted average inflation factor used in the fourth quarter to calculate the net monetary position gain was 3.0%, or 13.3% for the full year 1997. By comparison, the factor used in the fourth quarter of 1996 was based on Mexican inflation of 6.1%, or 27.9% for the full year. The effect of this change in methodology during the fourth quarter of 1997 is a reduction in the net monetary position gain of Ps. 120 million. (Please see the Changes to Mexican Accounting Principles section on page 10 of this report).

Other Expenses and Income were an expense of Ps. 463 million, a 3% decrease in real terms from the fourth quarter of 1996 due to the cancellation of tax provisions which were registered in 1996. 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 fourth quarter of 1997 was Ps. 271 million or US$34 million.

The **total effective tax** rate was 7.0% in the quarter, comprised of income tax -ISR- (3.6%) and of workers participation in net income -PTU- (3.4%). In anticipation of CEMEX's annual cash tax payments, approximately Ps. 132 million were paid during the fourth quarter against the provision accumulated for 1997.

Minority interest income decreased 29% in the quarter in real terms due to the purchase of the remaining minority interest in Cementos Nacionales of the Dominican Republic and the reclasification of minority interest related to Valenciana equity swap. These reduction offset incremental increases related to the consolidation of Samper and higher net income at the subsidiary level.

The average number of shares outstanding during the fourth quarter (not including shares held in trust for equity swaps) was 1,222.8 million (A shares: 489.4 million; B shares: 383.3 million; A shares held in the form of CPOs: 350.2 million). Transactions related to shares that were put into trust for equity swaps comprised an aggregate of 20.6 million CEMEX CPOs and 25.6 million 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 fourth quarter were Ps. 3.732 billion, an increase of 2% compared with the equivalent period in 1996 primarily due to higher domestic cement prices. In dollar terms, net sales increased 15% to US$462 million.

The breakdown of total sales in Mexico during the fourth quarter was as follows: 70% from domestic cement sales, 19% from ready-mix sales, 7% from exports and 4% from tourism and others.

Domestic gray cement volume grew 2% in the fourth quarter of 1997 versus 1996, while the sales volume of **ready-mix** increased 27% on increased private sector construction.

Increases in both cement and ready-mix volumes year over year were driven by the continuing recovery of the Mexican cement market and slight market share gains in certain regions resulting from new product offerings, distribution network improvements, and other marketing initiatives. All sectors showed improvement, especially industrial and commercial construction, fueled primarily by the private sector and informal construction supported by higher employment and real wage increases. Going forward, CEMEX believes housing construction should improve due to lower interest rates, a continued housing shortage and the allocation of funds for housing construction as part of the government's new retirement savings plan (AFORE).

During the fourth quarter of 1997, ready-mix volume growth was attributable to formal sector construction and, to a lesser extent, to Government public works recovery. The toll-road restructuring is not expected to have an immediate impact, but should help clear the way for an increase in highway spending beginning in 1998. Despite the Mexican government's recent announcement that certain non-cement intensive projects (mainly Comisión Federal de Electricidad- and Pemex-related) are likely to be placed on hold during 1998 due to budget cuts, CEMEX believes ready-mix demand should continue to enjoy rapid growth in 1998.

CEMEX-Mexico's total **export volume** declined 39% during the quarter compared with the fourth quarter of 1996 as an increase in higher-value exports to Latin America were not sufficient to offset a significant decline in exports to Southeast Asia. Exports from Mexico during the quarter were distributed as follows:
Central and South America: 38% The Caribbean: 24% The Far East: 16% United States: 16% Africa: 6%

CEMEX's **average realized cement price** (invoice) in Mexico during the fourth quarter increased 7% versus the third quarter of 1997 and increased 5% from the fourth quarter of 1996 in constant peso terms. In dollar terms, prices rose 4% versus the previous quarter and 18% versus the same period a year ago.

The **average ready-mix price** increased 1% in constant peso terms and increased 13% in dollar terms over the fourth quarter 1996.

The average **cash cost** of goods sold per ton in the fourth quarter of 1997 decreased 10% in real terms versus the fourth quarter of 1996 primarily due to a 22% reduction in fixed costs coupled with a 3% decrease in variable costs. Fuel oil costs decreased 4% in real terms when comparing the fourth quarter of 1997 to that of 1996 due to lower petroleum prices and increased usage of petcoke, while electricity costs increased 5% in the same period. Labor costs decreased 5% in real terms versus the fourth quarter of 1996. In dollar terms, the cash cost of goods sold decreased 2%. Although not considered part of the cash cost of goods sold, distribution costs increased 10% in real terms year over year due to higher transport fees.

Gross margin increased from 41.9% in the fourth quarter of 1996 to 46.4% in 1997.

Operating margin in Mexico increased to 34.4% during the period from 29.4% in 1996. **Operating income** was Ps. 1.283 billion, 19% higher than in 1996.

