

GCC REPORTS SECOND QUARTER 2012 RESULTS

Chihuahua, Chih., Mexico, July 27th, 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 June 30, 2012.

HIGHLIGHTS OF THE QUARTER

- Cement and ready mix sales volumes increased 24.5% and 7.7% respectively, in the United States of America.
- Sales showed a strong increase of 23.3% compared to the second quarter of 2011.
- EBITDA increased 35.7% with respect to the same period of 2011.
- Operating income increased 100.6% compared to the same quarter of 2011.

KEY FIGURES (millions of pesos)

	2Q12	2Q11	2Q12 vs 2Q11	6M12	6M11	6M12 vs 6M11
Net Sales	2,284.4	1,853.2	23.3%	3,776.7	2,957.0	27.7%
Operating Income	236.0	117.7	100.6%	250.0	(19.8)	1363.1%
EBITDA	446.2	328.8	35.7%	669.7	420.3	59.3%
Consolidated Net Income	213.6	(28.5)	849.8%	104.2	(258.3)	140.3%

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 June 30, 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 second

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 second quarter of 2012 totaled \$2,284.4 million pesos, a 23.3% increase over the same period of last year, as a result of double digit growth in cement volumes and single digit growth in ready mix volumes in the United States, a better pricing scenario in Mexico and the United States and the effect of the peso depreciation against the U.S. dollar.

In Mexico sales totaled \$669.5 million pesos, a 1.6% increase with respect to the second quarter of 2011. This is a result of a more positive pricing scenario for cement and ready mix. Additionally, ready mix, concrete blocks and aggregates volumes showed an increase.

In the United States, sales in pesos increased 35.2% totaling \$1,614.8 million pesos, as a combination of: double digit increase in cement volumes and an important increase in ready mix volumes, a better pricing environment and the effect of the peso depreciation. Sales in dollar terms increased 17.9% versus the second quarter of 2011. Sales increases were present in all regions where GCC has a presence, mainly due to the dynamism of the private construction sector, led by the residential segment along with the industrial and commercial segments.

Consolidated net sales in the first half of 2012 totaled \$3,776.7 million pesos, increasing 27.7% with respect to the same period of last year, primarily due to the following factors: double digit growth in sales volumes of all GCC products, as a result of enhanced activity since the beginning of the year due to a milder winter, which allowed an earlier start-up of projects in the United States, in addition to the ongoing infrastructure projects in Mexico and a better pricing environment in both countries. The peso depreciation against the U.S. dollar had a positive impact on sales when converted to pesos.

NET SALES (millions of pesos)

	2Q12	2Q11	2Q12 vs 2Q11	6M12	6M11	6M12 vs 6M11
Consolidated	2,284.4	1,853.2	23.3%	3,776.7	2,957.0	27.7%
United States	1,614.8	1,194.0	35.2%	2,505.9	1,785.6	40.3%
Mexico	669.5	659.2	1.6%	1,270.8	1,171.4	8.5%

NET SALES (millions of dollars)

	2Q12	2Q11	2Q12 vs 2Q11	6M12	6M11	6M12 vs 6M11
Consolidated	168.3	156.9	7.2%	283.1	248.3	14.0%
United States	119.0	101.0	17.9%	187.6	150.0	25.1%
Mexico	49.3	56.0	-12.0%	95.5	98.4	-2.9%

VARIATION IN SALES VOLUMES (%)

	2Q12 vs 2Q11	6M12 vs 6M11
Cement	14.8%	19.0%
Concrete	5.4%	19.9%
Block	30.5%	17.5%
Aggregates	6.0%	20.1%

Cost of Sales in the second quarter of the year was \$1,852.0 million pesos and represented 81.1% of sales, a slight decrease of 0.3% as a result of a combination of a better pricing scenario and an increase in freights especially in the United States.

During 2012 first semester, cost of sales as a percentage of sales represented 83.0%, which denoted a decrease of 3.8 points versus the first half of 2011. This significant reduction is the consequence of a higher level of sales, resulting of enhanced volumes and prices in Mexico and United States.

Selling, General and Administrative Expenses in the second quarter of 2012 were \$196.3 million pesos, 13.5% lower than the \$227.0 million pesos registered in the same quarter of last year. This decrease was the result of lower expenses in the in the United States, despite the peso depreciation against U.S. dollar. The first half of 2012 showed a 4.5% reduction compared to the same period of 2011. As a percentage of sales, selling, general and administrative expenses decreased 3.5%.

