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## GCC REPORTS FIRST QUARTER 2007 RESULTS

### *Solid Growth in International and Domestic Sales*

Chihuahua, Chih., Mexico, April 26, 2006 – Grupo Cementos de Chihuahua S.A.B. 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, 2007.

**GCC’s successful growth strategy and continuous efforts to attain the highest levels of operating efficiency were seen in the results of the quarter, which reflected higher revenues from the new acquisitions and organic growth, a better pricing environment and greater operating efficiency.**

- Net sales in the first quarter of 2007 increased 35.6% to \$1,698.3 million pesos
- Sales in Mexico rose 27.2%, with growth in all of GCC’s product lines
- U.S. sales increased 60.0%, reflecting the integration of concrete operations acquired in the second quarter of 2006 and a better pricing environment
- Sales and administrative expenses declined by 2.1 percentage points as a percentage of sales
- Net income grew 53.5% in the first quarter

#### KEY FIGURES

	1Q 2007	1Q 2006	Var %
Net sales	1,698.3	1,252.6	35.6
Operating income	369.8	265.1	39.5
EBITDA	534.7	386.9	38.2
Net consolidated income	283.0	184.4	53.5
Free cash flow	(69.8)	(102.1)	31.6
Shares outstanding	327.3	331.8	
EPS	0.86	0.55	56.4
Net debt	5,525.2	1,439.4	
Net debt / EBITDA	2.14	0.72	

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

### **Financial Results**

**Net Sales** in the first quarter of 2007 increased 35.6% from the year ago period, totaling \$1,698.3 million pesos. This included a 42.3% increase in international sales (U.S. and Bolivia) and 27.2%

domestically. These results reflect the successful integration of acquired concrete operations in the U.S. and strong organic volume growth in Mexico. Net sales also benefited from better cement prices in the U.S. market.

In the United States, sales grew 60.0% in the quarter primarily as a result of the integration of Mid-Continent Concrete Company (MidCo), which was acquired in May of 2006. Higher cement prices in the period offset the decline in volumes resulting from a less dynamic residential housing segment.

In Mexico, the 27.2% growth in net sales was the result of greater volumes in all of GCC's product lines, due to increased sales in the housing and public works sectors, as well as higher land sales in the period.

In the first quarter of 2007, GCC's proportional share of sales in Bolivia represented 8.7% of total sales. Lower volumes in this market resulted from the completion of important highway projects, and the delay, due to adverse weather conditions, of projects that had been scheduled for this quarter.

**NET SALES** (millions of pesos)

	1Q 2007	1Q 2006	Var %
<b>Consolidated</b>	1,698.3	1,252.6	35.6
Mexico	710.9	558.7	27.2
United States	839.9	524.9	60.0
Bolivia	147.5	169.0	-12.7

**CHANGE IN SALES VOLUMES (%)**

	1Q 2007 vs. 1Q 2006
<b>Cement</b>	<b>-0.9</b>
Mexico	15.5
United States	-8.9
Bolivia	-6.8
<b>Concrete</b>	<b>121.7</b>
Mexico	44.7
United States <sup>1</sup>	1,218.3
Bolivia	-26.2
<b>Block</b>	<b>13.0</b>
<b>Aggregates</b>	<b>29.3</b>
Mexico	29.7
Bolivia	5.6

<sup>1</sup>MidCo was acquired in the second quarter of 2006.

**Cost of Sales** in the quarter was 68.2% as a percentage of sales, 1.5 percentage points greater than in the first quarter of 2006 due to the greater proportion of concrete in the sales mix, as well as an increase in depreciation from the recent U.S. acquisitions.

**Sales and Administrative Expenses** declined 2.1 percentage points as a percentage of sales, to 10.1%. This reflected the ongoing effort to reduce the Company's operating expenses. The increase in absolute terms, compared to the first quarter of 2006, was due to the integration of MidCo.

