

Figures for the fourth quarter

	4Q99	4Q98	Variation
Net sales	622,458	547,954	13.6%
Operating income	176,946	166,505	6.3%
Operating income + depreciation	211,790	198,492	6.7%
Consolidated net income	100,184	89,446	12.0%
Majority net income	100,158	89,424	12.0%

Sales Distribution
1999

Cement and mortar in Mexico	36.5%
Cement and mortar in the U.S.A.	28.4%
Concrete in Mexico	12.4%
Concrete in U.S.A.	8.3%
Others	14.4%

Sales Volumes

	1999 / 1998	IV-99 / IV-98
Cement in Mexico	-3.8%	17.8%
Cement in the U.S.A.	-9.4%	2.2%
Total cement	-7.0%	9.0%
Concrete in Mexico	5.0%	29.7%
Concrete in U.S.A.	27.4%	3.7%
Total concrete	11.4%	21.3%
Aggregates in Mexico	2.0%	15.9%

Results

	I-99	II-99	Quarter III-99	IV-99	1999	1998	Real Variation IV-99 / IV-98	1999 / 1998
Net sales	516,519	594,988	615,490	622,458	2,349,455	2,189,163	13.6%	7.3%
Sales in Mexico	319,355	364,049	388,785	414,928	1,487,117	1,302,869	20.6%	14.1%
Sales in U.S.A.	197,164	230,939	226,705	207,531	862,338	886,294	1.8%	-2.7%
Cost of sales	337,622	372,827	371,586	372,761	1,454,796	1,362,695	15.9%	6.8%
Gross income	178,897	222,161	243,904	249,697	894,659	826,468	10.3%	8.3%
Operating expenses	52,623	54,909	61,129	72,751	241,412	208,804	21.4%	15.6%
Operating income	126,274	167,252	182,774	176,946	653,247	617,664	6.3%	5.8%
Operating income + depreciation	174,000	214,445	229,404	211,790	829,639	795,249	6.7%	4.3%
Comprehensive financing cost	21,108	17,293	12,897	15,177	66,476	78,470	-24.7%	-15.3%
Other financial operations	24,783	37,441	36,264	103,580	202,067	141,036	85.6%	43.3%
Earnings before taxes	80,383	112,518	133,614	58,190	384,704	398,158	-35.7%	-3.4%
Taxes and employee profit sharing	12,368	21,507	22,988	(41,995)	14,868	37,716	NA	-60.6%
Consolidated net income	68,015	91,012	110,626	100,184	369,836	360,442	12.0%	2.6%
Majority net income	67,994	90,994	110,594	100,158	369,741	360,339	12.0%	2.6%

Balance Sheet

Total assets					4,925,777	4,993,016		-1.3%
Current assets					1,328,444	1,136,734		16.9%
Fixed assets					3,389,112	3,651,093		-7.2%
Fixed assets					208,221	205,189		1.5%
Total liabilities					1,301,695	1,390,735		-6.4%
Current liabilities					311,556	304,820		2.2%
Current liabilities with cost					155,417	109,407		42.1%
Long term liabilities					836,893	1,057,249		-20.8%
Long term liabilities with cost					832,950	1,052,783		-20.9%
Other liabilities					153,246	28,666		434.6%
Consolidated stockholders' equity					3,624,082	3,602,281		0.6%
Minority interest					1,030	9,739		-89.4%
Majority stockholders' equity					3,623,052	3,592,542		0.8%

Financial Highlights

Net profit per share (Ps) ⁽¹⁾	\$0.20	\$0.27	\$0.33	\$0.30	\$ 1.10	\$ 1.07		
Book value per share (Ps)					\$10.86	\$10.70		
Stock price (Ps)					\$ 7.02	\$ 5.34		
Operating income / Net sales	24.4%	28.1%	29.7%	28.4%	27.8%	28.2%		
Operating income + Depreciation / Net sales	33.7%	36.0%	37.3%	34.0%	35.3%	36.3%		
Net income / Net sales	13.2%	15.3%	18.0%	16.1%	15.7%	16.5%		
Total liabilities / Total stockholders' equity					35.9%	38.6%		
Current assets / Current liabilities (times)					4.26	3.73		
Total liabilities / Total assets					26.4%	27.9%		

(1)Based on: 333,557,000 shares in 1999
335,609,000 shares in 1998

Grupo Cementos de Chihuahua, S.A. de C.V. and Subsidiaries

Performance review for the fourth quarter of 1999

Financial Information

Grupo Cementos de Chihuahua's net sales during the fourth quarter of 1999 were \$622.5 million pesos, a 13.6% increase with respect to the same period of the previous year.

During the fourth quarter, 66.7% of the sales corresponded to domestic sales (\$414.9 million pesos) and had an increment of 20.6% compared to the same period of the previous year. This is the result of the growth of sales of cement, concrete and other products like aggregates, concrete block and gypsum.

33.3% of the sales during the quarter (\$21.8 million dollars or \$207.5 million pesos) were made in the U.S. market. These sales show an increase of 1.8% compared to the same period of the previous year, due to higher cement and concrete sales.