Operating Income in the second quarter of 2012 arose to \$236.0 million pesos, 100.6% superior to the income obtained in the same period of last year of \$117.7 million pesos. This increase is the result of higher sales, lower variable and fixed costs and selling, general and administrative expenses. The accumulated operating income in the first six months of 2012 ascended to \$250.0 million pesos, reflecting a significant improvement and total reversion of the negative result of \$19.8 million pesos obtained during the first half of 2011.

EBITDA in the second quarter of the year totaled \$446.2 million pesos, increasing 37.5% compared with the second quarter of 2011. EBITDA margin as a percentage of sales was 19.5%, 1.8 percentage points superior to the 17.7% margin obtained in 2011. In the first semester of 2012 the accumulated EBITDA was \$669.7 million pesos, with a margin of 17.7% over sales, 3.5% higher than the obtained in the first semester of 2011 of 14.2%.

GCC registered **Other Expenses** of \$19.5 million pesos in the second quarter of 2012, a 15.6% reduction over the same period of last year. During first half of 2012 accumulated expenses ascended to \$23.8 million pesos, 37.2% lower than the registered in the first six months of 2011.

Comprehensive Financing Result registered in the second quarter of the present year was an expense of \$115.2 million pesos, which diminished 0.7% compared to the expense registered in the same quarter of last year. This decrease is the result of a combination of the following factors: financial expenses reduction of 3.4% mainly due to a lower level of debt, the 15.2% peso depreciation against U.S. dollar

and a 36.1% increase of financial products. During the first semester of 2012, the comprehensive financing result ascended to \$240.4 million pesos decreasing 0.7% compared with the same period of 2011. This decrease is the consequence of debt reduction, despite of the peso depreciation against the U.S. dollar accumulated in the year of 11.4%.

During the second quarter of 2012 a benefit was determined in the **Deferred Income Taxes** for an amount of \$112.3 million pesos, taking into consideration the tax deductible temporary items estimated as of June 30, 2012. Such benefit totals \$118.4 million pesos for the first six months of 2012.

As a result of operating performance improvement and the benefit obtained by the deferred income taxes, the **Net Consolidated Income** registered in the second quarter of 2012 was \$213.6 million pesos, which represents an increase of 849.8% in comparison with the \$28.5 million pesos loss registered in the same period of 2011. During the first half of 2012 the net consolidated income was \$104.2 million pesos, amount favorably compared with the \$258.3 million pesos loss obtained in the same period of 2011.

Free Cash Flow generated in the second quarter of 2012 was \$155.9 million pesos, which is positively compared to the negative flow of \$94.7 million pesos for the same period of last year. This variation was primarily the result of a combination of the following factors: higher EBITDA, a slight decrease of financial expenses, increase of capital investments and a significant decrease of working capital investment as the result of lower levels of inventory and an improved performance of the accounts receivable compared to the same period of 2011. During the first semester of 2012 a negative flow of \$55.1 million pesos was registered, which compares favorably to the negative flow registered in the first semester of 2011 for \$366.0 million pesos. The substantial improvement in free cash flow during the first semester of 2012 was the result of better operating results including an important reduction of working capital investment of 40.4% compared with the first semester of 2011.

EBITDA AND FREE CASH FLOW (millions of pesos)

	2Q12	2Q11	Var	6M12	6M11	Var
Operating Income	236.0	117.7	100.6%	250.0	(19.8)	1363.1%
Depreciation and amortization	210.1	211.1	-0.5%	419.7	440.1	-4.6%
EBITDA	446.2	328.8	35.7%	669.7	420.3	59.3%
Interest income (expense)	(115.5)	(121.3)	4.8%	(227.7)	(245.3)	7.2%
(Increase) Decrease in working capital	(12.4)	(254.1)	95.1%	(252.2)	(422.9)	40.4%
Taxes	0.0	0.0	0.0%	0.0	0.0	0.0%
Capital expenditures*	(142.9)	(25.0)	-471.6%	(221.1)	(80.1)	-176.0%
Other	(19.6)	(23.2)	15.6%	(23.8)	(37.9)	37.2%
Free cash flow	155.9	(94.7)	264.6%	(55.1)	(366.0)	85.0%

* Excludes investments in new production capacity and acquisition

GCC's **Interest-Bearing Debt** in dollars decreased 13.5%, from \$619.0 million dollars to \$535.5 million dollars as of June 30, 2012. Debt in pesos as of the second quarter of 2012 totaled \$7,317.5 million pesos, which represents a slight reduction of 0.2% compared to the outstanding debt as of June 30, 2011, caused by the effect of the peso depreciation against the U.S. dollar.

