

GCC REPORTS FIRST QUARTER 2012 RESULTS

Chihuahua, Chih., Mexico, May 2nd, 2012 – Grupo Cementos de Chihuahua, S.A.B. de C.V. (“GCC” or the “Company”) (BMV: GCC*), a leading cement and concrete producer in markets in Mexico and the United States, today announced consolidated results for the quarter ended March 31, 2012.

HIGHLIGHTS OF THE QUARTER

- Sales showed a strong increase of 35.2% compared to the first quarter of 2011, totaling \$1,492.3 million pesos.
- EBITDA increased 144.2% to \$223.5 million pesos in the first quarter of 2012, compared to the same period of 2011.
- Operating income increased to \$14.0 million pesos compared to a loss of \$137.5 million pesos for the same period of 2011.
- Sales volumes of cement and concrete in Mexico increased 14.6% and 51.2% respectively, compared to the same period of last year.
- Cement and concrete sales volumes increased 34.8% and 50.2% in the United States.

KEY FIGURES (millions of pesos)

	1Q12	1Q11	1Q12 vs 1Q11
Net Sales	1,492.3	1,103.8	35.2%
Operating Income	14.0	(137.5)	N/A
EBITDA	223.5	91.5	144.2%
Consolidated Net Income	(109.4)	(229.8)	-52.4%

EBITDA: operating income + depreciation and amortization

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Beginning on the first quarter of 2012, GCC starts the adoption of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) until March 31, 2012, as its standards basis for the preparation and presentation of its financial statements, therefore, the condensed not audited financial statements attached to this report, have been prepared under such standards basis.

As long as these quarterly financial statements are part of the first yearly financial statements ending on December 31, 2012, that GCC will prepare and present under IFRS, the company is following the IFRS 1 “First time adoption of International Financial Reporting Standards” that establishes the application of some mandatory exceptions and certain optional exemptions. The exceptions applied by GCC are disclosed in the complementary notes to the financial statements attached to this report.

The main policies and accounting criteria utilized in the preparation and presentation of this report, and the reconciliation to IFRS of the financial figures reported to the Mexican Stock Exchange in the first quarter of 2011 under Mexican Financial Reporting Standards, are disclosed in the complementary notes to the financial statements attached to this report.

FINANCIAL RESULTS

Net Sales in the first quarter of 2012 totaled \$1,492.3 million pesos, a 35.2% increase over the same period of last year, as a result of strong volume growth and a better pricing scenario in Mexico and the United States.

In Mexico sales totaled \$601.2 million pesos, a 17.4% increase with respect to total sales of \$512.2 million pesos of the first quarter of 2011. This is a result of double digit increases in cement and ready mix volumes, along with a more positive pricing scenario for these products. Favorable weather conditions allowed the continuity of public infrastructure projects and construction activity in the industrial, commercial and, in a lower scale, residential sectors. The mining industry continued propelling the sale of specialty cements.

In the United States, sales in pesos increased 50.6% totaling \$891.1 million pesos, reflecting higher cement and concrete sales volumes, mainly in the northern regions of the country where GCC has a presence, alongside a better pricing scenario for both cement and concrete markets. Less severe winter conditions positively contributed to an increased construction activity in the first quarter of 2012. Additionally, peso depreciation against the US dollar had a positive impact on sales when converted to pesos. Sales in dollar terms increased 39.9% versus the first quarter of 2011.

NET SALES (millions of pesos)

	1Q12	1Q11	1Q12 vs 1Q11
Consolidated	1,492.3	1,103.8	35.2%
United States	891.1	591.6	50.6%
Mexico	601.2	512.2	17.4%

NET SALES (millions of dollars)

	1Q12	1Q11	1Q12 vs 1Q11
Consolidated	114.8	91.4	25.6%
United States	68.5	49.0	39.9%
Mexico	46.3	42.4	9.1%

VARIATION IN SALES VOLUMES (%)

	1Q12 vs 1Q11
Cement	26.0%
Concrete	50.7%
Block	6.1%
Aggregates	40.3%

Cost of Sales in the first quarter of the year was \$1,284.1 million pesos and represented 86.0% of sales compared to 96% during the first quarter of 2011. Cost of sales, as a percentage of sales, decreased ten percentage points reflecting a strong sales increase.

