

Figures for the last 12 months

	Sep-99	Sep-98	Variation
Net sales	2,222,293	2,036,200	9.1%
Operating income	637,709	543,050	17.4%
Operating income + depreciation	797,326	717,025	11.2%
Consolidated net income	354,451	314,600	12.7%
Majority net income	354,359	314,400	12.7%

Sales Distribution Jan - Sep 1999

Cement and mortar in Mexico	35.9%
Cement and mortar in the U.S.A.	29.1%
Concrete in Mexico	12.4%
Concrete in U.S.A.	8.8%
Others	13.8%

Sales Volumes

	Accumulated 1999/1998	III-99/III-98	III-99/II-99
Cement in Mexico	-10.2%	-15.7%	7.9%
Cement in the U.S.A.	-12.6%	-20.7%	0.0%
Total cement	-11.6%	-18.6%	3.2%
Concrete in Mexico	-4.3%	-8.3%	14.7%
Concrete in U.S.A.	36.5%	29.9%	-6.5%
Total concrete	6.9%	1.0%	7.1%
Aggregates in Mexico	-2.5%	4.0%	18.1%

	Quarter III-99	Quarter III-98	Accumulated Sep - 99	Accumulated Sep - 98	Real Variation III-99/III-98	Acum 99/98
Results						
Net sales	602,151	617,781	1,685,600	1,608,100	-2.5%	4.8%
Sales in Mexico	379,472	355,576	1,046,795	936,200	6.7%	11.8%
Sales in U.S.A	222,679	262,206	638,805	671,900	-15.1%	-4.9%
Cost of sales	363,795	370,380	1,056,100	1,020,600	-1.8%	3.5%
Gross income	238,356	247,401	629,500	587,500	-3.7%	7.1%
Operating expenses	59,700	49,789	164,600	145,600	19.9%	13.0%
Operating income	178,656	197,612	464,900	441,900	-9.6%	5.2%
Operating income + depreciation	224,280	244,743	603,100	584,400	-8.4%	3.2%
Comprehensive financing cost	15,255	30,224	56,600	57,100	-49.5%	-0.9%
Other financial operations	35,519	30,384	96,100	83,800	16.9%	14.7%
Earnings before taxes	127,882	137,005	312,200	301,000	-6.7%	3.7%
Taxes and employee profit sharing	22,469	21,461	55,500	35,926	4.7%	54.5%
Consolidated net income	105,413	115,543	256,700	265,074	-8.8%	-3.2%
Majority net income	105,401	115,554	256,650	265,000	-8.8%	-3.2%
Balance Sheet						
Total assets			4,778,800	4,764,700		0.3%
Current assets			1,254,900	970,500		29.3%
Fixed assets			3,330,600	3,532,500		-5.7%
Other assets			193,300	261,700		-26.1%
Total liabilities			1,310,800	1,355,100		-3.3%
Current liabilities			389,000	317,600		22.5%
Current liabilities with cost			141,000	88,000		60.2%
Long term liabilities			895,800	1,014,700		-11.7%
Long term liabilities with cost			890,988	1,009,400		-11.7%
Other liabilities			26,000	22,800		14.0%
Consolidated stockholders' equity			3,468,000	3,409,600		1.7%
Minority interest			800	810		-1.2%
Majority stockholders' equity			3,467,200	3,408,790		1.7%
Financial Highlights						
Net profit per share (Ps) ⁽¹⁾	\$0.32	\$0.35				
Net profit per share last 12 months (Ps) ⁽¹⁾	\$1.06	\$0.94				
Book value per share (Ps)			\$10.40	\$10.18		
Stock price (Ps)			\$5.74	\$5.79		
Operating income / Net sales	29.7%	32.0%	27.6%	27.5%		
Operating income + Depreciation / Net sales	37.2%	39.6%	35.8%	36.3%		
Net income / Net sales	17.5%	18.7%	15.2%	16.5%		
Total liabilities / Total stockholders' equity			37.8%	39.7%		
Current assets / Current liabilities (times)			3.23	3.06		
Total liabilities / Total assets			27.4%	28.4%		

(1)Based on: 333,544,000 shares in 1999
334,705,000 shares in 1998

Financial Information

Grupo Cementos de Chihuahua's net sales during the third quarter of 1999 were \$602.2 million pesos, a 2.5% decrease with respect to the same period of the previous year. During the third quarter, 63.0% of the sales corresponded to domestic sales (\$379.5 million pesos) and had an increment of 6.7% compared to the same period of the previous year. This is the result of a real increase in prices, and the growth of sales of other products like concrete block.

37.0% of the sales during the quarter (\$23.7 million dollars or \$222.7 million pesos) were made in the U.S. market. These sales show a decrease of 15.1% compared to the same period of the previous year, due to lower cement exports to that market as a consequence of the currently existing high antidumping duty against the Mexican cement imported into the U.S.

Net sales for the nine months of 1999 reached \$1,685.6 million pesos, reflecting a 4.8% increase in real terms with respect to net sales for the same period of 1998.

