

Stock Listing Information

NYSE (ADR)

Ticker: CX

MEXICAN STOCK EXCHANGE

Ticker: CEMEX.CPO

Ratio of CEMEX.CPO to CX= 5:1

	Second quarter			Second quarter	
	2004	2003	% Var.	2004	2003
Net sales	1,948	1,855	5%	% of Net Sales	
Gross profit	871	787	11%	44.7%	42.4%
Operating income	469	390	20%	24.1%	21.0%
Majority net income	247	309	(20%)	12.7%	16.7%
EBITDA	635	552	15%	32.6%	29.8%
Free cash flow	444	390	14%	22.8%	21.0%

Net debt	4,969	5,829	(15%)
Net debt/EBITDA	2.2	3.0	
Interest coverage	6.2	4.9	
Quarterly earnings per ADR	0.75	1.00	(25%)
Average ADRs outstanding	329.2	309.2	6%

In millions of U.S. dollars, except ratios and per-ADR amounts.
Average ADRs outstanding presented in millions of ADRs.

Consolidated net sales increased 5% over second quarter 2003 to US\$1,948 million, due mainly to higher volumes of ready-mix and domestic cement in most of our markets and incremental sales of our high-growth multiproduct strategy. The global economic expansion has led to strong residential building and infrastructure spending in most of our markets, while average cement and ready-mix prices continue to gradually recover.

Cost of goods sold as a percentage of net sales decreased 2.3 percentage points versus second quarter 2003, due mainly to lower variable costs of production as a result of lower energy costs per ton of cement.

Selling, general and administrative expenses (SG&A) as a percentage of net sales during the quarter decreased 0.8 percentage points versus the same period in 2003. Higher consolidated transportation costs were more than offset by our ongoing cost-reduction initiatives, which have produced significant savings at the corporate and operating levels.

EBITDA reached US\$635 million, representing an increase of 15% over second quarter 2003. Our consolidated **EBITDA margin** increased 2.8 percentage points to 32.6% from 29.8% in the same period of 2003. These increases are due to higher domestic cement and ready-mix volumes, a lower cost structure, and a marginal recovery in cement prices.

Foreign-exchange gain (loss) for the quarter was a loss of US\$93 million, versus a gain of US\$48 million in second quarter 2003. The loss was due mainly to the depreciation of the Mexican peso against the U.S. dollar during the quarter.

Majority net income for the quarter was US\$247 million, versus US\$309 million in the second quarter of 2003 (which included extraordinary gains of US\$66 million in marketable securities and US\$48 million in foreign exchange). Majority net income for the first half of the year increased 42%, reaching US\$557 million, versus US\$392 million in the same period of 2003.

Net debt at the end of the second quarter was US\$4,969 million, US\$383 million lower than that at the end of first quarter 2004, and US\$672 million lower than that at the beginning of the year. The ratio of **net debt to EBITDA** reached 2.2 times, versus 2.4 times three months ago, and 3.0 times twelve months ago.

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EBITDA and Free Cash Flow ⁽¹⁾

	Second quarter			January - June		
	2004	2003	% Var.	2004	2003	% Var.
Operating income	469	390	20%	861	698	23%
+ Depreciation and operating amortization	166	162		328	315	
EBITDA	635	552	15%	1,189	1,013	17%
- Net financial expense	79	93		164	179	
- Capital expenditures	70	82		139	167	
- Change in working capital	2	(50)		99	86	
- Taxes paid	27	26		40	44	
- Preferred dividend payments *	N/A	6		N/A	15	
- Other cash items (net)	13	5		15	25	
Free cash flow	444	390	14%	732	497	47%

In millions of U.S. dollars.

During the quarter, US\$444 million of free cash flow was used as follows: US\$343 million to reduce net debt, however net debt was reduced by an additional US\$40 million as a result of foreign exchange movements; US\$87 million for the acquisition of minorities in CEMEX Asia Holdings; and for dividend payments.

Debt-Related Information

	Second quarter			First quarter	Second quarter		
	2004	2003	% Var.	2004	2004	2003	
Total debt ⁽²⁾	5,296	5,824	(9%)	5,667	Currency denomination		
Short-term	13%	34%		22%	U.S. dollar	68%	75%
Long-term	87%	66%		78%	Yen	15%	13%
Equity obligations ⁽²⁾	N/A	716		N/A	Euro	16%	11%
Cash and cash equivalents	327	711	(54%)	316	Other	1%	1%
Net debt	4,969	5,829	(15%)	5,352	Interest rate		
Interest expense	85	96	(11%)	90	Fixed	70%	69%
Preferred dividends ⁽²⁾	N/A	6		N/A	Variable	30%	31%
Interest coverage	6.2	4.9		5.7			
Net debt/EBITDA	2.2	3.0		2.4			
Capitalization ratio	42.9%	46.9%		45.4%			

In millions of U.S. dollars, except ratios which are calculated for the last-twelve-month period.