Net debt as of June 30, 2012 was \$6,339.6 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	7,317.5
Short term	1,054.5
Long term	6,263.0

GCC's **Total Assets** as of June 30, 2012 were \$22,987.0 million pesos, 0.5% higher than assets as of June 2011, reflecting a higher cash flow resulting from sales increase primarily in the United States.

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.

OTHER EVENTS

On June 29th, 2012 GCC and its creditors signed a waiver of the provisions relating to the obligation of maintaining certain leverage ratio and interest coverage ratio, for the quarters closing on June 30, 2012 and September 30, 2012.

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)

	2Q 2012	%	2Q 2011	%	2Q12 / 2Q11
Net sales	2,284,351	100.0%	1,853,184	100.0%	23.3%
Mexico sales	669,538	29.3%	659,170	35.6%	1.6%
U.S.A. sales	1,614,813	70.7%	1,194,014	64.4%	35.2%
Cost of sales	1,852,024	81.1%	1,508,554	81.4%	22.8%
Gross income	432,327	18.9%	344,630	18.6%	25.4%
Operating expenses	196,286	8.6%	226,956	12.2%	-13.5%
Operating income	236,041	10.3%	117,674	6.3%	100.6%
Other (income) and expenses	19,550	0.9%	23,151	1.2%	-15.6%
Financing costs					
Financial expenses	(121,467)	-5.3%	(125,685)	-6.8%	3.4%
Financial income	5,992	0.3%	4,404	0.2%	36.1%
Exchange loss	287	0.0%	5,294	0.3%	-94.6%
Total	(115,187)	-5.0%	(115,987)	-6.3%	0.7%
Income before taxes	101,304	4.4%	(21,464)	-1.2%	572.0%
Income taxes	(112,331)	-4.9%	20,624	1.1%	-644.7%
Income before discontinued operations	213,635	9.4%	(42,088)	-2.3%	607.6%
Discontinued operations	-	0.0%	13,596	0.7%	-100.0%
Net consolidated income	213,635	9.4%	(28,492)	-1.5%	849.8%
Net income of majority interest	213,517	9.3%	(28,542)	-1.5%	848.1%
Net income of minority interest	118	0.0%	49	0.0%	139.1%
EBITDA	446,186	19.5%	328,785	17.7%	35.7%
Net financial expenses	(115,474)	-5.1%	(121,281)	-6.5%	4.8%
Free cash flow	155,902	6.8%	(94,726)	-5.1%	264.6%

Cumulative Income Statement to June 30

(Thousands of pesos)

	2012	%	2011	%	2012 / 2011
Net sales	3,776,651	100.0%	2,956,976	100.0%	27.7%
Mexico sales	1,270,775	33.6%	1,171,376	39.6%	8.5%
U.S.A. sales	2,505,877	66.4%	1,785,600	60.4%	40.3%
Cost of sales	3,136,118	83.0%	2,567,673	86.8%	22.1%
Gross income	640,533	17.0%	389,303	13.2%	64.5%
Operating expenses	390,540	10.3%	409,095	13.8%	-4.5%
Operating income	249,993	6.6%	(19,792)	-0.7%	1363.1%
Other (income) and expenses	23,778	0.6%	37,890	1.3%	-37.2%
Financing costs					
Financial expenses	(239,679)	-6.3%	(255,995)	-8.7%	6.4%
Financial income	11,934	0.3%	10,659	0.4%	12.0%
Exchange loss	(12,648)	-0.3%	3,325	0.1%	-480.4%
Total	(240,393)	-6.4%	(242,011)	-8.2%	0.7%
Income before taxes	(14,178)	-0.4%	(299,694)	-10.1%	95.3%
Income taxes	(118,375)	-3.1%	(16,222)	-0.5%	-629.7%
Income before discontinued operations	104,197	2.8%	(283,472)	-9.6%	136.8%
Discontinued operations	-	0.0%	25,142	0.9%	-100.0%
Net consolidated income	104,197	2.8%	(258,330)	-8.7%	140.3%
Net income of majority interest	104,201	2.8%	(258,281)	-8.7%	140.3%
Net income of minority interest	(3)	0.0%	(49)	0.0%	92.9%
EBITDA	669,717	17.7%	420,306	14.2%	59.3%
Net financial expenses	(227,746)	-6.0%	(245,336)	-8.3%	7.2%
Free cash flow	(55,068)	-1.5%	(365,959)	-12.4%	85.0%