During the first nine months of 1999, 62.1% (\$1,046.8 million pesos) of total sales were generated in Mexico, and the rest (US\$68.0 million dollars or \$638.8 million pesos) came from the U.S. market. Of the Mexican sales, which grew 11.8% against the same period of the previous year, 57.8% corresponded to cement and mortar, 20.0% to concrete, 4.0% to aggregates, and 18.2% to other products.

Accumulated sales in the U.S. market as of September 30th, 1999 (\$638.8 million pesos) were 2.8% less in dollar terms compared to the same period of 1998 and were divided as follows: 76.8% corresponded to cement and mortar, and 23.2% to concrete.

Operating income for the third quarter of 1999 was \$178.7 million pesos, showing a 9.6% decrease in real terms with respect to the same quarter of 1998. The operating margin obtained during the quarter was 29.7%. During the first nine months of 1999 operating income was \$464.9 million pesos, 5.2% larger compared to the same period of the previous year.

Operating cash flow (operating income plus depreciation and amortization) generated during the third quarter was \$224.3 million pesos, 8.4% less than the one obtained during the same period of the previous year, and accounted for 37.2% of sales. Operating cash flow generated as of September 30th, 1999 reached \$603.1 million pesos, showing an increment of 3.2% compared to the same period of the previous year, representing 35.8% of sales.

Net financial expenses (financial costs minus financial income) during the third quarter were \$19.0 million pesos, 31.7% less than the amount reported in the same period last year. This decrease results from a 34.2% decrement in GCC's net debt. The net financial expenses reported for the first nine months of 1999 were \$76.1 million pesos, 5.2% less than the amount reported during the same period of the previous year.

Comprehensive financing cost for the third quarter was \$15.3 million pesos, 49.5% less than the one obtained during the same period of the previous year, due to lower net financial expenses and to a foreign exchange income registered in the third quarter of 1999. This cost represented only 2.5% of total sales. Comprehensive financing cost for the first nine months of 1999 was \$56.6 million pesos, an amount very similar to that of last year.

The account for other expenses and income includes antidumping duties deposits and accruals for \$29.1 million pesos (US\$3.1 million dollars) paid by our subsidiary in the United States on imports of Mexican cement to the U.S. during the third quarter. This amount is 26.9% larger than the amount reported during the same period of the previous year, because along with the deposits made, GCC is accruing an additional amount based on the expected results from the future administrative reviews of the antidumping order.

During the first nine months of 1999, the antidumping duty deposits and accruals were \$80.3 million pesos (US\$8.5 million dollars), 17.7% larger than the amount reported during the first nine months of 1998. The total amount of accruals accumulated as of September 30th, 1999 was \$42.4 million pesos (US\$4.5 million dollars).

Consolidated net income for the third quarter reached \$105.4 million pesos, 8.8% less compared to the one obtained during the same period of the previous year. The main reasons for the decrease were the lower operating profits and the larger amount accrued for antidumping duties. Consolidated net income for the first nine months of 1999 reached \$256.7 million pesos, 3.2% lower than the one obtained during the same period of the previous year, due to a higher income tax provision in the Mexico Division operations.

Total assets of Grupo Cementos de Chihuahua as of September 30th, 1999 are \$4,778.8 million pesos, an amount similar to the one reported the previous year.

Total liabilities of the company are \$1,310.8 million pesos, 3.3% lower than the amount reported as of September 30th, 1998, due to a reduction in bank debt.

Net debt (debt less cash and temporary investments) is \$440.9 million pesos. This amount is 34.2% and 22.3% less than the one reported as of September 30th, 1998 and June 30th, 1999, respectively.

The current portion of long term debt and the short-term bank debt amount to \$141.0 million pesos, of which \$113.9 million pesos (US \$12.1 million) are denominated in dollars. Long-term bank debt is \$891.0 million pesos, of which \$635.5 million pesos (US \$67.6 million dollars) are denominated in dollars.

During the third quarter of 1999, the dollar denominated debt had an annual average cost of 6.6% and the peso denominated debt had an annual average cost of 21.7%.

Sales Volume:

The decrease in the domestic cement sales volume during the third quarter of 1999 is the result of the fact that during the third quarter of 1998, there was a nonrecurring sale that represented 12% of the total cement volume sold during that quarter.

The U.S. cement sales volume reduction is explained mainly by the lower exports to that market, as a result of the high antidumping tariffs against Mexican cement imports to the U.S.

Of the total volume sold in the U.S. market during the third quarter, 48.6% was supplied through exports from the Samalayuca plant in Mexico.

56.7% of the total cement tonnage sold during the third quarter of 1999 went to the U.S. market.



Grupo Cementos de Chihuahua S.A. de C.V.

Chihuahua, Chih., México

Tel.: (52 1) 424-33-55

Fax: (52 1) 424-35-16

www.gcc.com

e-mail: jfernandez@gcc.com



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