Net sales for 1999 reached \$2,349.5 million pesos, reflecting a 7.3% increase in real terms with respect to net sales for 1998.

During 1999, 63.3% (\$1,487.1 million pesos) of total sales were generated in Mexico, and the rest (US\$89.8 million dollars or \$862.3 million pesos) came from the U.S. market. Of the Mexican market sales, which grew 14.1% against 1998, 57.7% corresponded to cement and mortar, 19.5% to concrete, 4.5% to concrete block, 3.9% to aggregates, and 14.4% to other products.

Sales in the U.S. market for 1999 were 1.0% less in dollar terms compared to 1998 and were divided as follows: 77.3% corresponded to cement and mortar, and 22.7% to concrete.

Operating income for the fourth quarter of 1999 was \$176.9 million pesos, showing a 6.3% increase in real terms with respect to the same quarter of 1998. The operating margin obtained during the quarter was 28.4%. During 1999 operating income was \$653.2 million pesos, 5.8% larger compared to the same period of the previous year. The operating margin for 1999 was 27.8%.

Operating cash flow (operating income plus depreciation and amortization) generated during the fourth quarter was \$211.8 million pesos, 6.7% larger than the one obtained during the fourth quarter of the previous year, and accounted for 34.0% of sales. Operating cash flow generated for 1999 reached \$829.6 million pesos, showing an increment of 4.3% compared to 1998, representing 35.3% of sales.

Net financial expenses (financial costs minus financial income) during the fourth quarter were \$13.6 million pesos, 60.5% less than the amount reported in the same period last year. This decrease results from a 40.0% decrement in GCC's net debt. The net financial expenses reported for 1999 were \$91.6 million pesos, 21.3% less than the amount reported during the previous year.

Comprehensive financing cost for the fourth quarter was \$15.2 million pesos, 24.7% less than the one obtained during the same period of the previous year, due to lower net financial expenses. Comprehensive financing cost for 1999 was \$66.5 million pesos, 15.3% less than the amount reported last year and it represented just 2.8% of sales.

The account for other expenses and income includes antidumping duties deposits and accruals for \$85.7 million pesos (US\$9.0 million dollars) paid by our subsidiary in the United States on imports of Mexican cement to the U.S. during the fourth quarter. Along with the deposits made, GCC is accruing an additional amount based on the expected results from future administrative reviews of the antidumping order. During 1999, the antidumping duty deposits and accruals were \$166.8 million pesos (US\$17.6 million dollars). The total amount of accruals made during 1999 was \$118.1 million pesos (US\$12.4 million dollars).

During the fourth quarter of 1999, there was a reduction in the tax provision originated mainly by the antidumping duties expenses.

Consolidated net income for the fourth quarter reached \$100.2 million pesos, 12.0% larger than the one obtained during the same period of the previous year. Consolidated net income for 1999 reached \$369.8 million pesos, 2.6% larger than the one obtained during 1998.

Total assets of Grupo Cementos de Chihuahua as of December 31st, 1999 are \$4,925.8 million pesos, 1.3% less than the previous year.

GCC invested \$194.0 million pesos in capital expenditures during 1999.

Total liabilities of the company are \$1,301.7 million pesos, 6.4% lower than the amount reported as of December 31st, 1998, due to a reduction in bank debt.

As of December 31st, 1999, the company has a long-term liability for \$118.1 million pesos created with the antidumping duties provisions.

Net debt (debt less cash and temporary investments) is \$399.0 million pesos. This amount is 40.0% and 11.1% less than the one reported as of December 31st, 1998 and September 30th, 1999, respectively.

The current portion of long term debt and the short-term bank debt amount to \$155.4 million pesos, of which \$126.5 million pesos (US \$13.3 million) are denominated in dollars. Long-term bank debt is \$833.0 million pesos, of which \$586.0 million pesos (US \$61.7 million dollars) are denominated in dollars.

During the fourth quarter of 1999, the dollar denominated debt had an annual average cost of 7.3% and the peso denominated debt had an annual average cost of 20.2%.

Sales Volume

The U.S. cement sales volume reduction resulted from lower exports to that market, as a result of a strategy to reduce the impact of high antidumping tariffs against Mexican cement imports to the U.S.

Of the total volume sold in the U.S. market during the fourth quarter, 49.6% was supplied through exports from the Samalayuca plant in Mexico. During 1999, cement exports represented 46.7% of the total volume sold in the U.S. market.

53.0% of the total cement tonnage sold during the fourth quarter of 1999 went to the U.S. market. For 1999, the cement volume sold in the U.S. represented 55.7% of GCC total cement volume sold.

Y2K Readiness

Grupo Cementos de Chihuahua made the transition to the new millenium successfully, without any problem in the U.S. and Mexico operations.

Changes in accounting policies

Beginning January 1st, 2000 the new Mexican Institute of Public Accountants Bulletin D-4 requires companies to recognize deferred tax assets or liabilities for all the temporary differences between the book value of assets and liabilities as compared to their corresponding value for tax purposes.

The effect of the new bulletin in GCC will be recognized in January of 2000, resulting in a deferred tax long-term liability.



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



FOURTH QUARTER 1999