2012 Income Statement

(Thousands of pesos)

	1Q 2012	%	2Q 2012	%	2012
Net sales	1,492,300	100.0%	2,284,351	100.0%	3,776,651
Mexico sales	601,237	40.3%	669,538	29.3%	1,270,775
U.S.A. sales	891,063	59.7%	1,614,813	70.7%	2,505,877
Cost of sales	1,284,094	86.0%	1,852,024	81.1%	3,136,118
Gross income	208,206	14.0%	432,327	18.9%	640,533
Operating expenses	194,254	13.0%	196,286	8.6%	390,540
Operating income	13,952	0.9%	236,041	10.3%	249,993
Other (income) and expenses	4,228	0.3%	19,550	0.9%	23,778
Financing costs					
Financial expenses	(118,212)	-7.9%	(121,467)	-5.3%	(239,679)
Financial income	5,941	0.4%	5,992	0.3%	11,934
Exchange loss	(12,935)	-0.9%	287	0.0%	(12,648)
Total	(125,206)	-8.4%	(115,187)	-5.0%	(240,393)
Income before taxes	(115,482)	-7.7%	101,304	4.4%	(14,178)
Income taxes	(6,044)	-0.4%	(112,331)	-4.9%	(118,375)
Income before discontinued operations	(109,438)	-7.3%	213,635	9.4%	104,197
Discontinued operations	-	0.0%	-	0.0%	-
Net consolidated income	(109,438)	-7.3%	213,635	9.4%	104,197
Net income of majority interest	(109,316)	-7.3%	213,517	9.3%	104,201
Net income of minority interest	(122)	0.0%	118	0.0%	(3)
EBITDA	223,531	15.0%	446,186	19.5%	669,717

2011 Income Statement

(Thousands of pesos)

	1Q 2011		2Q 2011		2011
Net sales	1,103,792	100.0%	1,853,184	100.0%	2,956,976
Mexico sales	512,206	46.4%	659,170	35.6%	1,171,376
U.S.A. sales	591,586	53.6%	1,194,014	64.4%	1,785,600
Cost of sales	1,059,119	96.0%	1,508,554	81.4%	2,567,673
Gross income	44,673	4.0%	344,630	18.6%	389,303
Operating expenses	182,139	16.5%	226,956	12.2%	409,095
Operating income	(137,466)	-12.5%	117,674	6.3%	(19,792)
Other (income) and expenses	14,739	1.3%	23,151	1.2%	37,890
Financing costs					
Financial expenses	(130,309)	-11.8%	(125,685)	-6.8%	(255,995)
Financial income	6,254	0.6%	4,404	0.2%	10,659
Exchange loss	(1,969)	-0.2%	5,294	0.3%	3,324
Total	(126,025)	-11.4%	(115,987)	-6.3%	(242,011)
Income before taxes	(278,229)	-25.2%	(21,464)	-1.2%	(299,694)
Income taxes	(36,845)	-3.3%	20,624	1.1%	(16,222)
Income before discontinued operations	(241,384)	-21.9%	(42,088)	-2.3%	(283,472)
Discontinued operations	11,546	1.0%	13,596	0.7%	25,142
Net consolidated income	(229,838)	-20.8%	(28,492)	-1.5%	(258,330)
Net income of majority interest	(229,740)	-20.8%	(28,542)	-1.5%	(258,281)
Net income of minority interest	(98)	0.0%	49	0.0%	(49)
EBITDA	91,521	8.3%	328,785	17.7%	420,306

Balance Sheet

(Thousands of pesos)

