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1997 Second Quarter Results

Strong volume growth in Mexico, Venezuela, and Spain and continued improvement in debt service coverage highlight the second quarter

- Cemex's net sales increased 12% in *real terms* (see explanation on page 10) to Ps. 7.513 billion during the second quarter of 1997 compared with the same period in 1996. In dollar terms, net sales increased 22% to US$945 million.
- In Mexico during the second quarter Cemex's domestic cement sales volumes increased 34% compared with the same period of 1996, while ready-mix sales volumes increased 44%. Cement volumes increased 28% over the first quarter of 1997, while ready-mix increased 20%.
- Operating margin for the Group in the second quarter was 23.9%, down from 24.6% in 1996, but up from 23.0% in the first quarter of this year.
- Cash earnings (EBITD less net financial expenses) in the second quarter grew 38% in real terms, to Ps. 1.547 billion (US$195 million) versus the same period in 1996. Cash flow (EBITD) increased 8% in real terms, to Ps. 2.409 billion (US$303 million).
- Interest coverage in the second quarter was 2.43 times, and 1.83 times for the trailing twelve months. Financial expenses decreased 16% to US$125 million in the second quarter of 1997.
- Net income was Ps. 1.228 billion (including monetary gains of Ps. 1.023 billion), or US$154 million, during the second quarter of 1997. Net income for the second quarter of 1996 was Ps. 1.911 billion (including monetary gains of Ps. 2.576 billion), or US$221 million. Net income per ADR (ratio 2:1) was Ps. 1.98 (US$0.25) based on an average of 1,241,338,137 shares outstanding during the quarter (excluding shares held in trust for equity swaps).
- The debt to total capitalization ratio at the end of the quarter was 51.7% versus 51.9% at the end of both the second quarter 1996 and the first quarter 1997.
- Net debt (on- plus off-balance sheet debt minus cash and cash equivalents) was US$4.899 billion, a 2% decline from the first quarter of 1997, and 8% increase from the second quarter of 1996 (due to the Colombian acquisitions).
- On June 1, Cemex initiated a share repurchase program, buying back a total of 3,257,000 shares in the quarter, at an average price of Ps. 31.76 per share. In addition, the purchase of 8,904,090 B shares, at Ps. 37.59 per share, has been guaranteed through the use of forward contracts.

Consolidated Results (in real terms)

Monterrey, N.L., Mexico July 25, 1997 Cemex, S.A. de C.V. (OTC: CMXBY) today announced second quarter results reflecting strong volume growth and an enhanced financial position:

Net sales increased 12% in real terms to Ps. 7.513 billion in the second quarter, versus the same period in 1996. This increase is primarily attributable to the full consolidation of Cementos Diamante and Samper which contributed 7 percentage points of the increase; however, only two months of Diamante's operations were consolidated during the second quarter of 1996. In dollar terms, net sales grew at a faster pace to US$945 million, or 22%, resulting from the relative strength of the peso versus the dollar.

Mexico represented 42% of the net sales for the second quarter, Spain 21%, the United States 11%, Venezuela 11%, Colombia 10% and the Caribbean and Panama 5%.

Gross margin fell to 38.7% from 39.7% in the second quarter of 1996 as weaker prices in dollar terms in Mexico and Spain offset higher volumes. Gross margin improved slightly from the first quarter level of 38.5%.

Operating margin in the quarter decreased to 23.9% from 24.6% in 1996, as an improvement in SG&A expense as a percentage of sales partially offset the decline in gross margin.

Operating income increased 9% in real terms to Ps. 1.796 billion for the quarter and increased 19% in dollar terms to US$226 million.

Cash flow (EBITD) in the quarter was Ps. 2.409 billion, an increase of 8% in real terms over the second quarter of 1996 due to improvement in the Mexican, Venezuelan and Spanish operations and the full consolidation of the new Colombian operations. In dollar terms, cash flow increased 18% to US$303 million as compared to the same period a year earlier. Cash flow margin was 32.1% versus 33.2% in the second quarter of 1996.

Cash flow before lease payments increased 8% to Ps. 2.484 billion, or US$312 million. The interest component on these leases has always been registered in financial expenses, therefore Cemex believes it is more accurate to measure operating cash flow before lease payments, particularly when calculating interest coverage.

Cash earnings (EBITD less net financial expenses) were Ps. 1.547 billion in the quarter, 38% higher in real terms. This increase was due mainly to a significant reduction in financial expenses year over year (down 22% in real terms). In dollar terms cash earnings increased 58% to US$195 million from the second quarter of 1996.

In the second quarter, Mexico represented 43% of the total cash flow, Spain 21%, Venezuela 15%, Colombia 10%, the Caribbean and Panama 6%, and the United States 5%.

Second quarter **financial expenses** were Ps. 992 million, a 22% decrease over the same period in 1996 in real terms. In dollars, financial expenses were US$125 million, a 16% decrease despite the higher debt level as result of the Colombian acquisitions. This decrease was achieved mainly as a result of a reduction of Mexican peso debt and lower interest rates (primarily in bolivares, colombian pesos and pesetas). In addition, all hedges have been eliminated, and fees related to acquisitions and financings have been reduced substantially this quarter. We expect this level of quarterly financial expense, which is almost identical to that of the first quarter, to be similar throughout the remainder of the year.

