

GCC REPORTS FIRST QUARTER 2006 RESULTS

Strong Organic Growth and Acquisitions Drive Performance

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- Sales rose 42.3% to \$1,212.4 million pesos
- Operating income and EBITDA up 43.7% and 35.6% respectively
- Net income grew 41.0% to \$181.1 million pesos
- Consolidation of SOBOCE (Bolivia) and Consolidated Ready Mix (USA) positively contributes to gains
- Operations in Mexico and U.S. deliver strong organic growth

Chihuahua, Chih., Mexico, April 19, 2006 – Grupo Cementos de Chihuahua S.A. de C.V. (“GCC” or the “Company”) (BMV: GCC*), a leading cement producer in the markets where it competes in Mexico, the United States and Bolivia, today announced consolidated results for the first quarter ended March 31, 2006.*

	1Q 2006	1Q 2005	Var %
Net sales	1,212.4	852.2	42.3%
Operating income	255.0	177.4	43.7%
EBITDA	373.4	275.4	35.6%
Net consolidated income	181.1	128.4	41.0%
Free cash flow	(93.1)	(11.1)	738.5%
Shares outstanding	331.8	329.9	
EPS	0.54	0.39	
Net debt	1,364.2	168.6	
Net debt / EBITDA	0.77	0.12	

*Figures in millions of pesos and millions of shares
EBITDA = operating income + depreciation and amortization*

FINANCIAL RESULTS

Net sales in the first quarter of 2006 increased 42.3% to \$1,212.4 million pesos. This solid growth reflected higher sales in each of the company’s markets.

In the United States, net sales rose 32.3% as a result of the rise in average cement prices and 6.7% volume growth, as well as revenues derived from the sale of coal to third parties from the NKC mine, which was acquired in the second quarter of 2005. In addition, the concrete operations of Consolidated Ready Mix (CRM) were integrated this quarter, following their acquisition in January 2006. Revenues from NKC and CRM totaled \$28.4 million pesos and \$31.5 million pesos in the quarter respectively.

In order to meet strong customer demand, GCC continued to supplement its local cement production with imports from its plants in Mexico as well as with the limited purchase of third-party cement.

** Results stated herein include the 47.02% proportional consolidation of Sociedad Boliviana de Cemento, S.A. (SOBOCE); pro forma results excluding SOBOCE are provided in the attached financial tables.*



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In Mexico, the strong 18.8% increase in net sales was primarily due to better cement and concrete volumes, which rose 17.5% and 34.0% respectively, as well as higher average cement prices. These gains reflect ongoing construction investment in multiple sectors in Mexico.

In Bolivia, net sales attributable to GCC totaled \$150.3 million pesos in the first quarter. This reflects the increase in demand for cement, concrete and aggregates from public infrastructure projects such as highway construction, and solid dynamics in the country's other construction sectors.

Sales (in millions of pesos)

	First quarter		
	2006	2005	Var
Net sales	1,212.4	852.2	42.3%
Mexico	576.0	484.9	18.8%
United States	486.1	367.3	32.3%
Bolivia	150.3	--	--

Growth in Sales Volumes

	First quarter 2006 vs. 2005 %
Cement	33
Mexico	18
United States	7
Bolivia	N/A
Concrete	64
Mexico	34
United States	N/A
Bolivia	N/A
Block	25
Aggregates	14
Mexico	12
Bolivia	N/A

Cost of sales as a percentage of sales decreased by 1.1 percentage points due mainly to a combination of the following factors: fewer third-party cement purchases in the United States and lower land sales, both of which generate higher costs as a percentage of sales. These factors offset the increase in cost of sales that resulted from the integration of NKC mine operations, SOBOCE and CRM, as well as higher maintenance expenses in the cement plants to improve installed capacity utilization.

Sales and administrative expenses, as a percentage of sales, rose 0.9 percentage points to 12.3% primarily as a result of the three acquisitions integrated into GCC's operations. We are implementing initiatives to reduce these expenses.

Operating income rose 43.7% in the first quarter to \$255.0 million pesos. This represented 21.0% of net sales, 20 basis points higher than the operating margin in the year ago period. This increase reflects sales growth in the period as well as a higher gross margin. Excluding SOBOCE, operating income in the first quarter would have risen 23.7%.