	June 2012	June 2011	Variation
Total assets	22,987,025	22,871,776	0.5%
Current assets	4,344,265	3,968,436	9.5%
<i>Cash and temporary investments</i>	977,814	451,437	116.6%
Long term assets	5,309,414	4,982,691	6.6%
Fixed assets	12,803,336	12,259,280	4.4%
Other assets	530,009	1,661,369	-68.1%
Total liabilities	10,007,510	11,287,169	-11.3%
Current liabilities	2,236,760	2,307,030	-3.0%
<i>Bank debt</i>	1,052,220	891,900	18.0%
<i>Other cost bearing liabilities</i>	2,234	7,800	-71.4%
Long term liabilities	6,980,878	7,460,765	-6.4%
<i>Bank debt</i>	2,384,577	3,057,780	-22.0%
<i>Domestic bonds</i>	3,876,085	3,358,100	15.4%
<i>Other cost bearing liabilities</i>	2,346	2,700	-13.1%
Differed taxes	717,888	1,420,798	-49.5%
Other liabilities	71,983	98,576	-27.0%
Consolidated stockholder's equity	12,979,515	11,584,606	12.0%
Majority interest	12,976,175	11,581,461	12.0%
Minority interest	3,340	3,145	6.2%

Income Statement

(Thousands of dollars)

	2Q 2012	%	2Q 2011	%	2Q12 / 2Q11
Net sales	168,279	100.0%	156,942	100.0%	7.2%
Mexico sales	49,263	29.3%	55,966	35.7%	-12.0%
U.S.A. sales	119,016	70.7%	100,976	64.3%	17.9%
Cost of sales	136,725	81.2%	127,946	81.5%	6.9%
Gross income	31,554	18.8%	28,995	18.5%	8.8%
Operating expenses	14,517	8.6%	19,276	12.3%	-24.7%
Operating income	17,037	10.1%	9,719	6.2%	75.3%
Other (income) and expenses	1,438	0.9%	1,962	1.2%	-26.7%
Financing costs					
Financial expenses	(8,739)	-5.2%	(10,710)	-6.8%	18.4%
Financial income	199	0.1%	377	0.2%	-47.2%
Exchange loss	63	0.0%	442	0.3%	-85.7%
Total	(8,476)	-5.0%	(9,890)	-6.3%	14.3%
Income before taxes	7,123	4.2%	(2,133)	-1.4%	434.0%
Income taxes	(8,258)	-4.9%	1,688	1.1%	-589.2%
Income before discontinued operations	15,381	9.1%	(3,821)	-2.4%	502.5%
Discontinued operations	-	0.0%	1,156	0.7%	-100.0%
Net consolidated income	15,381	9.1%	(2,666)	-1.7%	677.0%
EBITDA	32,584	19.4%	27,720	17.7%	17.5%

Cumulative Income Statement to June 30

(Thousands of dollars)

	2012	%	2011	%	2012 / 2011
Net sales	283,101	100.0%	248,329	100.0%	14.0%
Mexico sales	95,549	33.8%	98,373	39.6%	-2.9%
U.S.A. sales	187,552	66.2%	149,956	60.4%	25.1%
Cost of sales	235,516	83.2%	215,635	86.8%	9.2%
Gross income	47,585	16.8%	32,694	13.2%	45.5%
Operating expenses	29,480	10.4%	34,356	13.8%	-14.2%
Operating income	18,105	6.4%	(1,662)	-0.7%	1189.2%
Other (income) and expenses	1,764	0.6%	3,182	1.3%	-44.6%
Financing costs					
Financial expenses	(18,008)	-6.4%	(21,499)	-8.7%	16.2%
Financial income	910	0.3%	895	0.4%	1.7%
Exchange loss	(913)	-0.3%	279	0.1%	-426.9%
Total	(18,011)	-6.4%	(20,324)	-8.2%	11.4%
Income before taxes	(1,669)	-0.6%	(25,168)	-10.1%	93.4%
Income taxes	(8,713)	-3.1%	(1,362)	-0.5%	-539.6%
Income before discontinued operations	7,044	2.5%	(23,806)	-9.6%	129.6%
Discontinued operations	-	0.0%	2,111	0.9%	-100.0%
Net consolidated income	7,044	2.5%	(21,695)	-8.7%	132.5%
EBITDA	49,773	17.6%	35,298	14.2%	41.0%