Other developments

On June 30, 2004, CEMEX closed a three-year US\$800-million revolving credit facility at an initial rate of LIBOR plus 55 basis points, with the participation of 26 financial institutions. The proceeds from the transaction and bilateral lines of credit were used to prepay US\$700 million under a US\$1.15-billion multicurrency syndicated facility and early terminate our US\$300-million U.S. commercial paper program. This facility will allow CEMEX to further reduce its financing cost and maintain sufficient back-up facilities.

(1) EBITDA and free cash flow (calculated as set forth above) are presented herein because CEMEX believes that they are widely accepted as financial indicators of its ability to internally fund capital expenditures and to service or incur debt. EBITDA and free cash flow should not be considered as indicators of CEMEX's financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies. EBITDA is reconciled above to operating income, which CEMEX considers to be the most comparable measure as determined under generally accepted accounting principles in Mexico (GAAP). Free cash flow is reconciled to EBITDA. CEMEX is not required to prepare a statement of cash flows under Mexican accounting principles and, as such does not have such GAAP cash flow measures to present as comparable to EBITDA or free cash flow.

(2) Prior to 2004, according to Mexican accounting rules existing at that time, the outstanding balance of preferred equity and capital securities was recognized in the minority interest of the stockholders' equity, and its corresponding preferred dividend in the minority interest of net income. Effective January 1, 2004, resulting from a new regulation under Mexican GAAP, the approximately US\$66 million balance of preferred capital securities is now treated as a liability, and not as a minority interest, and its preferred dividend as financial expense.

Equity-Related Information

One CEMEX ADR represents five CEMEX CPOs. The following amounts are expressed in CPO terms.

Beginning-of-quarter CPO-equivalent units outstanding	1,621,444,706
CPOs issued due to stock dividend	75,433,165
Exercise of stock options not hedged	183,988
<u>Less increase (decrease) in the number of CPOs held in subsidiaries</u>	<u>2,371,767</u>
End-of-quarter CPO-equivalent units outstanding	1,694,690,092

Outstanding units equal total shares issued by CEMEX less shares held in subsidiaries.

Employee stock-option plans

As of June 30, 2004, directors, officers and other employees under our employee stock-option plans had outstanding options to acquire 164,207,038 CEMEX CPOs. Of the total options outstanding, 96.9% are hedged through equity forward agreements and will not dilute existing shares when exercised. The total amount of CPOs underlying options in these programs represent 9.7% of our total CPOs outstanding.

Derivative Instruments

CEMEX periodically utilizes derivative financial instruments such as interest-rate and currency swaps, currency and equity forward contracts, and options in order to execute its corporate financing strategy and to hedge its stock-option plans and other equity-related obligations.

The following table shows the notional amount for each type of derivative instrument and the aggregate fair market value for all of CEMEX's derivative instruments as of the last day of each quarter presented.

Notional amounts	Second quarter		First quarter
	2004	2003	2004
Equity *	1,068	1,544	1,109
Foreign-exchange	2,722	3,290	2,654
Interest-rate	2,121	3,576	2,223
Estimated aggregate fair market value	(225)	(223)	(278)

In millions of U.S. dollars.

The estimated aggregate fair market value represents the approximate settlement result as of the valuation date, based upon quoted market prices and estimated settlement costs, which fluctuate over time. Fair market values and notional amounts do not represent amounts of cash currently exchanged between the parties; cash amounts will be determined upon termination of the contracts considering the notional amounts and quoted market prices, as well as the other derivative items as of the settlement date. Fair market values should not be viewed in isolation but rather in relation to the fair values of the underlying hedge transactions and the overall reduction in CEMEX's exposure to the risks being hedged.

* The aggregate weighted-average exercise price on June 30, 2004 for CEMEX's outstanding stock options, warrants and the CEMEX Asia Holdings obligation described in prior quarterly reports was US\$24.51 per ADR. On that same date, the aggregate weighted-average strike price of CEMEX's equity forward agreements put in place to hedge its obligations under the abovementioned stock options was US\$26.90 per ADR.