Selling, General and Administrative Expenses in the first quarter of 2012 were \$194.3 million pesos, 6.7% higher than the same quarter of last year. This increase was caused by the effect of a 7.7% depreciation of the peso against the US dollar. As a percentage of sales, selling, general and administrative expenses decreased 3.5% compared to the first quarter of 2011, declining from 16.5% to 13.0%.

Operating Income in the first quarter of 2012 totaled \$14.0 million pesos, reflecting a better performance compared with a loss of \$137.5 million pesos for the same period of last year.

EBITDA in the first quarter of the year totaled \$223.5 million pesos, increasing 144.2% compared with the first quarter of 2011, as a result of higher sales. EBITDA margin increased 6.7 percentage points, from 8.3% in the first quarter of 2011 to 15.0% this quarter.

GCC registered **Other Expenses** of \$4.2 million pesos in the first quarter of 2012, a 71.3% reduction over the same period of last year.

Comprehensive Financing Result in the first quarter of the year was a cost of \$125.2 million pesos, a 0.6% decrease compared to the cost registered in the same period of last year. The result reflects a 9.3% decrease of financial expenses due to the important debt reduction, offset by 7.7% peso depreciation and a slightly lower financial income.

The first quarter of 2012 results show a **Consolidated Net Loss** of \$109.4 million pesos, an improvement of 52.4% compared to a consolidated net loss of \$229.8 million pesos in the same quarter of 2011.

Free Cash Flow in the first quarter of 2012 was (\$211.0) million pesos, compared to (\$271.3) million pesos for the same period of last year. This variation was primarily the result of a combination of the following: higher EBITDA, a slight reduction of financial expenses, increase in capital expenditures and a lower release of working capital originated from an increase of inventories, less than expected reduction in accounts receivable and a reduction in accounts payable.

EBITDA AND FREE CASH FLOW (millions of pesos)

	1Q12	1Q11	Var
Operating Income	14.0	(137.5)	N/A
Depreciation and amortization	209.6	229.0	-8.5%
EBITDA	223.5	91.5	144.2%
Interest income (expense)	(112.3)	(124.1)	-9.5%
(Increase) Decrease in working capital	(239.8)	(168.9)	42.0%
Taxes	0.0	0.0	N/A
Capital expenditures*	(78.2)	(55.1)	41.9%
Other	(4.2)	(14.7)	-71.3%
Free cash flow	(211.0)	(271.3)	-22.2%

* Excludes investments in new production capacity and acquisition

GCC's **Interest-Bearing Debt** in pesos as of March 31, 2012 was \$6,857.3 million pesos, a decrease of 10.4% compared to March 31, 2011. In dollar terms, GCC's debt decreased 16.2%, from \$639.2 million dollars as of March 31, 2011, to \$535.5 million dollars as of March 31, 2012. Net debt totaled \$6,077.0 million pesos.

Since May 27, 2010, which was the closing date of the renegotiation of the Company's debt, GCC has made significant efforts to reduce its outstanding amount of debt by \$203.0 million dollars. This translates to a decrease of 27.5% of its total debt and 44.7% of its bank debt.

INTEREST-BEARING DEBT (millions of pesos)

GCC	
TOTAL	6,857.3
Short term	668.7
Long term	6,188.6

GCC's **Total Assets** as of March 31, 2012 were \$21,285.8 million pesos, 7.6% less than assets as of March 2011, a reduction originated mostly by the effect of the sale of SOBOCE.

As ordered by the laws regulating the Mexican Stock Exchange and its participants, GCC informs to the public that the analysis of the Company's performance is covered by GBM Casa de Bolsa, and Acciones y Valores Banamex, Casa de Bolsa.

BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

All figures herein were prepared in accordance with International Financial Reporting Standards, and are expressed in Mexican pesos. Unless otherwise stated, all percentage changes refer to the 2012 figures compared to those of 2011.

About GCC

GCC is a leading supplier of cement, aggregates, concrete and construction-related services in Mexico and the United States. The Company has annual cement production capacity of 4.6 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

(Thousands of pesos)