Total on-balance sheet debt, in real peso terms and dollars, as of June 30, 1997 was as follows:

	June 30, 1997	March 31, 1997	June 30, 1996	Var. Mar.-June	Var. June-
Pesos (real terms)	37.640	37.849	37.115	(0.6)%	1.4%
Dollars	4.735	4.708	4.289	0.6%	10.4%

Net debt, or on-balance sheet debt plus off-balance sheet financings minus cash, increased 8% to US$4.899 billion from US$4.556 billion in the second quarter of 1996, as a 12% reduction in off-balance sheet financings and a 6% increase in cash was offset by a 10% increase in on-balance sheet debt primarily as a result of the acquisition of Colombia.

Between the first and second quarters of 1997, **net debt** fell 2% as off-balance sheet financings fell 9%, cash increased 19% and on-balance sheet debt increased less than 1% in dollar terms.

Leverage (total debt / total capitalization) at the end of the quarter was 51.7%, lower than the 51.9% at June 1996 and lower than the 51.9% level at March 1997. The calculation of total debt includes balance sheet debt plus the SRUs and the exchangeable note from the Dominican Republic financing.

Long-term: 84% or Ps. 31.524 billion (US$3.965 billion) Short-term: 16% or Ps. 6.116 billion (US$769 million)

Denomination	Dollars	Pesetas	Mex. Pesos	Bolivares	Col. Pesos
1997	92%	6%	0%	1%	1%
1996	84%	10%	3%	1%	1%

Average Cost	Dollars	Pesetas	Mex. Pesos	Bolivares	Col. Pesos
1997	8.2%	6.0%	-	18.0%	28.1%
1996	8.2%	8.4%	33.0%	44.7%	-

The only change in off-balance sheet transactions during the second quarter was the amortization payment of the Valenciana equity swap. This payment was the first of 6 originally scheduled amortization payments. At the end of the second quarter 1997, off-balance sheet transactions totaled approximately US$558 million. It is expected that off-balance sheet financings should be at this same level at year end as the equity swap with Societe Generale will be refinanced in its original amount and other smaller items are retired at maturity.

To actively manage interest rate and currency exposure arising from its ordinary business, Cemex has entered into financial arrangements in the derivatives and swaps markets. At the end of the second quarter these transactions had an aggregate notional amount of US$500 million and involved interest rate swaps. The mark-to-market value of these transactions at June 30 was a net amount of approximately US$435 thousand in favor of Cemex.

Net Exchange Loss in the second quarter was Ps. 27 million versus Ps. 264 million a year earlier. A large portion of foreign exchange loss in the second quarter of 1996 was due to the devaluation of the Venezuelan Bolivar. In the second quarter of 1997, a loss of 0.03 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 international generally accepted accounting principles. The impact of this charge to the equity account was more than offset by the revaluation of Cemex's fixed assets that is required by Mexican GAAP.

During the second quarter, the peso depreciated 2% (in peso terms) with respect to the dollar, as measured by the interbank exchange rate. The depreciation for Cemex totaled 0.4% 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 June 30, 1996 and June 30, 1997 were Ps. 7.58 and Ps. 7.95 per dollar, respectively.

A **net monetary position gain** of Ps. 1.023 billion was recognized during the quarter, a decrease of 60% in real terms versus a year earlier due to the implementation of a new subsidiary-weighted inflation conversion method which is being implemented in Mexico in 1997. The weighted average factor used in the second quarter of 1997 was 2.85%. By comparison, the factor used to calculate the monetary position gain in the second quarter of 1996 was based on Mexican inflation of 6.4%. (Please refer the Changes to Mexican Accounting Principles section on page 10 of this report).

Other Expenses and Income were an expense of Ps. 198 million, a 49% decrease in real terms over the second 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. Actual cash expense was Ps. 122 million, Ps 40 million greater than in the second quarter of 1996 due to additional severance payments made in the Spanish operations.

The **total effective tax** rate was 12.3% in the quarter, comprised of ISR (9.5%) and PTU (2.8%). The full amount represents a tax provision based on the expected tax rate for 1997, and no cash taxes were paid during the quarter.

Minority interest decreased 19% 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, Cemex's U.S. subsidiary. Of the total registered in the income statement, 52% is directly related to the Valenciana equity swap, which represents 35% 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. As such, beginning July 1 the income related to these shares will not be registered as minority interest. Had this change taken place in the second quarter, the impact would have been to reduce minority interest, and increase majority net income, by Ps. 262 million (US$33 million).

The average number of shares outstanding during the period (not including shares held in trust for equity swaps) was 1,241,338,137 (A shares: 508,255,187; B shares: 392,194,024; CPO shares: 340,888,925). Transactions related to shares that were put into trust for equity swaps comprised an aggregate of 23,606,558 Cemex CPO shares and 36,571,230 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 second quarter were Ps. 3.304 billion, an increase of 11% compared with the equivalent period in 1996 as volume increases more than offset lower prices in constant peso terms. In dollar terms, net sales increased 27% to US$416 million.

The breakdown of total sales in Mexico during the second quarter was as follows: 70% from domestic cement sales, 15% from ready-mix sales, 9% from exports and 6% from tourism and others.

Cemex's **domestic grey cement volume** grew 34% in the second quarter of 1997 versus 1996, and the sales volume of **ready-mix** in Mexico increased 44%.

Volume increases year over year, in both cement and ready-mix, were driven by the continuing recovery of the Mexican cement market and slight market share gains in certain regions resulting from an increase in the number of points of sale versus a year ago and other marketing initiatives. All sectors showed important recovery with the notable exception of government public works spending. The majority of this recent growth has come from private investment in non-residential construction, although activity is picking-up in the social housing sector as well. This demand is being driven by increased private spending resulting from higher employment levels and the beginninng of a recovery in real wages. As for the formal sector, the strong ready-mix demand experienced in the first half of the year is a clear sign of recovery

Recent comments by government officials indicate that government spending will increase in the second half of the year as the government has budgeted a fiscal deficit of 0.5% of GDP for the full year, but has registered a surplus in the first 6 months.