Cash from operations (EBITD) in Mexico increased 10% in real terms to Ps. 1.468 billion in the fourth quarter and in dollar terms grew 24% to US$182 million. EBITD margin was 39.3% in the fourth quarter versus 36.5% in the fourth quarter a year ago. Cash flow before lease payments and cost restatements for inflation (non-cash) increased 10% in real terms to Ps. 1.493 billion, or US$185 million.

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. 27.598 billion during the fourth quarter, a 29% increase compared with the same period in 1996. This increase was due to substantial volume growth and the inclusion of Cementos Especiales de las Islas, SA. Excluding Islas, sales grew 21%.

Domestic cement volume increased 32%, and **ready-mix volume** 18% during the fourth quarter of 1997 as compared to the same period of 1996 as growth in the housing construction sector was strong enough to offset reduced public works spending by the government. The housing sector's strength is due to a general improvement in the Spanish economy, particularly decreasing interest rates and increasing employment levels, and unsatisfied demand for new housing. Non-residential construction is continuing to improve as well, primarily in commercial centers and new office space. Going forward, we believe growth should be driven by continued strength in the housing and commercial building sectors, as well as increasing public spending.

Imports into Spain during the quarter fell 37% compared to the fourth quarter of 1996 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 increased 3% in the fourth quarter compared to the fourth quarter of 1996, distributed as follows:

United States: 74% Africa: 20% Europe & the Middle East: 6%

The average **domestic sales price for cement** declined 4% in peseta terms, when compared with the same period of the previous year, and decreased 16% in dollar terms due to the devaluation of the peseta during 1997. The **average price for ready-mix** during the period was flat in peseta terms and decreased 13% in dollar terms.

The average **cash cost** of goods sold per ton decreased 5%, in peseta terms, in the fourth quarter of 1997 versus 1996. Lower labor costs led to a 17% decline in fixed costs but variable costs increased by 4%, in each case in Peseta terms. In dollar terms the cash cost decreased 19% year over year.

Gross margin decreased to 32.9% in the fourth quarter, from 34.4% in the fourth quarter of the previous year from a 72% increase in depreciation expense resulting from new fiscal accounting laws in Spain.

Selling and administrative expenses increased 10% in the quarter in Peseta terms, due primarily to the increased depreciation, a non-cash item- and the consolidation of Islas. However, SG&A as a percentage of sales declined year-over-year and now represented 13% of sales versus 15% in the fourth quarter of 1996.

Operating margin in the fourth quarter was 20.2% as compared to 19.6% in 1996, as a decrease in SG&A expenses as a percentage of sales offset an increase in depreciation. **Operating income** was Ptas. 5.580 billion, 33% higher than in 1996.

Cash from operations (EBITD) increased 46% year over year to Ptas. 9.198 billion. In dollar terms, cash from operations grew 25% to US$61 million. EBITD margin was 33.3% in the fourth quarter versus 29.4% a year earlier.

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 fourth quarter of 1997, **net sales** in Venezuela were Bs. 58.779 billion, a 13% increase in constant Bolivar terms over the same period in 1996, due to higher domestic volumes. In dollar terms, net sales increased 47% to US$116 million due to strong dollar resulting from the stable Bolivar.

Domestic cement volume increased 28% in the quarter compared to the fourth quarter of 1996 and **ready-mix volume** increased 45%. Cement demand has been increasing across all sectors recently due to the improved economic situation, and increased confidence by foreign investors in the government's commitment to continued economic reforms and privatizations. Housing construction is recovering due to the government's recent reforms of labor laws and recent growth in wage levels. In addition, a new government guarantee placed on mortgage lending has had the effect of significantly increasing the availability of mortgage financing. Concession-related spending is also increasing rapidly, with highway and railroad construction projects currently underway and the potential for hydroelectric and other infrastructure projects 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. The full impact of this impending investment, however, is not expected to be felt until 1998.

The **volume of exports** from Venezuela fell 7% during the fourth quarter as compared to same period a year ago and currently comprised 49% of total sales volumes versus 55% 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: 56% The Caribbean & Central America: 21% South America: 23%

Domestic cement prices declined by 4%, while **ready-mix prices** increased by 5%, in constant Bolivar terms, when compared with the fourth quarter of 1996. In dollar terms, cement and ready-mix prices increased 25% and 37%, respectively, as inflation between December 1996 and December 1997 was approximately 38%, while the Bolivar devalued only 6% during the period.

The average **cash cost** of goods sold per ton increased 13% in constant Bolivar terms in the fourth quarter of 1997 compared to the fourth quarter of 1996. Fixed costs increased 1% as higher labor costs were almost entirely offset by a reduction expenses related to replacement parts. Variable costs increased 37% due to an increase in the cost of purchased raw materials and mining expenses. In dollars terms, the cash cost per ton increased 45%.