**Operating Income** rose 39.5% in the first quarter of the year to \$369.8 million pesos. This represented 21.8% of net sales, a 0.6 percentage point increase over the operating margin from the first quarter of 2006. This was due to the decrease in sales and administrative expenses, which offset the increase in the cost of sales associated with lower margins from the recently acquired ready-mix concrete operations compared to the cement business.

**Operating Cash Flow (EBITDA)** increased 38.2% in the quarter to \$534.7 million pesos primarily as a result of higher sales. EBITDA margin in the first quarter was 31.5%, compared to 30.9% in same period of 2006, an increase of 60 basis points.

The Company generated **Free Cash Flow** of (\$69.8) million pesos in the first quarter of the year, compared to (\$102.1) million pesos in the first quarter of 2006. This reflected higher EBITDA and lower antidumping duties, which were partially offset by greater net financial expenses and an increase in working capital.

**EBITDA AND FREE CASH FLOW**  
(millions of pesos)

	1Q 2007	1Q 2006	Var %
<b>Operating income</b>	369.8	265.1	39.5
Depreciation and amortization	164.9	121.8	35.4
<b>EBITDA</b>	534.7	386.9	38.2
Net financial income (expenses)	(65.9)	(18.8)	250.5
(Increase) decrease in working capital	(428.3)	(311.3)	37.6
Taxes paid	(6.3)	(36.0)	-82.4
Antidumping duties paid in cash	(3.5)	(33.1)	-89.3
Capital expenditures*	(77.7)	(75.2)	3.3
Other	(22.8)	(14.6)	56.0
<b>Free cash flow</b>	<b>(69.8)</b>	<b>(102.1)</b>	31.6

\* Excludes investments in new production capacity and acquisitions.

**Comprehensive Financing Cost** in the first quarter was \$30.2 million pesos, compared to \$10.8 million pesos in the year ago period. This was primarily due to the following factors: higher net financial expenses related to the new dollar-denominated credit facilities obtained in the second quarter of 2006, and higher FX losses due to an increase in dollar liabilities; this was partially offset by a higher monetary position.

GCC registered **Other Costs** of \$26.3 million pesos in the first quarter of 2007, a 44.9% decrease from the same quarter in 2006. This resulted from the reduction in antidumping tariffs applied to the import of Mexican cement into the U.S.

**Consolidated Net Income** rose 53.5% year over year, to \$283.0 million pesos. Net margin in the first quarter was 16.7%, 2.0 percentage points greater than in the same period of 2006.

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The Company's **Interest-Bearing Debt** increased year over year due to the new credit facilities obtained to finance the MidCo acquisition, construction of the cement plant in Pueblo, Colorado, and to amortize the domestic bond that matured in December 2006.

Short-term interest-bearing debt as of March 31, 2007 totaled \$80.6 million pesos. Long-term debt totaled \$6,160.0 million pesos.

**INTEREST-BEARING DEBT** (millions of pesos)

	<b>GCC</b>	<b>SOBOCE*</b>	<b>CONSOLIDATED</b>
<b>TOTAL</b>	<b>5,762.5</b>	<b>478.1</b>	<b>6,240.6</b>
Short-term	8.3	72.3	80.6
Long-term	5,754.2	405.8	6,160.0

\*GCC's proportional share

As of March 31, 2007, **Net Debt** totaled \$5,525.2 million pesos and the net debt to EBITDA ratio was 2.14 times.

The Company's **Total Assets** as of March 2007 totaled \$17,519.5 million pesos, an increase of 44.7% compared to the year ago period, reflecting the MidCo acquisition and capital investments in the new cement plant in Pueblo, Colorado.

### **Other Developments**

At the Ordinary General Shareholders' Meeting that took place on April 25, 2007, the payment of a cash dividend was approved in the amount of \$0.46 pesos per share, in two equal installments of \$0.23 per share, payable on May 10 and September 13, 2007, respectively.