Cemex-Mexico's total **export volume** declined 12% during the quarter compared with the second quarter of 1996 as exports to South East Asia declined substantially. Exports during the quarter were distributed as follows:
The Far East: 42% Central and South America: 30% United States: 15% The Caribbean: 11% Africa: 2%

Cemex's **average realized cement price** (invoice) in Mexico decreased 8% versus the first quarter of 1997 and 17% from the second quarter of 1996 in constant peso terms. Industry wide price discounts in the fourth quarter of 1996 and the first 5 months of 1997 caused prices to fall during the period. Prices bottomed out in May and increased 3% from May to June, in constant pesos, as the company began reducing discounts. In dollar terms, prices fell 5% due to the industry driven discounting during the quarter, but increased 4% in June.

The **average ready-mix price** decreased 8% in constant peso terms year over year and increased 6% in dollar terms.

The average **cash cost** of cement production per ton decreased 11% in real terms versus the second quarter of 1996 primarily due to lower fuel oil and labor costs. Fuel oil costs decreased 11% in real terms when comparing the second quarter of 1997 to that of 1996, while electricity costs increased 9% in the same period. In the last two years, dollar-based fuel oil prices had adjusted to international levels after the crisis but electricity prices have not fully recovered to pre-crisis levels. Labor, the other important component, decreased 23% in this time period. In dollar terms, costs increased 2% as variable cost increases more than offset reductions in fixed costs per ton.

Gross margin decreased to 39.4% in the second quarter of 1997 from 42.5% in the second quarter of 1996. This decrease was a result of the declining prices and higher transportation costs.

Operating margin in Mexico decreased to 27.3% during the period from 28.4% in 1996. This decrease was due to the combination of lower gross margin compensated by lower selling and administrative expenses. **Operating income** was Ps. 903 million, 7% higher than in 1996.

Cash from operations (EBITD) in Mexico, after charges of Ps. 12.6 million associated with operating leases, increased 5% to Ps. 1.178 billion in the second quarter, due to the above mentioned factors. In dollar terms cash from operations grew 21% to US$148 million. EBITD margin was 35.6% in the second quarter versus 37.6% a year ago.

Spain (Pesetas)

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

The Spanish operations reported **net sales** of Ptas. 29.656 billion during the second quarter, a 22% increase compared with the same period in 1996. This increase was primarily due to substantial volume growth and the inclusion of Cementos Especiales de las Islas, SA. Excluding Islas, sales grew 15%.

Domestic cement volume increased 21%, and **ready-mix volume** 26% during the quarter due to a recovery in new housing starts that has been strong enough to offset recent cuts in public works spending by the government. This strength in housing construction is due to a general improvement in the Spanish economy, particularly decreasing interest rates and increasing employment levels, and an overall lack of new housing. This strength is confirmed by increasing prices in the market. Non-residential construction is beginning to improve as well, primarily in commercial centers and new office space. Additionally, imports during the quarter fell 31% due to the weak peseta. These sales have been replaced by Valenciana and other Spanish producers.

Exports increased 15% in the second quarter, distributed as follows:

United States: 62% Africa: 22% Europe & the Middle East: 16%

The average **sales price for cement** declined 3% in peseta terms, when compared with the same period of the previous year, and decreased 15% 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 per ton increased 7%, in peseta terms, in the second quarter of 1997 versus 1996. Fuel costs increased 16% in the period due in large part to the devaluation of the peseta against the dollar during the first quarter of 1997 as fuel costs are based in dollars. This increase was partially offset by a reduction in electricity costs. In addition, the cost of raw material purchased from third parties increased 10%, while labor costs were flat. In dollar terms the cash cost decreased 13%.

Gross margin decreased to 34.7% in the second quarter, from 37.9% in the previous year primarily due to non-cash charges, including a 61% increase in depreciation expense resulting from new fiscal accounting laws in Spain.

Selling and administrative expenses increased 14% in the quarter on an absolute basis, due primarily to the increased depreciation, a non-cash item, and the consolidation of Islas. SG&A expenses now represent 11% of sales versus 12% in the second quarter of 1996.

Operating margin in the second quarter fell to 23.9% from 26.2% in 1996, due mainly to the increase in depreciation. **Operating income** was Ptas. 7.073 billion, 11% higher than in 1996.

Cash from operations (EBITD) increased 24% year over year to Ptas. 10.598 billion. In dollar terms, cash from operations grew 8% to US$72 million. EBITD margin was 35.7% in the second quarter versus 35.3% 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 second quarter increased 7% to US$111 million as higher ready-mix volumes and higher prices for cement offset slightly lower cement volumes.

Cement sales volume decreased by 4% during the second quarter of 1997 as compared to the same period in 1996. Second quarter volumes increased 27% over a weak first quarter (due to rain and a loss of market share in Texas). Although volumes are recovering, they have not yet reached the high levels of 1996 which peaked in the second quarter. Lower imports from Mexico to Arizona in 1997 also contributed to lower overall sales volumes.

Ready-mix volumes increased 2% during the quarter due to improved market share in Arizona and an increased involvement in highway projects. Similarly, **aggregates volumes** increased 3% in the same period.

Average realized **cement prices** increased 5% in the second quarter versus the same period in 1996 as local cement producers are operating at capacity. **Average ready-mix prices** remained unchanged from a year ago, while the average **price of aggregates** decreased 2%.