Gross margin increased to 41.6% in the fourth quarter from 37.5% in the fourth quarter of 1996 as sales grew 13% but costs of goods sold only increased 5%.

Selling and administrative expenses declined 10% in the quarter and represented 9% of sales versus 11% in 1996.

Operating margin increased to 32.7% in the fourth quarter from 26.4% in the prior year, on **operating income** of Bs. 19.231 billion, 40% higher in constant Bolivars terms than during the fourth quarter a year ago.

Cash from operations (EBITD) was Bs. 24.243 billion for the quarter, a 22% increase over the same period in 1996. In dollar terms, operating cash flow increased 58% to US$48 million. The EBITD margin was 41.2% in the fourth quarter of 1997 versus 38.2% in 1996. Cash flow before cost restatements for inflation (non-cash) increased 30% to Bs. 25.796 billion, or US$51 million in dollar terms.

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.

Note: *The results of CEMEX's Colombian operations in 1996 included only Cementos Diamante. In the fourth quarter of 1997 the Colombian operations includes both Diamante and Samper for the full three months. In this analysis, for comparison purposes only, we are presenting a proforma for the Colombian operations (which includes Diamante and Samper) for the full fourth quarter of 1996.*

Net sales in the Colombian operations, in constant Colombian pesos, were CPs. 130.825 billion (US$101 million), 22% higher than the CPs. 107.171 billion proforma net sales in the fourth quarter of 1996.

Gross margin was 36.3% for the 1997 fourth quarter versus 23.9% in the fourth quarter 1996 on a proforma basis.

Selling and administrative expenses increased 21% from the proforma fourth quarter of 1996 and represented 17% of sales in the 1997 fourth quarter. These expenses should continue to decline in coming quarters as savings are realized from the continued integration and optimization of the operations.

Operating margin was 19.6% in the fourth quarter on **operating income** of CPs. 25.627 billion (US$20 million). This compares to an operating margin of 7.1% and operating income of CPs. 7.575 billion, in constant terms, in the fourth quarter of 1996 (proforma).

Cash from operations (EBITD), after charges of CPs. 60 million associated with operating leases, was CPs. 46.995 billion (US$36 million) in the 1997 fourth quarter, with a margin of 35.9%. Cash flow before leases during the quarter was CPs. 47.055 billion, or US$36 million.

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.

Net sales of the United States operations during the fourth quarter of 1997 were US$109 million, an 8% increase over the same period a year ago from stronger prices and volumes for both cement and ready-mix.

Cement sales volume increased by 2% during the fourth quarter of 1997 as compared to the same period in 1996. **Ready-mix volumes** increased 8% during the quarter, while **aggregates volumes** increased 4% over the same period a year ago. Despite these year-over-year improvements, , volumes decreased from the third to the fourth quarters 1997 from distribution problems associated with Union Pacific Railroad service disruptions negatively affected volumes in Texas and Arizona

Average realized **cement prices** increased 3% in the fourth quarter versus the same period in 1996 as local cement producers are operating at or near capacity. **Average ready-mix prices** during the quarter increased 1% versus a year ago, 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 increased to 13.1% in the quarter from 13.0% in 1996 primarily as a result of higher volumes and prices.

Operating margin increased to 5.7% in the fourth quarter from 4.9% in 1996 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 6.6% vs. 7.7% a year ago.

Operating income in the fourth quarter of 1997 was 25% higher than the fourth quarter of 1996 and **cash from operations** (EBITD), after charges of US$3 million associated with operating leases, increased 7% to US$10 million. EBITD margin of 10% in the fourth quarter remained stable versus the same period a year ago. Cash flow before lease payments increased 6% to US$13 million.

Central America and the Caribbean (Dollars)

During the fourth quarter of 1997, **net sales** in Central America and the Caribbean region were US$56 million, an increase of 29% year over year. For the full year 1997, net sales increased 19% to US$207 million as compared with 1996.

The **operating margin** in the area was 8% for the fourth quarter of 1997. This margin reflects an extraordinary maintenance expense incurred in the last quarter of 1997 in our Central America operation. For the full year 1997 operating margin was 20%.

In 1997, **operating income** for the fourth quarter was US$4 million, and US$41 million for the full year.

Operating cash flow in the fourth quarter of 1997 was US$9 million. For the full year 1997, operating cash flow remain almost flat as compared with the same period a year ago, being US$57 million and US$56 million respectively.

Financing Activities and Strategy

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

Philippine Acquisition

On October 17, CEMEX announced the acquisition of a 30% minority stake in Philippine company Rizal Cement Inc. for US$93 million all in cost, and signed an agreement in which CEMEX will provide technical and consulting services to Rizal. The transaction was realized through CEMEX's Spanish subsidiary. The return on this investment will be reflected beginning in the first quarter 1998 following the integration of Rizal's accounting records. However, the investment is accounted for on the balance sheet as an investment in subsidiaries at the end of the fourth quarter of 1997.