Under Mexican GAAP ("Bulletin C-2"), companies are required to recognize all derivative financial instruments in the balance sheet as assets or liabilities, at their estimated fair market value, with changes in such fair values recorded on the income statement. The exceptions to the rule, as they pertain to CEMEX, are presented when transactions are entered into for cash-flow hedging purposes. In such cases, changes in the fair value of the related derivative instruments are recognized temporarily in equity and are reclassified into earnings as the inverse effects of the underlying hedged items flow through the income statement. CEMEX has recognized increases in assets and liabilities, which resulted in a net liability of US\$500 million, arising from the fair value recognition of its derivatives portfolio as of June 30, 2004. The notional amounts of derivatives substantially match the amounts of underlying assets, liabilities or equity transactions on which the derivatives are being entered into.

Other Activities

96% of shareholders elected to receive CPOs under CEMEX's stock-dividend program

On June 4, 2004, CEMEX announced the completion of its stock-dividend program. A total of 75,433,165 CPOs were issued on June 4, 2004 and distributed to 96% of shareholders. The remaining 4% of shareholders elected to receive a cash payment of MXP 2.35 per CPO (MXP 11.75 per ADS) in lieu of the stock dividend for a total of approximately MXP 160 million (US\$14 million) paid by CEMEX.

Under this stock-dividend program, CEMEX shareholders received one new CPO for each 22.608 CPOs held (each CPO representing two series-A shares and one series-B share). CEMEX shareholders had the option to receive a cash payment of MXP 2.35 per CPO in lieu of the stock dividend.

Operating Results - Mexico

In Mexico, **net sales** were US\$691 million, representing a decrease of 3% versus second quarter 2003.

Domestic gray cement volume decreased 1%, and **ready-mix volume** increased 12%, versus second quarter 2003. While construction spending continues to be strong - fueled primarily by the housing and infrastructure sectors - cement volumes for the quarter were slightly lower than those during the second quarter of last year due to strong pre-electoral spending during the April-June period of 2003. The self-construction sector continues to show a moderate recovery, while the industrial-and-commercial sector remains a stable source of cement and ready-mix demand.

CEMEX's **average realized gray cement price** in Mexico decreased 1% in constant peso terms, and 7% in dollar terms, versus second quarter 2003. The **average ready-mix price** decreased 2% in constant peso terms and 7% in dollar terms compared to second quarter 2003.

The **EBITDA margin** increased to 45.8% from 45.5% in the second quarter of 2003. Lower dollar pricing was offset by lower fuels and electricity costs during the quarter, which enabled us to maintain our EBITDA margin.

United States

Net sales for CEMEX's U.S. operations were US\$500 million, representing an increase of 11% compared to second quarter 2003.

Domestic cement volume increased 9%, and **ready-mix volume** increased 7%, compared to second quarter 2003. The recovery of the economy in the United States is driving construction activity in both the private and public sectors. The residential sector continues to be strong, with record single-family home sales in May and strong building-permit issues. Cement and ready-mix demand from the public-works sector has also been robust due to the improved fiscal condition of the states.

The **average realized cement price** increased 3%, while the **average ready-mix price** increased 4%, versus second quarter 2003.

The **EBITDA margin** increased to 21.8% from 20.3% in the second quarter of 2003. The increase of 1.5 percentage points was due mainly to higher cement and ready-mix volumes and prices, which were partially offset by higher fuel, import and transportation costs.

Spain

Net sales for CEMEX Spain were US\$321 million, representing an increase of 10% versus second quarter 2003.

Domestic cement volume remained flat, while **ready-mix volume** increased 1%, compared to second quarter 2003. The main drivers of cement demand continue to be the Spanish infrastructure program and residential construction.

The average **domestic cement price** increased 3% in euro terms and 9% in dollar terms compared to second quarter 2003. The **average ready-mix price** also increased 3% in euro terms and 9% in dollar terms versus second quarter 2003.

The **EBITDA margin** increased to 31.2% from 27.7% in the second quarter of 2003. The increase of 3.5 percentage points was due mainly to better cement and ready-mix prices, lower corporate expenses, and lower electricity and fixed costs per ton, which were partially offset by higher raw-material, transportation and fuel costs.

Venezuela

Net sales for CEMEX Venezuela were US\$83 million, representing an increase of 4% versus second quarter 2003.

Domestic cement volume increased 16%, while **ready-mix volume** increased 11%, compared to second quarter 2003. Economic activity during the quarter was significantly stronger than that in the same period of 2003, with strong cement demand from the public sector as new projects commenced, and an upward trend in cement consumption from the self-construction sector.