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 15.2% in the quarter from 17.9% in 1996, due to lower cement volumes and the consolidation of a lower margin petcoke trading operation beginning in the third quarter of 1996.

Operating margin decreased to 8.3% in the second quarter from 10.8% in 1996 as a result of an increase in operating costs at the corporate level. The operating margin for cement-related businesses on a stand-alone basis was 10.9% vs 12.8% a year ago.

Operating income was 18% lower than the second quarter of 1996 and **cash from operations** (EBITD), after charges of US$3 million associated with operating leases, decreased 13% to US$13 million. Cash from operations grew 91% from the US$7 million registered in the first quarter. EBITD margin was 12.2% in the second quarter versus 14.8% 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 second quarter of 1997, **net sales** in Venezuela were Bs. 51.868 billion, a 5% increase in constant bolivar terms over the same period in 1996. This was primarily the result of an 19% increase in domestic volumes (cement and others) and 46% growth in ready-mix volumes. In dollar terms, net sales increased 45% to US$106 million due to the improved volume and very strong dollar prices resulting from the stable bolivar.

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.

Resulting from the ongoing privatization of the oil industry, significant private investment has been flowing into the country in order to modernize the sector. Housing construction is recovering quickly 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. Public works spending is also growing, and while there are currently few projects they are of substantial size.

The **volume of exports** from Venezuela were flat in the quarter and comprised 50% of total sales volumes versus 54% a year ago. Exports during the quarter were distributed as follows:

United States: 52% The Caribbean & Central America: 24% South America: 22% Africa: 2%

Cement prices were flat and **ready-mix prices** decreased 1%, in constant bolivar terms, when compared with the second quarter of 1996 as inflation in the last twelve months was approximately 43%. In dollar terms, cement prices increased 49% while ready-mix prices increased 46%, as the bolivar was relatively unchanged between June 1996 and June 1997.

The average **cash cost** of cement production per ton increased 20% in constant bolivar terms in the second quarter of 1997 compared to the second quarter of 1996, as a 2% reduction in fixed costs was offset by a 46% increase in variable costs due primarily to an increase in the cost of purchased raw materials and their transportation. Labor costs remained relatively unchanged. In dollars, the cash cost per ton increased 63%.

Gross margin decreased to 43.8% in the second quarter from 50.8% in 1996 due to a 20% increase in the cost of goods sold while prices remained flat.

Selling and administrative expenses decreased 27% in the quarter, and now represent 7% of sales versus 10% in 1996.

As a result of the decline in gross margin, **operating margin** decreased to 36.7% in the second quarter from 40.7% in the prior year, on **operating income** of Bs. 19.059 billion, 5% lower in real terms than a year ago.

Cash from operations (EBITD), after charges of Bs. 1.450 billion associated with cost restatements for inflation, was Bs. 23.598 billion for the quarter, an 8% decrease over the same period in 1996. In dollar terms, operating cash flow increased 27% to US$48 million. The EBITD margin was 45.5% in the second quarter of this year versus 52.0% in 1996.

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 for the months of May and June. In the second quarter of 1997 the Colombian subsidiary includes Diamante and Samper for the full three months. In this analysis, for comparison purposes only, we are presenting a proforma Diamante (which includes Diamante and Samper) for the full second quarter of 1996.*

Net sales in Cementos Diamante, in constant colombian pesos, were CPs. 108.3 billion (US$99 million), slightly higher than the CPs. 108.2 billion proforma net sales from the second quarter of 1996. Sales were relatively unchanged as increased prices offset lower volume. Second quarter net sales increased 6% over the first quarter due to improving volumes in both cement and ready-mix.

The cement industry in Colombia continues to be affected by the current recession of the economy, and as a result industry demand fell by 3% versus the second quarter of 1996. The trend, however, is starting to improve as the industry grew 3% compared to the first quarter of this year.

Gross margin was 35.5% for the quarter versus 29.9% in the second quarter 1996.

Selling and administrative expenses declined 20% from the second quarter of 1996, and now represent 12% of sales versus 15% in the year ago period. These expenses should decline further in coming quarters as savings are realized from continued integration and optimization of the operations.

Operating margin was 23.1% in the quarter on **operating income** of CPs. 25.030 billion (US$23 million) This compares to an operating margin of 14.5% and operating income of CPs. 15.720 billion, in constant terms, in the second quarter of 1996 (proforma).

Cash from operations (EBITD), after charges of CPs. 1.159 billion associated with operating leases, was CPs. 38.390 billion (US$35 million) in the quarter, with a margin of 35.5%.

The Dominican Republic and Panama

Net sales in the Dominican Republic were US$32 million in the second quarter, up 33% year over year.

The **operating margin** in the Dominican Republic was 37% with **operating income** of US$12 million. The **operating cash flow** was US$13 million, an increase of 52%. EBITD margin was 40%, up from 35% in the same period a year ago.

Net sales in Panama were US$16 million in the quarter, 60% higher than the second quarter of 1996.

The **operating margin** in Panama was 33%, versus 20% a year ago, on **operating income** of US$5 million. The **operating cash flow** was US$8 million with a margin of 51%.

Financing Activities and Strategy

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

Committed Revolving Credit Facility

In May, Cemex closed a three-year, US$600 million Committed Revolving Credit Facility which effectively eliminates refinancing risk for the next 6 to 9 months. 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 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 reducing the risk of the capital structure, as well as confidence in the expected improvement in interest coverage during 1997 and 1998.