CEMEX, through its Spanish subsidiary, has formed a new subsidiary, CEMEX Investment Holdings Asia Pte. Ltd., through which this acquisition and others in the region will be made. The capital of CEMEX Investment Holdings Asia will initially be provided by CEMEX, however approximately 75% its capital is expected to be contributed by venture capital investors and third parties.

Committed Underwriting Facility

CEMEX closed a three-year facility with Bankers Trust and Santander for US$300 million which provides contingent refinancing for Euro Commercial Paper (ECP). Through this facility CEMEX has the option to place ECP with the participant banks should short-term market conditions become unfavorable for refinancing of ECP. In addition, an option also exists to allow ECP placed with the participant banks to convert into a long-term notes.

Refinancing of the US$358 million Convertible Bond

The outstanding US$358 million Convertible Bond, which matured in November 1997, was liquidated through a combination (40/60%) of short- and long-term instruments. CEMEX presently intends to refinance the short-term portion with Euro Commercial Paper issuances supported by the Committed Underwriting Facility.

Refinancing of Equity Swaps

Equity swaps amounting to US$120 million were refinanced during the fourth quarter. The new instruments have a scheduled maturity of three years and average spreads that are approximately 60 basis points lower than that of the previous equity swaps.

Equity Related Information

The change in the number of shares outstanding during the fourth quarter of 1997 is explained as follows:

Number of shares outstanding as of September 30, 1997	**1,231,992,908**
Change in the number of total shares subscribed and paid between periods resulting from the exercise of stock options *(not including Share Repurchase Program activity)*	89,425
Share Repurchase Program activity *(October 1 - December 31)*	(13,598,980)
Decrease (Increase) in CEMEX shares held at subsidiaries *(including change in number of shares held in trust for equity swaps)*	29,498
Number of shares outstanding as of December 31, 1997	**1,218,512,851**

Share Repurchase Program

During the fourth quarter of 1997, a total of 13,598,980 shares were bought back at an average price of Ps. 39.70 per share as part of CEMEX's share repurchase program. Since inception of the share repurchase program on June 1, 1997, 24,129,099 shares have been bought back at an average price of Ps. 38.99 per share, completing the minimum of Ps. 957 million (constant pesos as of December 31, 1997) stipulated for the share repurchase program.

Employee Stock Options

In 1995, the Company adopted a stock option plan under which the Company is authorized to grant, to directors, officers and other employees, options to acquire up to 72,100,000 CEMEX B shares. As of December 31, 1997 options to acquire a total of 21,152,885 CEMEX B shares had been granted as follows: 5,345,789 granted in 1995 with an exercise price of Ps. 20.00 per share; 9,873,710 granted in 1996 with an exercise price of Ps. 29.60 per share; 5,933,386 granted in 1997 with an exercise price of Ps. 33.13 per share. Each of the outstanding options vests at a rate of 25% per year on each of the first four anniversaries of the date of its grant and expires on the tenth anniversary of such date or when the employee ceases to be employed by CEMEX. Under this type of program, the company is not required to register a liability for the options.

Changes to Mexican Accounting Principles

Beginning January 1, 1997, and in accordance with the new requirements of Mexican Accounting Principles 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" have been calculated using a weighted average of the inflation from each country in which the Company operates and the change in exchange rate of each country, in place of using an inflation factor based only on Mexican inflation. The December 1996 to December 1997 inflation factor based on inflation in Mexico is 15.72%, while the weighted average factor used by CEMEX in the consolidated financial statements is 6.53%.

In addition, the calculation of the consolidated Monetary Position Gain has been determined using a weighted average inflation factor based on the inflation of each country in which CEMEX operates. Prior to 1997, only Mexican inflation was used by CEMEX in this calculation in accordance with Bulletin B-10. The change in inflation factors is in accordance with Bulletin B-15, which was approved in August 1997 and will be officially implemented beginning January 1, 1998, with the recommendation that these changes be retroactive to January 1, 1997.

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 is calculated according to the inflation in the assets country of origin and converted using the end of period exchange rate.

At December 31, 1997, Mexico represented 45% of the total assets, Spain 24%, Venezuela 11%, Colombia 11%, the United States 5% and Central America and the Caribbean 4%.