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## Basis of Preparation of Financial Statements

All figures herein were prepared in accordance with Mexican Financial Reporting Standards, and have been restated in constant Mexican pesos with purchasing power of March 31, 2007. Unless otherwise stated, all percentage changes refer to the 2007 figures compared to those of the same period in 2006, and are expressed in real terms.

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). *Pro forma* results excluding SOBOCE are provided in the full financial statements.

## 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.B. 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 as of March 31, 2007)

	1Q 2007	%	1Q 2006	%	1Q07 / 1Q06
<b>Net sales</b>	<b>1,698,300</b>	100.0%	<b>1,252,600</b>	100.0%	35.6%
Domestic sales	710,900	41.9%	558,700	44.6%	27.2%
Foreign sales	987,400	58.1%	693,900	55.4%	42.3%
Cost of sales	1,157,500	68.2%	835,000	66.7%	38.6%
<b>Gross income</b>	<b>540,800</b>	31.8%	<b>417,600</b>	33.3%	29.5%
Operating expenses	171,000	10.1%	152,500	12.2%	12.1%
<b>Operating income</b>	<b>369,800</b>	21.8%	<b>265,100</b>	21.2%	39.5%
<b>Financing costs</b>					
Financial expenses	81,000	4.8%	29,900	2.4%	170.9%
Financial income	(15,100)	-0.9%	(11,100)	-0.9%	36.0%
Monetary effect	(60,400)	-3.6%	(17,200)	-1.4%	251.2%
Exchange loss	24,700	1.5%	9,200	0.7%	168.5%
<b>Total</b>	<b>30,200</b>	1.8%	<b>10,800</b>	0.9%	179.6%
Other financial costs	26,300	1.5%	47,700	3.8%	-44.9%
<b>Income before taxes and profit sharing</b>	<b>313,300</b>	18.4%	<b>206,600</b>	16.5%	51.6%
Taxes	30,300	1.8%	22,200	1.8%	36.5%
<b>Net consolidated income</b>	<b>283,000</b>	16.7%	<b>184,400</b>	14.7%	53.5%
Net income of majority interest	273,106	16.1%	173,400	13.8%	57.5%
Net income of minority interest	9,894	0.6%	11,000	0.9%	-10.1%
<b>Operating cash flow (EBITDA)</b>	<b>534,700</b>	31.5%	<b>386,900</b>	30.9%	38.2%
Net financial expenses	65,900	3.9%	18,800	1.5%	250.5%
Free Cash Flow	(69,808)	-4.1%	(102,100)	-8.2%	31.6%

## Pro-forma income statement\*

(in thousands of pesos as of March 31, 2007)

	1Q 2007	%	1Q 2006	%	1Q07 / 1Q06
<b>Net sales</b>	<b>1,550,800</b>	100.0%	<b>1,083,600</b>	100.0%	43.1%
Domestic sales	710,900	45.8%	558,700	51.6%	27.2%
Foreign sales	839,900	54.2%	524,900	48.4%	60.0%
Cost of sales	1,049,900	67.7%	738,200	68.1%	42.2%
<b>Gross income</b>	<b>500,900</b>	32.3%	<b>345,400</b>	31.9%	45.0%
Operating expenses	150,500	9.7%	121,000	11.2%	24.4%
<b>Operating income</b>	<b>350,400</b>	22.6%	<b>224,400</b>	20.7%	56.1%
<b>Financing costs</b>					
Financial expenses	71,100	4.6%	19,400	1.8%	266.5%
Financial income	(14,400)	-0.9%	(8,500)	-0.8%	69.4%
Monetary effect	(50,100)	-3.2%	(15,400)	-1.4%	225.3%
Exchange loss	24,700	1.6%	9,000	0.8%	174.4%
<b>Total</b>	<b>31,300</b>	2.0%	<b>4,500</b>	0.4%	595.6%
Other financial costs	26,700	1.7%	46,500	4.3%	-42.6%
<b>Income before taxes and profit sl</b>	<b>292,400</b>	18.9%	<b>173,400</b>	16.0%	68.6%
Taxes	34,200	2.2%	17,500	1.6%	95.4%
Equity in net income of associates	24,800	1.6%	28,500	2.6%	-13.0%
<b>Net consolidated income</b>	<b>283,000</b>	18.2%	<b>184,400</b>	17.0%	53.5%
Net income of majority interest	282,900	18.2%	184,396	17.0%	53.4%
Net income of minority interest	100	0.0%	4	0.0%	2400.0%
<b>Operating cash flow (EBITDA)</b>	<b>501,700</b>	32.4%	<b>333,400</b>	30.8%	50.5%
Net financial expenses	56,700	3.7%	10,900	1.0%	420.2%
Free Cash Flow	(69,004)	-4.4%	(49,779)	-4.6%	38.6%