Operating cash flow (EBITDA) increased 35.6% in the quarter as a result of higher sales and a better gross margin.

The Company generated **free cash flow** of (\$93.1) million pesos in the quarter, compared to free cash flow of (\$11.1) million pesos in the year ago period. This is principally due to an increase in working capital and higher net financial expenses for the integration of acquisitions, as well as capital expenditures invested in modernizing machinery and equipment.

EBITDA and Free Cash Flow (in millions of pesos)

	First quarter		Var
	2006	2005	
Operating income	255.0	177.4	43.7%
Depreciation and amortization	118.4	98.0	20.8%
EBITDA	373.4	275.4	35.6%
Net financial income (expenses)	(16.6)	5.4	-407.4%
(Increase) decrease in working capital	(293.9)	(189.7)	54.9%
Taxes paid	(36.0)	(17.4)	106.9%
Anti-dumping duties paid in cash	(21.2)	(57.9)	-63.4%
Capital expenditures*	(75.2)	(22.4)	235.7%
Other	(23.7)	(4.5)	431.9%
Free cash flow	(93.1)	(11.1)	738.5%

*Excludes investments in new production capacity (cement plant in Pueblo, Colorado; pre-cast concrete products plant and a concrete block plant).

Comprehensive financing cost in the fourth quarter was \$8.4 million pesos, compared to a gain of \$15.0 million pesos in the year ago period. This was a result of a higher monetary position, greater net financial expenses due to the integration of SOBOCE, and exchange losses related to the depreciation of the Mexican peso.

GCC registered **other costs** of \$44.9 million pesos, which compares favorably to the \$62.4 million pesos in the year ago period. The decrease is the result of lower anti-dumping deposits due to reduced tariffs on Mexican cement imported into the United States.

Consolidated net income increased 41.0% to \$181.1 million pesos. Excluding SOBOCE's results, consolidated net income would have risen 20.2%. Net margin in the first quarter was 14.9%, slightly less than in the year ago period due to higher taxes.

Short-term **interest-bearing debt** as of March 31, 2006 totaled \$146.5 million pesos. Long-term debt totaled \$1,768.7 million pesos, of which \$1,200 million was in domestic bonds converted to dollars under a cross-currency swap. Excluding SOBOCE, short-term interest-bearing debt as of March 31, 2006 would have been \$11.5 million pesos and long-term debt would have been \$1,441.6 million pesos.

As of March 31, 2006, **net debt** totaled \$1,364.2 million, while the net debt to EBITDA ratio was 0.77 times. Excluding SOBOCE, net debt in the quarter would have totaled \$970.8, with a net debt to EBITDA ratio of 0.56 times.

OTHER DEVELOPMENTS

Acquisition of Ready-Mix Assets in South Dakota and Minnesota

On January 3, 2006, GCC acquired the assets of four leading ready-mix concrete companies in eastern South Dakota and western Minnesota in an all cash transaction. The acquired companies, Consolidated Ready Mix Inc., Henrich & Sons, Inc., Huron Steel Structures, Inc., and B&B Concrete, Inc., generated approximately US\$30 million in revenue in 2005. The acquired assets include 14 strategically located ready-mix plants and a fleet of 100 ready-mix trucks.

The group of companies will operate as "Consolidated Ready Mix, Inc." by its current management as a wholly-owned subsidiary of GCC.

The acquisition enhances GCC's leadership in the competitive cement markets of South Dakota and surrounding regions, and positions the company to benefit from anticipated growth in demand for concrete. The purchase immediately augmented GCC's revenues and results were consolidated as of the first quarter of 2006.