The terms and conditions are as follows: Total debt, including off-balance sheet transactions, must not be greater than US$5.4 billion on a proforma basis unless Cemex can demonstrate that for each dollar of incremental debt there is 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.

As a result of having this program in place we have already experienced tighter spreads on commercial paper issuances and in the annual renegotiation of the US Commercial Paper program.

Amortization of Spanish Syndicated Loan

In June, Cemex-Spain amortized approximately US$54 million of the Ptas. 108.375 billion (US$835 million) syndicated loan, which was entered into in December of 1996. This is the first of 14 semi-annual amortization payments called for over the life of the loan.

Breakdown of Share Transactions

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

Average total shares subscribed and paid for the second quarter of 1997 (including an average reduction of 1,085,677 shares purchased under the Share Repurchase Program during the quarter)	1,415,951,039
less: Average number of shares held by Cemex subsidiaries	(114,435,114)
less: Average number of shares held in trust for equity swaps	(60,177,788)
Average total shares outstanding for the second quarter of 1997	1,241,338,137

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

Number of shares outstanding as of March 31, 1997	1,245,514,925
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)*	118,632
Share Repurchase Program activity (June 1 - June 30)	(3,257,000)
Cemex operations at subsidiaries: Sales (purchases) (April 1 - May 31)	(3,499,094)
Number of shares outstanding as of June 30, 1997	1,238,877,463

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.

The company began repurchasing shares on June 1, 1997, and for the second quarter, 3,207,000 Cemex A shares were repurchased at an average price of Ps. 31.75 per share, and 50,000 Cemex B shares were repurchased at an average price of Ps. 32.50 per share. In addition, the purchase of 8,904,090 Cemex B shares, at Ps. 37.59 per share, has been guaranteed through the use of forward contracts. The repurchase program will continue until May 31, 1998.

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 June 30, 1997 options to acquire a total of 13,823,255 Cemex B shares had been granted as follows: 5,345,789 granted in 1995 with an exercise price of Ps. 20.00 per share; and 8,477,466 granted in 1996 with an exercise price of Ps. 29.60 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, 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 June 1996 to June 1997 inflation factor based on inflation in Mexico is 1.2028, while the weighted average factor used by Cemex in the consolidated financial statements is 1.1417.

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 second quarter of 1997, inflation in Mexico was 2.92% while the weighted average used by Cemex was 2.85%. The effect of this change in methodology during the second quarter of 1997 is a reduction in the Monetary Position Gain of $25 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.

At June 30, 1997, Mexico represented 43.05% of the total assets, Spain 26.12%, Colombia 12.20%, Venezuela 10.12%, the United States 5.19%, and the Caribbean and Panama 3.32%.

Management Changes

As a result of a complete analysis of the structure and organization of the Mexican operations by new Cemex-Mexico president Francisco Garza, several new programs have been implemented and some changes to the management team were made in June. Most notable among the changes in management was the naming of Juan Romero, previously President of Cemex-Colombia, as Commercial Director of Cemex-Mexico. Replacing Mr. Romero as President of Cemex-Colombia is Hector Valenzuela, who was previously Concrete Director of Cemex-Mexico. Cesar Constain, previously Concrete Director of Cemex-Colombia, was named as new Concrete Director of Cemex-Mexico.

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

	January - June		%	Quarters		%
INCOME STATEMENT	**1997**	**1996**	**Var.**	**II 1997**	**II 1996**	**Var.**
Net Sales	13,838,837	13,255,795	4%	7,512,843	6,683,600	12%
Cost of Sales	(8,495,447)	(8,016,755)	6%	(4,603,593)	(4,031,263)	14%
Gross Profit	5,343,390	5,239,040	2%	2,909,250	2,652,337	10%
Selling, General and Administrative Expenses	(2,090,617)	(1,942,721)	8%	(1,113,585)	(1,010,644)	10%
Operating Income	3,252,774	3,296,319	(1%)	1,795,665	1,641,693	9%
Financial Expenses	(2,001,795)	(2,633,312)	(24%)	(991,960)	(1,279,319)	(22%)
Financial Income	122,706	230,733	(47%)	55,211	111,013	(50%)
Exchange Gain (Loss), Net	(49,409)	(463,171)	(89%)	(27,298)	(263,505)	(90%)
Monetary Position Gain (Loss)	2,464,626	5,727,799	(57%)	1,023,402	2,575,982	(60%)
Total Comprehensive Financing (Cost) Income	536,129	2,862,050	(81%)	59,355	1,144,172	(95%)
Gain or (Loss) on Marketable Securities	107,627	179,135	(40%)	37,939	8,321	356%
Other Expenses, Net	(482,746)	(575,493)	(16%)	(197,654)	(319,464)	(38%)
Other Income (Expense)	(375,119)	(396,358)	(5%)	(159,716)	(311,142)	(49%)
Net Income Before Income Taxes	3,413,783	5,762,010	(41%)	1,695,304	2,474,722	(31%)
Income Tax	(316,065)	(299,681)	5%	(161,068)	(227,090)	(29%)
Employees' Statutory Profit Sharing	(64,417)	(84,055)	(23%)	(46,646)	(43,202)	8%
Total Income Tax & Profit Sharing	(380,482)	(383,737)	(1%)	(207,714)	(270,292)	(23%)
Net Income Before Participation of Uncons. Subs. and Ext. Items	3,033,301	5,378,274	(44%)	1,487,590	2,204,430	(33%)
Participation in Unconsolidated Subsidiaries	51,109	91,900	(44%)	18,439	49,296	(63%)
Consolidated Net Income	3,084,410	5,470,174	(44%)	1,506,029	2,253,726	(33%)
Net Income Attributable to Min. Interest	495,218	637,431	(22%)	278,358	342,583	(19%)
NET INCOME AFTER MINORITY INTEREST	2,589,193	4,832,743	(46%)	1,227,671	1,911,142	(36%)
EBITD (Op. Inc. + Depreciation)	4,395,347	4,482,521	(2%)	2,408,867	2,220,513	8%