	1Q 2012	%	1Q 2011	%	1Q12 / 1Q11
Net sales	1,492,300	100.0%	1,103,792	100.0%	35.2%
Mexico sales	601,237	40.3%	512,206	46.4%	17.4%
U.S.A. sales	891,063	59.7%	591,586	53.6%	50.6%
Cost of sales	1,284,094	86.0%	1,059,119	96.0%	21.2%
Gross income	208,206	14.0%	44,673	4.0%	366.1%
Operating expenses	194,254	13.0%	182,139	16.5%	6.7%
Operating income	13,952	0.9%	(137,466)	-12.5%	N/A
Other (income) and expenses	4,228	0.3%	14,739	1.3%	-71.3%
Financing costs					
Financial expenses	(118,212)	-7.9%	(130,309)	-11.8%	-9.3%
Restructuring costs	(0)	0.0%	(0)	0.0%	-85.5%
Financial income	5,941	0.4%	6,254	0.6%	-5.0%
Exchange loss	(12,935)	-0.9%	(1,969)	-0.2%	556.9%
Total	(125,206)	-8.4%	(126,025)	-11.4%	-0.6%
Income before taxes	(115,482)	-7.7%	(278,229)	-25.2%	-58.5%
Income taxes	(6,044)	-0.4%	(36,845)	-3.3%	-83.6%
Income before discontinued operations	(109,438)	-7.3%	(241,384)	-21.9%	-54.7%
Discontinued operations	-	0.0%	11,546	1.0%	-100.0%
Net consolidated income	(109,438)	-7.3%	(229,838)	-20.8%	-52.4%
Net income of majority interest	(109,316)	-7.3%	(229,740)	-20.8%	-52.4%
Net income of minority interest	(122)	0.0%	(98)	0.0%	23.6%
EBITDA	223,531	15.0%	91,521	8.3%	144.2%
Net financial expenses	(112,271)	-7.5%	(124,055)	-11.2%	-9.5%
Free cash flow	(210,970)	-14.1%	(271,273)	-24.6%	-22.2%

Balance Sheet

(Thousands of pesos)

	March 2012	March 2011	Variation
Total assets	21,285,789	23,047,946	-7.6%
Current assets	3,847,419	3,847,256	0.0%
<i>Cash and temporary investments</i>	780,283	728,514	7.1%
Long term assets	4,568,809	5,113,976	-10.7%
Fixed assets	12,331,048	12,616,525	-2.3%
Other assets	538,514	1,470,188	-63.4%
Total liabilities	9,129,994	11,411,356	-20.0%
Current liabilities	1,581,448	1,993,500	-20.7%
<i>Bank debt</i>	665,803	897,671	-25.8%
<i>Other cost bearing liabilities</i>	2,941	7,905	-62.8%
Long term liabilities	6,885,717	7,878,905	-12.6%
<i>Bank debt</i>	2,554,378	3,345,376	-23.6%
<i>Domestic bonds</i>	3,631,780	3,394,624	7.0%
<i>Other cost bearing liabilities</i>	2,391	4,939	-51.6%
Differed taxes	594,808	1,481,372	-59.8%
Other liabilities	68,022	57,580	18.1%
Consolidated stockholder's equity	12,155,796	11,636,590	4.5%
Majority interest	12,152,617	11,633,479	4.5%
Minority interest	3,179	3,110	2.2%

Income Statement

(Thousands of dollars)

	1Q 2012	%	1Q 2011	%	1Q12 / 1Q11
Net sales	114,822	100.0%	91,387	100.0%	25.6%
Mexico sales	46,287	40.3%	42,407	46.4%	9.1%
U.S.A. sales	68,536	59.7%	48,980	53.6%	39.9%
Cost of sales	98,791	86.0%	87,688	96.0%	12.7%
Gross income	16,031	14.0%	3,699	4.0%	333.4%
Operating expenses	14,963	13.0%	15,080	16.5%	-0.8%
Operating income	1,068	0.9%	(11,381)	-12.5%	N/A
Other (income) and expenses	326	0.3%	1,220	1.3%	-73.3%
Financing costs					
Financial expenses	(9,270)	-8.1%	(10,789)	-11.8%	-14.1%
Restructuring costs	-	0.0%	(0)	0.0%	N/A
Financial income	711	0.6%	518	0.6%	37.3%
Exchange loss	(976)	-0.8%	(163)	-0.2%	498.6%
Total	(9,535)	-8.3%	(10,434)	-11.4%	-8.6%
Income before taxes	(8,792)	-7.7%	(23,036)	-25.2%	-61.8%
Income taxes	(455)	-0.4%	(3,051)	-3.3%	-85.1%
Income before discontinued operations	(8,338)	-7.3%	(19,985)	-21.9%	-58.3%
Discontinued operations	-	0.0%	956	1.0%	-100.0%
Net consolidated income	(8,338)	-7.3%	(19,029)	-20.8%	-56.2%
EBITDA	17,189	15.0%	7,577	8.3%	126.8%