Mexico and the U.S. Reach Agreement on Restrictions on the Export of Mexican Cement

On March 6, 2006, the governments of Mexico and the United States signed an agreement that went into effect in the first week of April 2006, resolving their long-standing dumping dispute on the import of grey Portland cement into the U.S. market. Under terms of the agreement, tariffs will be lowered to US\$3 per ton from the US\$26 per ton rate over a three-year period. During that time, three million tons of Mexican cement will be permitted into the U.S. annually on a regionally-based quota system. In case of disasters, the annual quota can be raised by 200,000 tons. With the goal of fully liberalizing the trade of cement between the two countries, in 2009 volume restrictions and tariffs will be revoked entirely. GCC's annual allotment under the agreement allows the company to sufficiently meet growth demands in the markets to which it currently exports, including El Paso and east Texas, New Mexico, and markets defined as "Other Regions" according to the agreement.

GCC will receive approximately US\$40 million plus interest as reimbursement for previous deposits. In addition, the company will eliminate approximately US\$30 million in liabilities from its balance sheet and will generate approximately US\$18 million in savings annually as result of the lower tariffs.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Figures in this document are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in Mexico and are expressed in constant Mexican pesos as of March 31, 2006.

GCC consolidates the 47.02% stake in Sociedad Boliviana de Cemento, S.A. (SOBOCE) and subsidiaries in which it holds common control. The consolidation is undertaken in accordance with the proportional consolidation method set out in International Accounting Standards "Financial Reporting of Interest in Joint Ventures" (IAS 31).

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About GCC

GCC is a leading supplier of cement, aggregates, concrete and construction-related services in Mexico and the United States, and holds an interest in Bolivia's largest cement company. The Company's annual cement production capacity is 4.0 million tons.

Founded in 1941, the Company's shares trade on the Mexican Stock Exchange under the ticker symbol GCC*.

This document contains forward-looking statements relating to Grupo Cementos de Chihuahua S.A. de C.V. and subsidiaries (GCC) based upon management projections. These projections reflect GCC's opinion on future events that may be subject to a number of risks and uncertainties. Various factors may cause actual results to differ from those expressed herein, including, among others, changes in macroeconomic, political, governmental or business conditions in the markets where GCC operates; changes in interest rates, inflation rates and currency exchange rates; construction industry performance; pricing, business strategy and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. GCC assumes no obligation to update or correct the information contained in this press release.

Income Statement

(in thousands of pesos of purchasing power as of March 31, 2006)

	1Q 2006		1Q 2005		1Q06 / 1Q05
Net sales	1,212,400	100.0%	852,200	100.0%	42.3%
Domestic sales	576,000	47.5%	484,900	56.9%	18.8%
Foreign sales	636,400	52.5%	367,300	43.1%	73.3%
Cost of sales	808,800	66.7%	577,900	67.8%	40.0%
Gross income	403,600	33.3%	274,300	32.2%	47.1%
Operating expenses	148,600	12.3%	96,900	11.4%	53.4%
Operating income	255,000	21.0%	177,400	20.8%	43.7%
Financing costs					
Financial expenses	27,500	2.3%	18,900	2.2%	45.5%
Financial income	(10,900)	-0.9%	(24,300)	-2.9%	-55.1%
Monetary effect	(17,300)	-1.4%	(8,805)	-1.0%	96.5%
Exchange loss	9,100	0.8%	(800)	-0.1%	N/A
Total	8,400	0.7%	(15,005)	-1.8%	N/A
Other financial costs	44,900	3.7%	62,400	7.3%	-28.0%
Income before taxes and profit sharing	201,700	16.6%	130,005	15.3%	55.1%
Taxes and profit sharing	20,600	1.7%	1,600	0.2%	1187.5%
Net consolidated income	181,100	14.9%	128,405	15.1%	41.0%
Net income of majority interest	170,500	14.1%	128,400	15.1%	32.8%
Net income of minority interest	10,600	0.9%	5	0.0%	211900.0%
EBITDA	373,400	30.8%	275,400	32.3%	35.6%
Net financial expenses	16,600	1.4%	(5,400)	-0.6%	N/A
Free cash flow including SOBOCE	(93,066)	-7.7%	(11,099)	-1.3%	738.5%

Pro Forma Income Statement (excludes SOBOCE)

(in thousands of pesos of purchasing power as of March 31, 2006)