Export volume from CEMEX's Venezuelan operations increased 10% compared to second quarter 2003. Exports to North America, the Caribbean, and Central America accounted for 76%, 23% and 1%, respectively, of CEMEX Venezuela's second-quarter exports.

Domestic cement prices decreased 14% in constant bolivar terms and 13% in dollar terms compared to second quarter 2003, while the average **ready-mix price** decreased 4% in constant bolivar terms and 2% in dollar terms compared to second quarter 2003.

The **EBITDA margin** decreased to 47.2% from 52.4% in second quarter of 2003. The decrease of 5.2 percentage points was due mainly to lower cement prices and higher transportation costs.

Colombia

Net sales for CEMEX Colombia were US\$58 million, representing an increase of 17% versus second quarter 2003.

Domestic cement volume increased 11%, while **ready-mix volume** increased 24%, compared to second quarter 2003. The industrial-and-commercial sector and residential building have been the main drivers of demand. The self-construction sector continues to grow at a moderate pace, while infrastructure construction is now stable as new projects are underway.

The **average realized cement price** decreased 3% in Colombian peso terms and increased 2% in dollar terms versus second quarter 2003, while the **average ready-mix price** increased 9% in Colombian peso terms and 16% in dollar terms versus second quarter 2003.

The **EBITDA margin** decreased to 59.6% from 60.3% in second quarter of 2003. The decrease of 0.7 percentage points was due mainly to higher fuel costs, which were partially offset by higher cement and ready-mix volumes and better ready-mix prices.

Other Operations

Net sales for our Central American and Caribbean operations increased 1% versus second quarter 2003, reaching US\$155 million. **Domestic cement volume** decreased 5% as higher volumes in Panama and Costa Rica were offset by lower volumes in Puerto Rico, the Dominican Republic and the Caribbean region. **Ready-mix volume** decreased 7% versus second quarter 2003 due mainly to lower ready-mix volumes in Puerto Rico and the Dominican Republic.

In Egypt, **net sales** and **EBITDA** increased 54% and 46%, respectively, while **domestic cement volume** increased 1% versus second quarter 2003. **Domestic cement prices** increased 25% in Egyptian pound terms and 21% in dollar terms versus second quarter 2003. The improved economic climate in Egypt is attributable in part to a jump in tourism revenues, which has slightly increased employment and, in turn, translates into higher cement demand from the self-construction sector.

Our Asian operations, which include the Philippines, Thailand, Taiwan and Bangladesh, increased **net sales** by 4% compared to second quarter 2003. **EBITDA** was 212% higher compared to second quarter 2003 due mainly to better pricing in dollar terms. **Domestic cement volume** for the region decreased 8% compared to second quarter 2003 due to lower cement volumes in Thailand and Bangladesh. Our weighted-average **domestic cement prices** in the region increased 23% in dollar terms versus the same period in 2003. The **EBITDA margin** for the region increased to 29.7% from 9.9% in second quarter 2003. The increase of 19.8 percentage points was due mainly to the strong recovery of cement prices and a reduction in SG&A expenses.

Consolidated Income Statement & Balance Sheet

CEMEX S.A. de C.V. AND SUBSIDIARIES

(Thousands of U.S. Dollars, except per ADR amounts)

INCOME STATEMENT	January - June			Second quarter		
	2004	2003	% Var.	2004	2003	% Var.
Net Sales	3,751,369	3,489,693	7%	1,947,775	1,855,004	5%
Cost of Sales	(2,106,380)	(2,026,586)	4%	(1,076,481)	(1,067,776)	1%
Gross Profit	1,644,989	1,463,107	12%	871,294	787,228	11%
Selling, General and Administrative Expenses	(784,026)	(765,509)	2%	(401,999)	(397,297)	1%
Operating Income	860,963	697,598	23%	469,295	389,931	20%
Financial Expenses	(174,643)	(190,531)	(8%)	(85,002)	(96,440)	(12%)
Financial Income	10,411	11,908	(13%)	5,563	3,545	57%
Exchange Gain (Loss), Net	(80,505)	(22,624)	256%	(92,647)	48,455	N/A
Monetary Position Gain (Loss)	203,575	166,702	22%	75,565	51,933	46%
Gain (Loss) on Marketable Securities	(11,188)	(41,183)	(73%)	23	65,939	(100%)
Total Comprehensive Financing (Cost) Income	(52,350)	(75,729)	(31%)	(96,499)	73,432	N/A
Other Expenses, Net	(166,179)	(175,128)	(5%)	(90,847)	(106,356)	(15%)
Net Income Before Income Taxes	642,435	446,742	44%	281,950	357,007	(21%)
Income Tax	(76,102)	(52,451)	45%	(33,101)	(42,661)	(22%)
Employees' Statutory Profit Sharing	(4,528)	(5,049)	(10%)	(2,243)	(2,557)	(12%)
Total Income Tax & Profit Sharing	(80,630)	(57,500)	40%	(35,344)	(45,217)	(22%)
Net Income Before Participation of Uncons. Subs. and Ext. Items	561,805	389,242	44%	246,606	311,790	(21%)
Participation in Unconsolidated Subsidiaries	11,593	14,141	(18%)	9,570	7,962	20%
Consolidated Net Income	573,397	403,383	42%	256,177	319,752	(20%)
Net Income Attributable to Min. Interest	16,103	11,068	45%	9,237	10,796	(14%)
MAJORITY INTEREST NET INCOME	557,294	392,314	42%	246,939	308,956	(20%)
EBITDA	1,189,406	1,013,375	17%	634,538	552,321	15%
Earnings per ADR	1.71	1.28	33%	0.75	1.00	(25%)