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

INCOME STATEMENT	January - December 1997	1996	% Var.	Quarters IV 1997	IV 1996	% Var.
Net Sales	30,573,187	28,249,204	8%	7,952,732	7,333,922	8%
Cost of Sales	(18,735,000)	(17,129,381)	9%	(4,779,727)	(4,485,786)	7%
Gross Profit	11,838,187	11,119,823	6%	3,173,005	2,848,136	11%
Selling, General and Administrative Expenses	(4,613,786)	(4,385,847)	5%	(1,269,017)	(1,252,160)	1%
Operating Income	7,224,402	6,733,976	7%	1,903,988	1,595,976	19%
Financial Expenses	(4,116,009)	(5,604,592)	(27%)	(1,021,106)	(1,512,290)	(32%)
Financial Income	300,727	446,117	(33%)	98,609	90,458	9%
Exchange Gain (Loss), Net	(95,426)	(846,368)	(89%)	(132,054)	(180,178)	(27%)
Monetary Position Gain (Loss)	4,657,120	10,203,406	(54%)	1,016,897	2,395,824	(58%)
Total Comprehensive Financing (Cost) Income	746,412	4,198,562	(82%)	(37,654)	793,814	(105%)
Gain or (Loss) on Marketable Securities	534,292	243,084	120%	302,817	52,704	475%
Other Expenses, Net	(1,109,961)	(1,431,705)	(22%)	(463,035)	(478,090)	(3%)
Other Income (Expense)	(575,669)	(1,188,621)	(52%)	(160,218)	(425,386)	(62%)
Net Income Before Income Taxes	7,395,145	9,743,918	(24%)	1,706,117	1,964,403	(13%)
Income Tax	(403,969)	(786,528)	(49%)	(61,378)	(125,137)	(51%)
Employees' Statutory Profit Sharing	(131,731)	(46,605)	183%	(57,845)	75,776	(176%)
Total Income Tax & Profit Sharing	(535,700)	(833,133)	(36%)	(119,224)	(49,361)	142%
Net Income Before Participation of Uncons. Subs. and Ext. Items	6,859,445	8,910,785	(23%)	1,586,893	1,915,042	(17%)
Participation in Unconsolidated Subsidiaries	141,106	288,935	(51%)	14,303	139,362	(90%)
Consolidated Net Income	7,000,551	9,199,720	(24%)	1,601,196	2,054,404	(22%)
Net Income Attributable to Min. Interest	860,592	997,965	(14%)	131,664	186,356	(29%)
NET INCOME AFTER MINORITY INTEREST	6,139,959	8,201,755	(25%)	1,469,532	1,868,048	(21%)
EBITD (Op. Inc. + Depreciation)	9,630,563	9,127,445	6%	2,475,109	2,158,017	15%
EBITD + Leases + Cost Actualization	9,927,015	9,387,531	6%	2,543,806	2,213,425	15%

BALANCE SHEET	January - December 1997	1996	% Var.
Total Assets	82,567,726	83,457,280	(1%)
Cash and Temporary Investments	3,069,338	3,430,872	(11%)
Trade Accounts Receivables	3,675,328	3,403,216	8%
Other Receivables	1,562,971	1,548,819	1%
Inventories	3,449,584	3,504,279	(2%)
Other Current Assets	642,153	883,901	(27%)
Current Assets	12,399,374	12,771,087	(3%)
Fixed Assets	48,466,863	48,204,643	1%
Other Assets	21,701,489	22,481,550	(3%)
Total Liabilities	44,668,852	47,052,048	(5%)
Current Liabilities	10,245,844	11,500,688	(11%)
Long-Term Liabilities	31,963,643	33,190,749	(4%)
Other Liabilities	2,459,365	2,360,611	4%
Consolidated Stockholders' Equity	37,898,874	36,405,233	4%
Stockholders' Equity Attributable to Minority Interest	9,531,766	8,395,318	14%
Stockholders' Equity Attributable to Majority Interest	28,367,108	28,009,914	1%

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

	January - December		%	Quarters		%
FINANCIAL INDICATORS	**1997**	**1996**	**Var.**	**IV 1997**	**IV 1996**	**Var.**
Operating Margin	23.6%	23.8%	(1%)	23.9 %	21.8%	10%
Current Ratio						
(Current Assets / Current Liabilities)	1.21	1.11	9%			
Debt / Total Capitalization	49.6%	53.0%	(6.4%)			
Debt Coverage (EBITD/Int. Exp.) (1)	2.34	1.63	44%	2.42	1.43	70%
Debt Coverage (EBITD+ Leases/Int. Exp.) (1)	2.41	1.67	44%	2.49	1.46	70%
Return on Equity (Con. Net Income / Con. Sh. Equity)(1)	18.6%	24.7%	(25%)	4.2%	5.6%	(25%)
Return on Assets (Con. Net Income / Total Assets)(1)	8.4%	11.0%	(24%)	1.9%	2.5%	(21%)
Earnings per Share (2)	4.97	6.69	(26%)	1.20	1.50	(20%)
Cash Flow per Share(2)	7.79	7.45	5%	2.02	1.73	17%
Cash Earnings per Share(2)	4.70	3.24	45%	1.27	0.59	115%