	January - June		%
BALANCE SHEET	**1997**	**1996**	**Var.**
Total Assets	80,753,242	79,275,965	2%
Cash and Temporary Investments	3,134,018	3,206,188	(2%)
Trade Accounts Receivables	3,759,044	3,770,828	(0%)
Other Receivables	1,265,857	1,651,518	(23%)
Inventories	3,467,613	3,442,087	1%
Other Current Assets	1,163,340	889,103	31%
Current Assets	12,789,872	12,959,725	(1%)
Fixed Assets	47,028,632	47,078,904	(0%)
Other Assets	20,934,738	19,237,336	9%
Total Liabilities	44,624,074	44,133,620	1%
Current Liabilities	10,359,065	13,593,827	(24%)
Long-Term Liabilities	31,523,973	27,993,319	13%
Other Liabilities	2,741,036	2,546,474	8%
Consolidated Stockholders' Equity	36,129,168	35,142,345	3%
Stockholders' Equity Attributable to Minority Interest	8,799,557	8,190,519	7%
Stockholders' Equity Attributable to Majority Interest	27,329,611	26,951,825	1%

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

FINANCIAL INDICATORS	January - June 1997	January - June 1996	% Var.	Quarters II 1997	Quarters II 1996	% Var.
Operating Margin	23.5%	24.9%	(5%)	23.9 %	24.6%	(3%)
Current Ratio						
(Current Assets / Current Liabilities)	1.23	0.95	30%			
Debt / Total Capitalization	51.7%	51.9%	(0.4%)			
Debt Coverage (EBITD/Int. Exp.) (1)	1.83	1.46	25%	2.43	1.74	40%
Return on Equity (Con. Net Income / Con. Sh. Eq	18.3%	19.8%	(8%)	4.2%	6.4%	(35%)
Return on Assets (Con. Net Income / Total Asset:	8.1%	8.9%	(9%)	1.9%	2.8%	(34%)
Earnings per Share (2)	2.08	4.00	(48%)	0.99	1.56	(37%)
Cash Flow per Share(2)	3.53	3.71	(5%)	1.94	1.81	7%
Cash Earnings per Share(2)	2.02	1.72	17%	1.19	0.86	38%

VOLUMES Volumes in thousands	January - June 1997	January - June 1996	% Var.	Quarters II 1997	Quarters II 1996	% Var.
MEXICO	8,570.3	7,839.2	9%	4,860.1	4,028.4	21%
Domestic (Met. Tons, Gray Cement)	6,886.5	5,792.6	19%	3,863.4	2,891.9	34%
Exports (Met. Tons)	1,683.8	2,046.6	(18%)	996.7	1,136.5	(12%)
Ready-mix (m3)	1,831.4	1,419.1	29%	997.2	693.1	44%
U.S.A.						
Cement (Met. Tons)	1,480.8	1,652.4	(10%)	828.8	863.2	(4%)
Ready-Mix(m3)	990.6	1,052.9	(6%)	555.4	543.9	2%
Aggregates (Met. Tons)	5,620.3	5,844.8	(4%)	3,101.4	3,023.1	3%
SPAIN	4,472.6	4,013.4	11%	2,468.5	2,063.6	20%
Domestic (Met. Tons)	3,327.2	2,970.4	12%	1,865.4	1,541.1	21%
Exports (Met. Tons)	1,145.3	1,043.1	10%	603.1	522.5	15%
Ready-Mix (m3)	1,698.4	1,467.6	16%	933.8	743.9	26%
VENEZUELA	2,239.5	2,126.6	5%	1,223.7	1,123.3	9%
Domestic (Met. Tons) (3)	1,098.0	1,031.2	6%	613.0	514.9	19%
Exports (Met. Tons)	1,141.5	1,095.4	4%	610.7	608.4	0%
Ready-Mix (m3)	487.1	365.5	33%	281.2	193.1	46%
PANAMA						
Domestic (Met. Tons)	235.5	185.2	27%	140.3	92.4	52%
Ready-Mix (m3)	63.7	25.2	152%	32.3	14.4	124%
COLOMBIA						
Domestic (Met. Tons)	1,156.4	268.8	N/A	588.5	268.8	N/A
Ready-Mix (m3)	586.5	96.2	N/A	304.4	96.2	N/A

(*) Figures can be converted to dollars by using constant pesos of 1997 and dividing them by 7.95; and using constant pesos o
and deflating them using 1.1417 as the weighted average inflation rate for Cemex and dividing them by 7.58

(1) Trailing twelve months.

(2) Considering 1,241,338 thousand average shares for II 1997, 1,226,924 thousand average shares for II 1996
1,243,508 thousand average shares for 1997 and 1,206,998 thousand average shares for 1996

(3) Includes gray cement and others.