BALANCE SHEET	As of June 30		
	2004	2003	% Var.
Total Assets	16,022,792	16,700,910	(4%)
Cash and Temporary Investments	327,034	710,865	(54%)
Trade Accounts Receivables	443,994	469,561	(5%)
Other Receivables	482,640	499,346	(3%)
Inventories	635,253	720,812	(12%)
Other Current Assets	86,134	102,294	(16%)
Current Assets	1,975,055	2,502,879	(21%)
Fixed Assets	8,994,562	9,024,855	(0%)
Other Assets	5,053,175	5,173,176	(2%)
Total Liabilities	8,970,877	9,533,095	(6%)
Current Liabilities	2,438,443	3,504,861	(30%)
Long-Term Liabilities	4,615,546	3,824,357	21%
Other Liabilities	1,916,888	2,203,877	(13%)
Consolidated Stockholders' Equity	7,051,915	7,167,815	(2%)
Stockholders' Equity Attributable to Minority Interest	424,308	1,163,076	(64%)
Stockholders' Equity Attributable to Majority Interest	6,627,607	6,004,739	10%

Consolidated Income Statement & Balance Sheet

CEMEX S.A. de C.V. AND SUBSIDIARIES

(Thousands of Mexican Pesos in real terms as of June 30, 2004
except per ADR amounts)

INCOME STATEMENT	January - June			Second quarter		
	2004	2003	% Var.	2004	2003	% Var.
Net Sales	43,103,231	40,480,933	6%	22,379,934	21,518,301	4%
Cost of Sales	(24,202,306)	(23,508,687)	3%	(12,368,762)	(12,386,348)	(0%)
Gross Profit	18,900,925	16,972,246	11%	10,011,172	9,131,954	10%
Selling, General and Administrative Expenses	(9,008,462)	(8,880,008)	1%	(4,618,968)	(4,608,698)	0%
Operating Income	9,892,464	8,092,238	22%	5,392,204	4,523,255	19%
Financial Expenses	(2,006,645)	(2,210,192)	(9%)	(976,678)	(1,118,713)	(13%)
Financial Income	119,628	138,130	(13%)	63,920	41,124	55%
Exchange Gain (Loss), Net	(924,998)	(262,438)	252%	(1,064,517)	562,086	N/A
Monetary Position Gain (Loss)	2,339,072	1,933,771	21%	868,237	602,430	44%
Gain (Loss) on Marketable Securities	(128,554)	(477,732)	(73%)	268	764,900	(100%)
Total Comprehensive Financing (Cost) Income	(601,497)	(878,462)	(32%)	(1,108,770)	851,826	N/A
Other Expenses, Net	(1,909,394)	(2,031,507)	(6%)	(1,043,829)	(1,233,746)	(15%)
Net Income Before Income Taxes	7,381,573	5,182,269	42%	3,239,605	4,141,335	(22%)
Income Tax	(874,411)	(608,435)	44%	(380,333)	(494,870)	(23%)
Employees' Statutory Profit Sharing	(52,025)	(58,575)	(11%)	(25,768)	(29,657)	(13%)
Total Income Tax & Profit Sharing	(926,436)	(667,010)	39%	(406,101)	(524,527)	(23%)
Net Income Before Participation						
of Uncons. Subs. and Ext. Items	6,455,137	4,515,259	43%	2,833,504	3,616,808	(22%)
Participation in Unconsolidated Subsidiaries	133,201	164,035	(19%)	109,964	92,360	19%
Consolidated Net Income	6,588,337	4,679,294	41%	2,943,468	3,709,168	(21%)
Net Income Attributable to Min. Interest	185,027	128,393	44%	106,138	125,230	(15%)
MAJORITY INTEREST NET INCOME	6,403,310	4,550,901	41%	2,837,330	3,583,937	(21%)
EBITDA	13,666,277	11,755,297	16%	7,290,847	6,406,996	14%
Earnings per ADR	19.60	13.38	47%	8.62	10.45	(18%)