	1Q 2006		1Q 2005		1Q06 / 1Q05
Net sales	1,062,100	100.0%	852,200	100.0%	24.6%
Domestic sales	576,000	54.2%	484,900	56.9%	18.8%
Foreign sales	486,100	45.8%	367,300	43.1%	32.3%
Cost of sales	723,200	68.1%	577,900	67.8%	25.1%
Gross income	338,900	31.9%	274,300	32.2%	23.6%
Operating expenses	119,400	11.2%	96,900	11.4%	23.2%
Operating income	219,500	20.7%	177,400	20.8%	23.7%
Financing costs					
Financial expenses	18,300	1.7%	18,900	2.2%	-3.2%
Financial income	(8,400)	-0.8%	(24,300)	-2.9%	-65.4%
Monetary effect	(15,600)	-1.5%	(8,805)	-1.0%	77.2%
Exchange loss	9,000	0.8%	(800)	-0.1%	N/A
Total	3,300	0.3%	(15,005)	-1.8%	N/A
Other financial costs	44,800	4.2%	62,400	7.3%	-28.2%
Income before taxes and profit sharing	171,400	16.1%	130,005	15.3%	31.8%
Taxes and profit sharing	17,000	1.6%	1,600	0.2%	962.5%
Net consolidated income	154,400	14.5%	128,405	15.1%	20.2%
Net income of majority interest	154,397	14.5%	128,400	15.1%	20.2%
Net income of minority interest	3	0.0%	5	0.0%	-40.0%
EBITDA	327,000	30.8%	275,400	32.3%	18.7%
Net financial expenses	9,900	0.9%	(5,400)	-0.6%	N/A
Free cash flow including SOBOCE	(61,426)	-5.8%	(11,099)	-1.3%	453.4%

Consolidated Balance Sheet

(in thousands of pesos of purchasing power as of March 31, 2006)

	MAR 2006	MAR 2005	Variation
Total assets	11,626,500	9,999,000	16.3%
Current assets	2,650,700	3,059,400	-13.4%
<i>Cash and temporary investments</i>	551,000	1,409,900	-60.9%
Long term assets	80,400	71,200	12.9%
Fixed assets	7,566,800	6,269,100	20.7%
Other assets	1,328,600	599,300	121.7%
Total liabilities	3,923,300	3,583,200	9.5%
Current liabilities	767,100	402,500	90.6%
<i>Bank debt</i>	78,460	26,900	191.7%
<i>Domestic bonds</i>	68,040	-	
Long term liabilities	1,768,700	1,551,600	14.0%
<i>Bank debt</i>	74,831	29,800	151.1%
<i>Domestic bonds</i>	1,468,730	1,200,000	22.4%
<i>Other cost bearing liabilities</i>	225,139	321,800	-30.0%
Differed taxes	939,200	1,058,900	-11.3%
Other liabilities	448,300	570,200	-21.4%
Consolidated stockholder's equity	7,703,200	6,415,800	20.1%
Majority interest	7,472,900	6,414,250	16.5%
Minority interest	230,300	1,550	14758.1%

Pro Forma (excludes SOBOCE)

(in thousands of pesos of purchasing power as of March 31, 2006)

	MAR 2006	MAR 2005	Variation
Total assets	10,765,600	9,999,000	7.7%
Current assets	2,296,300	3,059,400	-24.9%
<i>Cash and temporary investments</i>	482,300	1,409,900	-65.8%
Long term assets	436,300	71,200	512.8%
Fixed assets	6,777,800	6,269,100	8.1%
Other assets	1,255,200	599,300	109.4%
Total liabilities	3,291,900	3,583,200	-8.1%
Current liabilities	495,800	402,500	23.2%
<i>Bank debt</i>	11,500	26,900	-57.2%
Long term liabilities	1,441,600	1,551,600	-7.1%
<i>Bank debt</i>	16,461	29,800	-44.8%
<i>Domestic bonds</i>	1,200,000	1,200,000	0.0%
<i>Other cost bearing liabilities</i>	225,139	321,800	-30.0%
Differed taxes	939,200	1,058,900	-11.3%
Other liabilities	415,300	570,200	-27.2%
Consolidated stockholder's equity	7,473,700	6,415,800	16.5%
Majority interest	7,472,900	6,414,250	16.5%
Minority interest	800	1,550	-48.4%