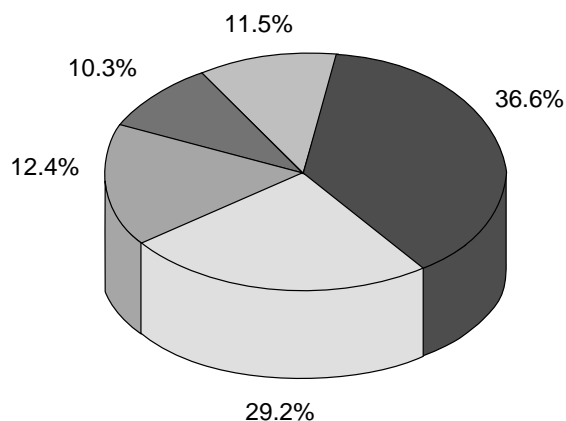


Sales Distribution by Product

- Cement and Mortar in Mexico
- Cement and Mortar in the U.S.A.
- Concrete in Mexico
- Concrete in U.S.A.
- Others



Figures for the last 12 months

	March-99	March-98	Variation
Net sales	2,142,977	1,784,155	20.1%
Operating income	625,164	403,545	54.9%
Operating income + depreciation	782,760	568,144	37.8%
Consolidated net income	357,949	209,096	71.2%
Majority net income	357,861	208,895	71.3%

Results

	Quarter I-99	Quarter I-98	Real Variation I-99/I-98
Net sales	492,800	445,800	10.5%
Sales in Mexico	298,076	272,256	9.5%
Sales in U.S.A	194,724	173,544	12.2%
Cost of sales	323,100	307,000	5.2%
Gross income	169,700	138,800	22.3%
Operating expenses	49,700	45,600	9.0%
Operating income	120,000	93,200	28.8%
Operating income + depreciation	165,200	139,700	18.3%
Comprehensive financing cost	21,800	11,500	89.6%
Other financial operations	24,200	29,700	-18.5%
Earnings before taxes	74,000	52,000	42.3%
Taxes and employee profit sharing	11,800	(600)	NA
Consolidated net income	62,200	52,600	18.3%
Majority net income	62,194	52,569	18.3%

Balance Sheet

	Quarter I-99	Quarter I-98	Real Variation I-99/I-98
Total assets	4,641,600	4,253,500	9.1%
Current assets	1,106,500	713,500	55.1%
Fixed assets	3,349,000	3,262,600	2.6%
Other assets	186,100	277,400	-32.9%
Total liabilities	1,304,400	1,201,400	8.6%
Current liabilities	287,200	239,600	19.9%
Current liabilities with cost	120,265	80,400	49.6%
Long term liabilities	991,200	938,600	5.6%
Long term liabilities with cost	986,808	933,000	5.8%
Other liabilities	26,000	23,200	12.1%
Consolidated stockholders' equity	3,337,200	3,052,100	9.3%
Minority interest	740	1,578	-53.1%
Majority stockholders' equity	3,336,460	3,050,522	9.4%

Financial Highlights

	Quarter I-99	Quarter I-98
Net profit per share (Ps) <sup>(1)</sup>	\$0.19	\$0.16
Net profit per share last 12 months (Ps) <sup>(1)</sup>	\$1.08	\$0.62
Book value per share (Ps)	\$10.02	\$9.07
Stock price (Ps)	\$8.10	\$9.53
Operating income / Net sales	24.4%	20.9%
Operating income + Depreciation / Net sales	33.5%	31.3%
Net income / Net sales	12.6%	11.8%
Total liabilities / Total stockholders' equity	39.1%	39.4%
Current assets / Current liabilities (times)	3.85	2.98
Total liabilities / Total assets	28.1%	28.2%

(1)Based on: 332,831,000 para I-99  
336,410,000 para I-98

### Financial Information

Grupo Cementos de Chihuahua's net sales for the first quarter of 1999 reached \$492.8 million pesos, reflecting a 10.5% increase in real terms with respect to net sales for the first quarter of 1998.

During the quarter reported, 60.5% (\$298.1 million pesos) of total sales corresponded to domestic sales, and the rest (US \$20.3 million dollars or \$194.7 million pesos) to sales in the U.S. market. Of the domestic sales, which grew 9.5% against the same quarter of last year, 60.4% corresponded to cement and mortar, 20.5% to concrete, 1.8% to aggregates, and 17.3% to other products.