BALANCE SHEET	As of June 30		
	2004	2003	% Var.
Total Assets	184,101,877	193,732,893	(5%)
Cash and Temporary Investments	3,757,617	8,246,135	(54%)
Trade Accounts Receivables	5,101,496	5,446,978	(6%)
Other Receivables	5,545,531	5,792,485	(4%)
Inventories	7,299,054	8,361,515	(13%)
Other Current Assets	989,684	1,186,628	(17%)
Current Assets	22,693,383	29,033,742	(22%)
Fixed Assets	103,347,517	104,689,582	(1%)
Other Assets	58,060,977	60,009,569	(3%)
Total Liabilities	103,075,373	110,585,234	(7%)
Current Liabilities	28,017,705	40,656,882	(31%)
Long-Term Liabilities	53,032,621	44,363,072	20%
Other Liabilities	22,025,047	25,565,280	(14%)
Consolidated Stockholders' Equity	81,026,504	83,147,658	(3%)
Stockholders' Equity Attributable to Minority Interest	4,875,298	13,491,846	(64%)
Stockholders' Equity Attributable to Majority Interest	76,151,207	69,655,812	9%

Operating Summary per Country

In thousands of U.S. dollars

NET SALES	January - June			Second quarter		
	2004	2003	% Var.	2004	2003	% Var.
Mexico	1,365,055	1,365,796	(0%)	690,619	713,725	(3%)
U.S.A.	904,098	801,908	13%	500,132	452,284	11%
Spain	610,133	564,342	8%	320,924	291,388	10%
Venezuela	161,716	137,285	18%	83,170	79,762	4%
Colombia	113,948	97,488	17%	57,565	49,360	17%
Egypt	89,712	55,123	63%	47,107	30,509	54%
Central America & the Caribbean region	307,540	288,392	7%	155,031	154,125	1%
Asia region	99,865	98,855	1%	50,365	48,538	4%
<i>Others and intercompany eliminations</i>	<i>99,302</i>	<i>80,505</i>	<i>23%</i>	<i>42,861</i>	<i>35,313</i>	<i>21%</i>
TOTAL	3,751,369	3,489,693	7%	1,947,775	1,855,004	5%

GROSS PROFIT

Mexico	787,848	782,737	1%	400,526	412,428	(3%)
U.S.A.	283,948	248,101	14%	160,166	138,058	16%
Spain	223,232	206,257	8%	118,454	102,503	16%
Venezuela	73,215	61,953	18%	40,678	39,958	2%
Colombia	70,643	53,325	32%	36,602	27,918	31%
Egypt	46,087	20,711	123%	25,669	14,527	77%
Central America & the Caribbean region	116,266	88,020	32%	61,666	43,929	40%
Asia region	41,543	27,312	52%	21,968	14,097	56%
<i>Others and intercompany eliminations</i>	<i>2,207</i>	<i>(25,309)</i>	<i>N/A</i>	<i>5,566</i>	<i>(6,192)</i>	<i>N/A</i>
TOTAL	1,644,989	1,463,107	12%	871,294	787,228	11%

OPERATING INCOME

Mexico	547,758	539,590	2%	279,222	287,972	(3%)
U.S.A.	104,947	86,696	21%	69,534	54,674	27%
Spain	151,216	128,112	18%	80,441	62,341	29%
Venezuela	50,046	43,011	16%	28,335	31,112	(9%)
Colombia	53,034	37,404	42%	27,054	20,522	32%
Egypt	26,617	8,130	227%	14,901	8,219	81%
Central America & the Caribbean region	79,743	46,659	71%	43,006	23,281	85%
Asia region	15,273	(6,464)	N/A	8,217	(3,292)	N/A
<i>Others and intercompany eliminations</i>	<i>(167,671)</i>	<i>(185,540)</i>	<i>(10%)</i>	<i>(81,415)</i>	<i>(94,898)</i>	<i>(14%)</i>
TOTAL	860,963	697,598	23%	469,295	389,931	20%