	January - December	Quarters	Quarters
VOLUMES Variation in volumes	**1997 - 1996**	**IV 1997 - IV 1996**	**IV 1997 - III 1997**
MEXICO	3%	(8%)	(5%)
Domestic (Met. Tons, Gray Cement)	12%	2%	1%
Exports (Met. Tons)	(25%)	(39%)	(30%)
Ready-mix (m3)	33%	27%	13%
U.S.A.			
Cement (Met. Tons)	(3%)	2%	(11%)
Ready-Mix(m3)	2%	8%	(10%)
Aggregates (Met. Tons)	0%	4%	(6%)
SPAIN	14%	24%	1%
Domestic (Met. Tons)	21%	32%	(2%)
Exports (Met. Tons)	(4%)	3%	15%
Ready-Mix (m3)	17%	18%	(5%)
VENEZUELA	5%	8%	2%
Domestic (Met. Tons)	15%	28%	(6%)
Exports (Met. Tons)	(4%)	(7%)	13%
Ready-Mix (m3)	40%	45%	5%
PANAMA			
Domestic (Met. Tons)	29%	26%	(8%)
Ready-Mix (m3)	112%	32%	(30%)
DOMINICAN REPUBLIC			
Domestic (Met. Tons)	8%	11%	2%
Ready-Mix (m3)	100%	100%	29%
COLOMBIA			
Domestic (Met. Tons)	N/A	N/A	5%
Ready-Mix (m3)	N/A	N/A	(5%)

(*) Figures can be converted to dollars by using constant pesos of 1997 and dividing them by 8.07; and using constant pesos of 1996 and deflating them using 1.0653 as the weighted average inflation rate for Cemex and dividing them by 7.88

(1) Trailing twelve months.

(2) Considering 1,222,846 thousand average shares for IV 1997, 1,243,899 thousand average shares for IV 1996 1,236,010 thousand average shares for 1997 and 1,225,870 thousand average shares for 1996

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

INCOME STATEMENT	January - December 1997	1996	% Var.	Quarters IV 1997	IV 1996	% Var.
Net Sales	3,788,499	3,365,178	13%	985,469	873,651	13%
Cost of Sales	(2,321,561)	(2,040,532)	14%	(592,283)	(534,368)	11%
Gross Profit	1,466,938	1,324,646	11%	393,185	339,283	16%
Selling, General and Administrative Expenses	(571,721)	(522,463)	9%	(157,251)	(149,163)	5%
Operating Income	895,217	802,183	12%	235,934	190,120	24%
Financial Expenses	(510,038)	(667,645)	(24%)	(126,531)	(180,151)	(30%)
Financial Income	37,265	53,144	(30%)	12,219	10,776	13%
Exchange Gain (Loss), Net	(11,825)	(100,823)	(88%)	(16,364)	(21,464)	(24%)
Monetary Position Gain (Loss)	577,090	1,215,478	(53%)	126,010	285,402	(56%)
Total Comprehensive Financing (Cost)Income	92,492	500,153	(82%)	(4,666)	94,563	(105%)
Gain or (Loss) on Marketable Securities	66,207	28,957	129%	37,524	6,278	498%
Other Expenses, Net	(137,542)	(170,551)	(19%)	(57,377)	(56,952)	1%
Other Income (Expense)	(71,334)	(141,594)	(50%)	(19,854)	(50,674)	(61%)
Net Income Before Income Taxes	916,375	1,160,741	(21%)	211,415	234,009	(10%)
Income Tax	(50,058)	(93,695)	(47%)	(7,606)	(14,907)	(49%)
Employees' Statutory Profit Sharing	(16,324)	(5,552)	194%	(7,168)	9,027	(179%)
Total Income Tax & Profit Sharing	(66,382)	(99,247)	(33%)	(14,774)	(5,880)	151%
Net Income Before Participation of of Uncons. Subs. and Ext. Items	849,993	1,061,495	(20%)	196,641	228,129	(14%)
Participation of Unconsolidated Subsidiaries	17,485	34,419	(49%)	1,772	16,601	(89%)
Consolidated Net Income	867,478	1,095,914	(21%)	198,413	244,730	(19%)
Net Income Attributable to Min. Interest	106,641	118,882	(10%)	16,315	22,200	(27%)
NET INCOME AFTER MINORITY INTEREST	760,837	977,032	(22%)	182,098	222,531	(18%)
EBITD (Op. Inc. + Depreciation)	1,193,378	1,087,304	10%	306,705	257,073	19%
EBITD + Leases + Cost Actualization	1,230,113	1,118,287	10%	315,218	263,674	20%