Sales in the U.S. market during the first quarter of 1999 (\$194.7 million pesos) grew 13.9% in dollar terms and were divided as follows: 74.0% corresponded to cement and mortar, and 26.0% to concrete.

Operating income for the first quarter of 1999 was \$120.0 million pesos, showing a 28.8% increase in real terms with respect to the same quarter of 1998. The operating margin for the quarter was 24.4%, higher than the one obtained during the first quarter of 1998, which was 20.9%.

Operating cash flow (operating income plus depreciation and amortization) generated reached \$165.2 million pesos, showing an increment of 18.3% compared to the first quarter of 1998. Operating cash flow represented 33.5% of sales versus the 31.3% obtained in the same quarter of last year.

Net financial expenses (financial costs minus financial income) for the quarter were \$32.0 million pesos, 29.6% higher than the amount reported during the first quarter of 1998.

Comprehensive financing cost during the quarter was \$21.8 million pesos. It is 89.6% higher than the one obtained during the first quarter of 1998 due to higher net financial expenses and a lower monetary position gain. Even with this increase, the comprehensive financing cost represents only 4.4% of sales. It is important to highlight that the financial structure of GCC reduces the impact, on the income statement, by the foreign exchange variations.

The account for other expenses and income includes antidumping duties deposits for \$18.9 million pesos (US \$1.97 million dollars) paid by our subsidiary in the United States on imports of Mexican cement to the U.S. This amount is 27.6% less than the one deposited during the first quarter of 1998 due to a lower antidumping duty rate and lower exports.

Consolidated net income for the first quarter of 1999 reached \$62.2 million pesos, 18.3% larger than the amount obtained during same quarter of last year.

Total assets of Grupo Cementos de Chihuahua as of March 31, 1999 are \$4,641.6 million pesos, 9.1% larger in real terms than what was reported as of the same date on the previous year. This growth is explained by the increment in the accounts of cash and temporary investments and fixed assets.

Total liabilities of the company as of March 31, 1999 are \$1,304.4 million pesos, 8.6% larger than the amount reported as of the same date of 1998.

Net debt (debt less cash and temporary investments) is \$615.3 million pesos. This amount is 23.9% and 3.0% less than the one reported as of March 31, 1998 and December 31, 1998 respectively.

The current portion of long term debt and the short-term bank debt amount to \$120.3 million pesos, of which \$103.3 million pesos (US \$10.8 million) are denominated in dollars. Long-term bank debt is \$986.8 million pesos, of which \$713.7 million pesos (US \$74.3 million dollars) are denominated in dollars.

During the first quarter of 1999, the dollar denominated debt had a cost of 6.76% and the peso denominated debt had a cost of 32.9%.

### Sales Volume

During the first quarter of 1999 the company decreased its cement sales volume in the domestic market by 8.2% against the same quarter of the previous year.

The total volume of cement sold in the U.S. market increased 0.9% with respect to the first quarter of 1998. Of the total volume sold in this market, 51.8% was shipped from the Samalayuca plant in Mexico.

As a result of the volume sold in the first quarter of 1999, the total cement tonnage sold in the domestic and U.S. markets was 3.4% less than the volume sold during the same quarter of 1998. Of the total tonnage sold during the quarter 55.0% went to the U.S. market.

Volume of ready mix concrete sold in the domestic market decreased 16.7% with respect to the first quarter of 1998.

In the U.S. market, the company increased its concrete volume sold by 43.6% with respect to the first quarter of 1998.

The volume of aggregates sold during the first quarter of 1999 recorded an 11.9% increase compared to the same quarter of the previous year.

### Relevant event

On March 17, the U.S. Department of Commerce announced the final results of the seventh administrative review of the antidumping order involving Mexican cement. The U.S. Department of Commerce announced a final weighted-average margin, for the period of August 1996 through July 1997, of 49.58%.

As GCC expected, this rate is lower than the preliminary rate announced on September of 1998. The preliminary margin contained calculation errors that overestimated the dumping quantities.

The principal effect of this decision is that GCC's U.S. subsidiary will receive significant refunds because the deposits paid on the imports were significantly higher (approximately 61.85%).

This result of the antidumping duty rate comes at a time when the U.S. authorities are beginning the process of reviewing, and potentially revoking, all antidumping duty orders pursuant to the so-called "sunset" clause. The "sunset" review of the antidumping duty order on Mexican cement is scheduled to begin in August 1999.



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