EBITDA

Mexico	621,947	612,452	2%	316,364	324,531	(3%)
U.S.A.	183,329	159,366	15%	108,997	91,943	19%
Spain	190,522	163,010	17%	100,153	80,616	24%
Venezuela	72,154	66,330	9%	39,274	41,780	(6%)
Colombia	67,749	57,537	18%	34,305	29,756	15%
Egypt	41,576	22,710	83%	22,400	15,361	46%
Central America & the Caribbean region	97,942	65,163	50%	51,809	32,545	59%
Asia region	28,912	9,763	196%	14,950	4,792	212%
<i>Others and intercompany eliminations</i>	<i>(114,725)</i>	<i>(142,956)</i>	<i>(20%)</i>	<i>(53,714)</i>	<i>(69,002)</i>	<i>(22%)</i>
TOTAL	1,189,406	1,013,375	17%	634,538	552,321	15%

Operating Summary per Country

As a percentage of net sales

OPERATING INCOME MARGIN	January - June		Second quarter	
	2004	2003	2004	2003
Mexico	40.1%	39.5%	40.4%	40.3%
U.S.A.	11.6%	10.8%	13.9%	12.1%
Spain	24.8%	22.7%	25.1%	21.4%
Venezuela	30.9%	31.3%	34.1%	39.0%
Colombia	46.5%	38.4%	47.0%	41.6%
Egypt	29.7%	14.7%	31.6%	26.9%
Central America & the Caribbean region	25.9%	16.2%	27.7%	15.1%
Asia region	15.3%	(6.5%)	16.3%	(6.8%)
CONSOLIDATED MARGIN	23.0%	20.0%	24.1%	21.0%

EBITDA MARGIN

Mexico	45.6%	44.8%	45.8%	45.5%
U.S.A.	20.3%	19.9%	21.8%	20.3%
Spain	31.2%	28.9%	31.2%	27.7%
Venezuela	44.6%	48.3%	47.2%	52.4%
Colombia	59.5%	59.0%	59.6%	60.3%
Egypt	46.3%	41.2%	47.6%	50.3%
Central America & the Caribbean region	31.8%	22.6%	33.4%	21.1%
Asia region	29.0%	9.9%	29.7%	9.9%
CONSOLIDATED MARGIN	31.7%	29.0%	32.6%	29.8%

Volume Summary

Consolidated volume summary

Cement: Thousands of metric tons

Ready-mix: Thousands of cubic meters

	January - June			Second quarter		
	2004	2003	% Var.	2004	2003	% Var.
Consolidated cement volume	32,462	31,615	3%	16,776	16,782	0%
Consolidated ready-mix volume	11,670	10,637	10%	6,055	5,561	9%

Per-country volume summary

	January - June		Second quarter	Second quarter 2004 Vs.
	2004 Vs.	2003	2004 Vs. 2003	First quarter 2004
DOMESTIC CEMENT VOLUME				
Mexico	2%		(1%)	(2%)
U.S.A.	12%		9%	26%
Spain	(1%)		0%	9%
Venezuela	32%		16%	1%
Colombia	12%		11%	(2%)
Egypt	(6%)		1%	(2%)
Central America & the Caribbean region	(3%)		(5%)	2%
Asia Region	(9%)		(8%)	(4%)

READY-MIX VOLUME

Mexico	10%		12%	11%
U.S.A.	8%		7%	10%
Spain	0%		1%	5%
Venezuela	20%		11%	13%
Colombia	28%		24%	3%
Central America & the Caribbean region	2%		(7%)	2%
Asia Region	N/A		N/A	N/A

EXPORT CEMENT VOLUME

Mexico	4%		17%	19%
Spain	(27%)		(35%)	(15%)
Venezuela	34%		10%	26%

Price Summary

US Dollars

DOMESTIC CEMENT PRICE	January - June	Second quarter	Second quarter 2004 Vs.
	2004 Vs. 2003	2004 Vs. 2003	First quarter 2004
Mexico	(3%)	(7%)	(0%)
U.S.A.	1%	3%	3%
Spain	13%	9%	(2%)
Venezuela	(8%)	(13%)	(4%)
Colombia	2%	2%	4%
Egypt	33%	21%	6%
Central America & the Caribbean region ⁽²⁾	9%	11%	2%
Asia Region ⁽²⁾	25%	23%	3%

READY-MIX PRICE

Mexico	(3%)	(7%)	(1%)
U.S.A.	4%	4%	1%
Spain	14%	9%	(1%)
Venezuela	1%	(2%)	2%
Colombia	17%	16%	1%
Central America & the Caribbean region ⁽²⁾	4%	5%	(0%)