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

INCOME STATEMENT	January - June 1997	January - June 1996	% Var.	Quarters II 1997	Quarters II 1996	% Var.
Net Sales	1,740,734	1,531,738	14%	945,012	772,306	22%
Cost of Sales	(1,068,610)	(926,355)	15%	(579,068)	(465,822)	24%
Gross Profit	672,125	605,383	11%	365,943	306,484	19%
Selling, General and Administrative Expenses	(262,971)	(224,486)	17%	(140,074)	(116,782)	20%
Operating Income	409,154	380,897	7%	225,870	189,701	19%
Financial Expenses	(251,798)	(304,285)	(17%)	(124,775)	(147,828)	(16%)
Financial Income	15,435	26,662	(42%)	6,945	12,828	(46%)
Exchange Gain (Loss), Net	(6,215)	(53,520)	(88%)	(3,434)	(30,449)	(89%)
Monetary Position Gain (Loss)	310,016	661,861	(53%)	128,730	297,661	(57%)
Total Comprehensive Financing (Cost)Income	67,438	330,717	(80%)	7,466	132,212	(94%)
Gain or (Loss) on Marketable Securities	13,538	20,699	(35%)	4,772	962	396%
Other Expenses, Net	(60,723)	(66,500)	(9%)	(24,862)	(36,915)	(33%)
Other Income (Expense)	(47,185)	(45,800)	3%	(20,090)	(35,953)	(44%)
Net Income Before Income Taxes	429,407	665,814	(36%)	213,246	285,960	(25%)
Income Tax	(39,757)	(34,629)	15%	(20,260)	(26,241)	(23%)
Employees' Statutory Profit Sharing	(8,103)	(9,713)	(17%)	(5,867)	(4,992)	18%
Total Income Tax & Profit Sharing	(47,859)	(44,342)	8%	(26,128)	(31,233)	(16%)
Net Income Before Participation of of Uncons. Subs. and Ext. Items	381,547	621,472	(39%)	187,118	254,727	(27%)
Participation of Unconsolidated Subsidiaries	6,429	10,619	(39%)	2,319	5,696	(59%)
Consolidated Net Income	387,976	632,091	(39%)	189,438	260,423	(27%)
Net Income Attributable to Min. Interest	62,292	73,657	(15%)	35,014	39,586	(12%)
NET INCOME AFTER MINORITY INTEREST	325,685	558,435	(42%)	154,424	220,837	(30%)
EBITD (Op. Inc. + Depreciation)	552,874	517,966	7%	303,002	256,585	18%

BALANCE SHEET	January - June 1997	January - June 1996	% Var.
Total Assets	10,157,641	9,160,524	11%
Cash and Temporary Investments	394,216	370,483	6%
Trade Accounts Receivables	472,836	435,728	9%
Other Receivables	159,227	190,837	(17%)
Inventories	436,178	397,741	10%
Other Current Assets	146,332	102,738	42%
Current Assets	1,608,789	1,497,527	7%
Fixed Assets	5,915,551	5,440,078	9%
Other Assets	2,633,300	2,222,919	18%
Total Liabilities	5,613,091	5,099,744	10%
Current Liabilities	1,303,027	1,570,799	(17%)
Long-Term Liabilities	3,965,280	3,234,694	23%
Other Liabilities	344,784	294,251	17%
Consolidated Stockholders' Equity	4,544,549	4,060,781	12%
Stockholders' Equity Attributable to Minority Interest	1,106,863	946,434	17%
Stockholders' Equity Attributable to Majority Interest	3,437,687	3,114,347	10%

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

FINANCIAL INDICATORS	**January - June 1997**	**1996**	**% Var.**	**Quarters II 1997**	**II 1996**	**% Var.**
Operating Margin	23.5%	24.9%	(5%)	23.9%	24.6%	(3%)
Current Ratio						
(Current Assets / Current Liabilities)	1.23	0.95	30%			
Debt / Total Capitalization	51.7%	51.9%	(0.4%)			
Debt Coverage (EBITD/Int. Exp.) (1)	1.83	1.46	25%	2.43	1.74	40%
Return on Equity (Con. Net Income / Con. Sh. Eq	18.3%	19.8%	(8%)	4.2%	6.4%	(35%)
Return on Assets (Con. Net Income / Total Asset:	8.1%	8.9%	(9%)	1.9%	2.8%	(34%)
Earnings per Share (2)	0.26	0.46	(42%)	0.12	0.18	(31%)
Cash Flow per Share (2)	0.44	0.42	5%	0.24	0.21	17%
Cash Earnings per Share (2)	0.25	0.20	28%	0.15	0.10	51%

VOLUMES Volume in Thousands	**January - June 1997**	**1996**	**% Var.**	**Quarters II 1997**	**II 1996**	**% Var.**
MEXICO	8,570.3	7,839.2	9%	4,860.1	4,028.4	21%
Domestic (Met. Tons, Gray Cement)	6,886.5	5,792.6	19%	3,863.4	2,891.9	34%
Exports (Met. Tons)	1,683.8	2,046.6	(18%)	996.7	1,136.5	(12%)
Ready-mix (m3)	1,831.4	1,419.1	29%	997.2	693.1	44%
U.S.A.						
Cement (Met. Tons)	1,480.8	1,652.4	(10%)	828.8	863.2	(4%)
Ready-Mix(m3)	990.6	1,052.9	(6%)	555.4	543.9	2%
Aggregates (Met. Tons)	5,620.3	5,844.8	(4%)	3,101.4	3,023.1	3%
SPAIN	4,472.6	4,013.4	11%	2,468.5	2,063.6	20%
Domestic (Met. Tons)	3,327.2	2,970.4	12%	1,865.4	1,541.1	21%
Exports (Met. Tons)	1,145.3	1,043.1	10%	603.1	522.5	15%
Ready-Mix (m3)	1,698.4	1,467.6	16%	933.8	743.9	26%
VENEZUELA	2,239.5	2,126.6	5%	1,223.7	1,123.3	9%
Domestic (Met. Tons) (3)	1,098.0	1,031.2	6%	613.0	514.9	19%
Exports (Met. Tons)	1,141.5	1,095.4	4%	610.7	608.4	0%
Ready-Mix (m3)	487.1	365.5	33%	281.2	193.1	46%
PANAMA						
Domestic (Met. Tons)	235.5	185.2	27%	140.3	92.4	52%
Ready-Mix (m3)	63.7	25.2	152%	32.3	14.4	124%
COLOMBIA						
Domestic (Met. Tons)	1,156.4	268.8	N/A	588.5	268.8	N/A
Ready-Mix (m3)	586.5	96.2	N/A	304.4	96.2	N/A