BALANCE SHEET	January - December 1997	1996	% Var.
Total Assets	10,231,441	9,941,824	3%
Cash and Temporary Investments	380,339	408,702	(7%)
Trade Accounts Receivables	455,431	405,407	12%
Other Receivables	193,677	184,503	5%
Inventories	427,458	417,446	2%
Other Current Assets	79,573	105,294	(24%)
Current Assets	1,536,478	1,521,352	1%
Fixed Assets	6,005,807	5,742,364	5%
Other Assets	2,689,156	2,678,108	0%
Total Liabilities	5,535,174	5,605,062	(1%)
Current Liabilities	1,269,621	1,370,016	(7%)
Long-Term Liabilities	3,960,798	3,953,838	0%
Other Liabilities	304,754	281,207	8%
Consolidated Stockholders' Equity	4,696,267	4,336,763	8%
Stockholders' Equity Attributable to Minority Interest	1,181,136	1,000,090	18%
Stockholders' Equity Attributable to Majority Interest	3,515,131	3,336,673	5%

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

FINANCIAL INDICATORS	January - December 1997	1996	% Var.	Quarters IV 1997	IV 1996	% Var.
Operating Margin	23.6%	23.8%	(1%)	23.9%	21.8%	10%
Current Ratio						
(Current Assets / Current Liabilities)	1.21	1.11	9%			
Debt / Total Capitalization	49.6%	53.0%	(6.4%)			
Debt Coverage (EBITD/Int. Exp.) [(1)]	2.34	1.63	44%	2.42	1.43	70%
Debt Coverage (EBITD+ Leases/Int. Exp.) [(1)]	2.41	1.67	44%	2.49	1.46	70%
Return on Equity (Con. Net Income / Con. Sh. Equity)[(1)]	18.6%	24.7%	(25%)	4.2%	5.6%	(25%)
Return on Assets (Con. Net Income / Total Assets)[(1)]	8.4%	11.0%	(24%)	1.9%	2.5%	(21%)
Earnings per Share [(2)]	0.62	0.79	(22%)	0.15	0.18	(17%)
Cash Flow per Share[(2)]	0.97	0.87	10%	0.25	0.21	21%
Cash Earnings per Share[(2)]	0.58	0.39	51%	0.16	0.07	123%

VOLUMES Variation in volume	January - December 1997 - 1996	Quarters IV 1997 - IV 1996	Quarters IV 1997 - III 1997
MEXICO	3%	(8%)	(5%)
Domestic (Met. Tons, Gray Cement)	12%	2%	1%
Exports (Met. Tons)	(25%)	(39%)	(30%)
Ready-mix (m3)	33%	27%	13%
U.S.A.			
Cement (Met. Tons)	(3%)	2%	(11%)
Ready-Mix(m3)	2%	8%	(10%)
Aggregates (Met. Tons)	0%	4%	(6%)
SPAIN	14%	24%	1%
Domestic (Met. Tons)	21%	32%	(2%)
Exports (Met. Tons)	(4%)	3%	15%
Ready-Mix (m3)	17%	18%	(5%)
VENEZUELA	5%	8%	2%
Domestic (Met. Tons)	15%	28%	(6%)
Exports (Met. Tons)	(4%)	(7%)	13%
Ready-Mix (m3)	40%	45%	5%
PANAMA			
Domestic (Met. Tons)	29%	26%	(8%)
Ready-Mix (m3)	112%	32%	(30%)
DOMINICAN REPUBLIC			
Domestic (Met. Tons)	8%	11%	2%
Ready-Mix (m3)	100%	100%	29%
COLOMBIA			
Domestic (Met. Tons)	N/A	N/A	5%
Ready-Mix (m3)	N/A	N/A	(5%)

(*) Figures were converted to dollars by using constant pesos of 1997 and dividing them by 8.07; and using constant pesos of 1996 and deflating them using 1.0653 as the weighted average inflation rate for Cemex and dividing them by 7.88

(1) Trailing twelve months.

(2) Considering 1,222,846 thousand average shares for IV 1997, 1,243,899 thousand average shares for IV 1996 1,236,010 thousand average shares for 1997 and 1,225,870 thousand average shares for 1996

Mexico

(Thousands of Constant Pesos as of Dec. 1997)(1)

INCOME STATEMENT	January - December 1997	1996	% Var.	Quarters IV 1997	IV 1996	% Var.
Net Sales	13,865,453	13,610,789	2%	3,731,990	3,675,629	2%
Cost of Sales	(8,046,313)	(7,651,022)	5%	(1,999,264)	(2,133,989)	(6%)
Gross Profit	5,819,140	5,959,766	(2%)	1,732,727	1,541,640	12%
Selling, General and Administrative Expenses	(1,707,042)	(1,748,965)	(2%)	(450,023)	(461,344)	(2%)
Operating Income	4,112,098	4,210,801	(2%)	1,282,703	1,080,296	19%
EBITD (Op. Inc. + Depreciation)	5,162,163	5,351,936	(4%)	1,468,147	1,340,182	10%
Operating Margin	29.7%	30.9%	(4%)	34.4%	29.4%	17%

Spain

(Thousands of Pesetas)(2)