Local Currency

DOMESTIC CEMENT PRICE	January - June	Second quarter	Second quarter 2004 Vs.
	2004 Vs. 2003	2004 Vs. 2003	First quarter 2004
Mexico ⁽¹⁾	(1%)	(1%)	2%
U.S.A.	1%	3%	3%
Spain	3%	3%	0%
Venezuela ⁽¹⁾	(14%)	(14%)	(3%)
Colombia	(5%)	(3%)	4%
Egypt	43%	25%	7%
Central America & the Caribbean region ⁽²⁾	N/A	N/A	N/A
Asia Region ⁽²⁾	N/A	N/A	N/A

READY-MIX PRICE

Mexico ⁽¹⁾	(1%)	(2%)	2%
U.S.A.	4%	4%	1%
Spain	4%	3%	1%
Venezuela ⁽¹⁾	(4%)	(4%)	2%
Colombia	9%	9%	1%
Central America & the Caribbean region ⁽²⁾	N/A	N/A	N/A

1) Local currency price variation for Mexico and Venezuela is presented in constant currency terms as of June 30, 2004.

2) Volume weighted-average price.

Definition of Terms and Disclosures

Methodology for consolidation and presentation of results

CEMEX consolidates its results in Mexican pesos under Mexican generally accepted accounting principles (GAAP). For the reader's convenience, U.S. dollar amounts for the consolidated entity are calculated by converting the constant Mexican peso amounts at the end of each quarter using the period-end Mexican peso/U.S. dollar exchange rate for each quarter. The exchange rates used to convert results for second quarter 2004, first quarter 2004, and second quarter 2003 are 11.49, 11.12, and 10.46 Mexican pesos per 1 U.S. dollar, respectively. CEMEX's weighted-average inflation factor between June 30, 2003, and June 30, 2004, was 10.90%

Per-country figures are presented in U.S. dollars for the reader's convenience. In the consolidation process, each country's figures (except those of CEMEX Mexico) are converted to U.S. dollars and then to Mexican pesos under Mexican GAAP. Each country's figures presented in U.S. dollars as of June 30, 2004, and June 30, 2003, can be converted into its original local currency amount by multiplying the U.S. dollar figure by the corresponding exchange rate provided below.

To convert June 30, 2003 U.S. dollar figures for Mexico and Venezuela to constant Mexican pesos and bolivars, respectively, as of June 30, 2004, it is necessary to first convert the June 30, 2003 U.S. dollar figure to the corresponding local currency (using the exchange rates provided below), and then multiply the resulting amount by the inflation-rate factor provided in the table below.

Exchange rate	June 30		Inflation-rate factor
	2004	2003	
Mexico	11.49	10.46	1.044
Spain	0.82	0.87	
Venezuela	1,920	1,600	1.223
Colombia	2,700	2,817	
Egypt	6.21	6.07	

Amounts provided in units of local currency per 1 U.S. dollar.

The Central America and Caribbean region includes CEMEX's operations in Costa Rica, the Dominican Republic, Panama, Nicaragua, and Puerto Rico as well as our trading operations in the Caribbean region. The Asia region includes CEMEX's operations in the Philippines, Taiwan, Thailand, and Bangladesh.

Definition of terms

EBITDA equals operating income plus depreciation and operating amortization.

Free cash flow equals EBITDA minus net interest expense, capital expenditures, change in working capital, taxes paid, dividends on preferred equity, and other cash items (net other expenses less non-operating asset disposals).

Capital expenditures consist of maintenance and expansion spending on our cement, ready-mix and other core businesses in existing markets.

Working capital equals operating accounts receivables (including other current assets received as payment in kind) plus historic inventories minus operating payables.

Equity obligations for the year 2003 equaled the outstanding US\$650 of preferred equity and US\$66 million of capital securities. Effective January 1, 2004, the remaining US\$66 million of capital securities will be treated as a liability.

Net debt equals total debt plus equity obligations, minus cash and cash equivalents.

Interest coverage is calculated by dividing EBITDA for the last twelve months by the sum of interest expense and preferred dividend payments for the last twelve months (all amounts in constant currency terms).

Net debt/EBITDA is calculated by dividing net debt at the end of the quarter by EBITDA for the last twelve months (EBITDA in constant currency terms).

Capitalization ratio is calculated by dividing total debt by the sum of total debt and consolidated stockholders' equity.

Earnings per ADR

The number of average ADRs outstanding used for the calculation of earnings per ADR was 329.2 million for second quarter 2004, 326.7 million for the first half of 2004, 309.2 million for first quarter 2003 and 306.7 million for the first half of 2003.