\* The results of Sociedad Boliviana de Cemento, S.A. y Subsidiarias (SOBOCE) are included using the participation method

## Balance sheet

(in thousands of pesos as of March 31, 2007)

	MAR 2007	MAR 2006	Variation
<b>Total assets</b>	<b>17,519,500</b>	<b>12,110,400</b>	44.7%
Current assets	3,327,100	2,765,100	20.3%
<i>Cash and temporary investments</i>	715,400	573,700	24.7%
Long term assets	76,200	84,100	-9.4%
Fixed assets	10,494,900	7,881,500	33.2%
Other assets	3,621,300	1,379,700	162.5%
<b>Total liabilities</b>	<b>8,206,900</b>	<b>4,103,600</b>	100.0%
Current liabilities	875,000	807,600	8.3%
<i>Bank debt</i>	40,000	88,000	-54.5%
<i>Domestic bonds</i>	40,600	70,000	-42.0%
Long term liabilities	6,160,000	1,855,100	232.1%
<i>Bank debt</i>	3,227,170	75,100	4197.2%
<i>Domestic bonds</i>	2,932,830	1,495,700	96.1%
<i>Other cost bearing liabilities</i>	0	284,300	-100.0%
Differed taxes	992,500	976,100	1.7%
Other liabilities	179,400	464,800	-61.4%
<b>Consolidated stockholder's equity</b>	<b>9,312,600</b>	<b>8,006,800</b>	16.3%
Majority interest	9,060,000	7,766,900	16.6%
Minority interest	252,600	239,900	5.3%

## Pro-forma balance sheet\*

(in thousands of pesos as of March 31, 2007)

	MAR 2007	MAR 2006	Variation
<b>Total assets</b>	<b>16,617,300</b>	<b>11,203,300</b>	48.3%
Current assets	2,993,500	2,398,417	24.8%
<i>Cash and temporary investments</i>	657,600	499,406	31.7%
Long term assets	377,000	476,482	-20.9%
Fixed assets	9,640,800	7,028,188	37.2%
Other assets	3,606,000	1,300,213	177.3%
<b>Total liabilities</b>	<b>7,557,300</b>	<b>3,436,400</b>	119.9%
Current liabilities	692,500	529,700	30.7%
<i>Bank debt</i>	8,300	11,900	-30.3%
Long term liabilities	5,754,200	1,501,400	283.3%
<i>Bank debt</i>	2,991,700	17,100	17395.3%
<i>Domestic bonds</i>	2,762,500	1,200,000	130.2%
<i>Other cost bearing liabilities</i>	0	284,300	-100.0%
Differed taxes	973,800	976,200	-0.2%
Other liabilities	136,800	429,100	-68.1%
<b>Consolidated stockholder's equity</b>	<b>9,060,000</b>	<b>7,766,900</b>	16.6%
Majority interest	9,057,769	7,766,067	16.6%
Minority interest	2,231	833	167.8%

\* The results of Sociedad Boliviana de Cemento, S.A. y Subsidiarias (SOBOCE) are included using the participation method