(*) Figures were converted to dollars by using constant pesos of 1997 and dividing them by 7.95; and using constant pesos of 1
and deflating them using 1.1417 as the weighted average inflation rate for Cemex and dividing them by 7.58

(1) Trailing twelve months.

(2) Considering 1,241,338 thousand average shares for II 1997, 1,226,924 thousand average shares for II 1996
1,243,508 thousand average shares for 1997 and 1,206,998 thousand average shares for 1996

(3) Includes gray cement and others.

Mexico

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

	January - March		%	Quarters		%
INCOME STATEMENT	**1997**	**1996**	**Var.**	**I 1997**	**I 1996**	**Var.**
Net Sales	2,766,030	2,986,694	(7%)	2,766,030	2,986,694	(7%)
Cost of Sales	(1,747,369)	(1,585,483)	10%	(1,747,369)	(1,585,483)	10%
Gross Profit	1,018,661	1,401,210	(27%)	1,018,661	1,401,210	(27%)
Selling, General and Administrative Expense:	(360,836)	(359,907)	0%	(360,836)	(359,907)	0%
Operating Income	657,826	1,041,303	(37%)	657,826	1,041,303	(37%)
EBITD (Op. Inc. + Depreciation)	929,381	1,336,054	(30%)	929,381	1,336,054	(30%)
Operating Margin	23.8%	34.9%	(32%)	23.8%	34.9%	(32%)

Spain

(Thousands of Pesetas)(2)

	January - March		%	Quarters		%
INCOME STATEMENT	**1997**	**1996**	**Var.**	**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 Expense:	(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 Mar. 1997)(3)

	January - March		%	Quarters		%
INCOME STATEMENT	**1997**	**1996**	**Var.**	**I 1997**	**I 1996**	**Var.**
Net Sales	42,217,173	46,144,795	(9%)	42,217,173	46,144,795	(9%)
Cost of Sales	(25,229,142)	(25,134,627)	0%	(25,229,142)	(25,134,627)	0%
Gross Profit	16,988,031	21,010,168	(19%)	16,988,031	21,010,168	(19%)
Selling, General and Administrative Expense:	(3,685,381)	(3,510,944)	5%	(3,685,381)	(3,510,944)	5%
Operating Income	13,302,650	17,499,224	(24%)	13,302,650	17,499,224	(24%)
EBITD (Op. Inc. + Depreciation)	18,000,075	22,542,358	(20%)	18,000,075	22,542,358	(20%)
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 7.95; and using constant pesos of 1996 and deflating them using 1.2028 as inflation rate in Mexico and dividing them by 7.58

(2) Peseta figures can be converted to dollars using the following exchange rates: 147.35 per dollar for 1997 and 128.15 per dollar for 1996

(3) Bolivar figures can be converted to dollars by using constant bolivars of 1997 and dividing them by 487.75 and those for 1996 using constant bolivars of 1996 and deflating them using 1.4349 as inflation rate in Venezuela and dividing them by 470

DETAILED INFORMATION AVAILABLE UPON REQUEST

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	94,383	0%
Cost of Sales	(84,145)	(77,611)	8%	(84,145)	(84,145)	0%
Gross Profit	10,238	15,965	(36%)	10,238	10,238	0%
Selling, General and Administrative Expense:	(7,559)	(7,512)	1%	(7,559)	(7,559)	0%
Operating Income	2,679	8,453	(68%)	2,679	2,679	0%
EBITD (Op. Inc. + Depreciation)	11,304	16,934	(33%)	6,939	12,676	(45%)
Operating Margin	2.8%	9.0%	(69%)	2.8%	9.0%	(68%)

Colombia[4]

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

INCOME STATEMENT	January - March 1997	January - March 1996	% Var.	Quarters I 1997	Quarters I 1996	% Var.
Net Sales	102,359,454	102,359,454	N/A	102,359,454	102,359,454	N/A
Cost of Sales	(60,335,684)	(60,335,684)	N/A	(60,335,684)	(60,335,684)	N/A
Gross Profit	42,023,770	42,023,770	N/A	42,023,770	42,023,770	N/A
Selling, General and Administrative Expense:	(17,714,814)	(17,714,814)	N/A	(17,714,814)	(17,714,814)	N/A
Operating Income	24,308,956	24,308,956	N/A	24,308,956	24,308,956	N/A
EBITD (Op. Inc. + Depreciation)	38,227,501	38,227,501	N/A	38,227,501	38,227,501	N/A
Operating Margin	23.7%	23.7%	N/A	23.7%	23.7%	N/A

(4) The cumulative results through June 1996 and those for the second quarter of 1996 only include two months of Diamante´s results. Beginning in the first quarter of 1997, the results of 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 1089.1 and those for 1996 using constant Colombian pesos of 1996 and deflating them using 1.1867 as inflation rate in Colombia and dividing them by 1069.11

DETAILED INFORMATION AVAILABLE UPON REQUEST