INCOME STATEMENT	January - December 1997	1996	% Var.	Quarters IV 1997	IV 1996	% Var.
Net Sales	109,795,242	91,371,007	20%	27,598,163	21,406,136	29%
Cost of Sales	(72,920,459)	(58,095,717)	26%	(18,520,956)	(14,035,030)	32%
Gross Profit	36,874,783	33,275,290	11%	9,077,207	7,371,106	23%
Selling, General and Administrative Expenses	(13,240,723)	(11,722,459)	13%	(3,497,564)	(3,175,392)	10%
Operating Income	23,634,060	21,552,831	10%	5,579,644	4,195,714	33%
EBITD (Op. Inc. + Depreciation)	37,718,655	30,173,099	25%	9,198,162	6,294,780	46%
Operating Margin	21.5%	23.6%	(9%)	20.2%	19.6%	3%

Venezuela (Vencemos)

(Thousands of Constant Bolivares as of Dec. 1997)(3)

INCOME STATEMENT	January - December 1997	1996	% Var.	Quarters IV 1997	IV 1996	% Var.
Net Sales	233,412,030	222,803,971	5%	58,778,792	52,094,055	13%
Cost of Sales	(133,810,141)	(124,913,570)	7%	(34,315,313)	(32,550,780)	5%
Gross Profit	99,601,890	97,890,401	2%	24,463,479	19,543,276	25%
Selling, General and Administrative Expenses	(18,779,352)	(20,734,665)	(9%)	(5,232,211)	(5,789,509)	(10%)
Operating Income	80,822,538	77,155,736	5%	19,231,268	13,753,766	40%
EBITD (Op. Inc. + Depreciation)	102,179,954	102,688,467	(0%)	24,242,953	19,892,316	22%
Operating Margin	34.6%	34.6%	(0%)	32.7%	26.4%	24%

(1) Peso figures can be converted to dollars by using constant pesos of 1997 and dividing them by 8.07; and using constant pesos of 1996 and deflating them using 1.1572 as inflation rate in Mexico and dividing them by 7.88.

(2) Peseta figures can be converted to dollars using the following exchange rates: 151.7 per dollar for 1997 and 129.7 per dollar for 1996.

(3) Bolivar figures can be converted to dollars by using constant bolivars of 1997 and dividing them by 504.75 and those for 1996 using constant bolivars of 1996 and deflating them using 1.3761 as inflation rate in Venezuela and dividing them by 476.75.

DETAILED INFORMATION AVAILABLE UPON REQUEST

The United States (Cemex USA Inc.)

(Thousands of Dollars)

	January - December		%	Quarters		%
INCOME STATEMENT	**1997**	**1996**	**Var.**	**IV 1997**	**IV 1996**	**Var.**
Net Sales	435,428	405,792	7%	108,885	100,399	8%
Cost of Sales	(376,464)	(343,875)	9%	(94,668)	(87,373)	8%
Gross Profit	58,964	61,917	(5%)	14,217	13,026	9%
Selling, General and Administrative Expenses	(31,301)	(30,655)	2%	(8,013)	(8,073)	(1%)
Operating Income	27,663	31,262	(12%)	6,204	4,953	25%
EBITD (Op. Inc. + Depreciation)	44,477	48,659	(9%)	10,193	9,550	7%
Operating Margin	6.4%	7.7%	(18%)	5.7%	4.9%	16%

Colombia(4)

(Thousands of Colombian Pesos as of Dec. 1997)(5)

	January - December		%	Quarters		%
INCOME STATEMENT	**1997**	**1996**	**Var.**	**IV 1997**	**IV 1996**	**Var.**
Net Sales	479,216,508	195,342,688	N/A	130,825,478	71,116,850	N/A
Cost of Sales	(301,680,006)	(125,372,049)	N/A	(83,311,296)	(51,232,429)	N/A
Gross Profit	177,536,502	69,970,639	N/A	47,514,182	19,884,421	N/A
Selling, General and Administrative Expenses	(71,679,782)	(26,872,578)	N/A	(21,886,771)	(9,570,920)	N/A
Operating Income	105,856,719	43,098,061	N/A	25,627,411	10,313,501	N/A
EBITD (Op. Inc. + Depreciation)	174,184,552	59,464,469	N/A	46,995,252	19,880,176	N/A
Operating Margin	22.1%	22.1%	N/A	19.6%	14.5%	N/A

(4) The cumulative results through December 1996 and those for the fourth quarter of 1996 only Diamante´s results. Beginning in the first quarter of 1997, the results of both Diamante and Samper are fully consolidated.

(5) Figures for 1997 can be converted to dollars by using constant Colombian pesos of 1997 and dividing them by 1,294 and those for 1996 using constant Colombian pesos of 1996 and deflating them using 1.174 as inflation rate in Colombia and dividing them by 1005.

DETAILED INFORMATION AVAILABLE UPON REQUEST