

Edgar Filing: CEMEX SA DE CV - Form 6-K

CEMEX SA DE CV
Form 6-K
October 24, 2005

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 or 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: October 21, 2005

CEMEX, S.A. de C.V.

(Exact name of Registrant as specified in its charter)

CEMEX Corp.

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

Av. Ricardo Margain Zozaya #325, Colonia Valle del Campestre
Garza Garcia, Nuevo Leon, Mexico 66265

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of
1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant
in connection with Rule 12g3-2(b):

N/A

=====

Contents

Edgar Filing: CEMEX SA DE CV - Form 6-K

1. Press release, dated October 21, 2005, announcing CEMEX's results for the third quarter of 2005 (attached hereto as exhibit 1).
2. CEMEX's 2005 third quarter earnings report (attached hereto as exhibit 2).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, CEMEX, S.A. de C.V. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CEMEX, S.A. de C.V.

(Registrant)

Date: October 21, 2005

By: /s/ Rafael Garza

Name: Rafael Garza
Title: Chief Comptroller

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
1.	Press release, dated October 21, 2005, announcing CEMEX's results for the third quarter of 2005.
2.	CEMEX's 2005 third quarter earnings report.

Exhibit 1

Media Relations
Jorge Perez
(52 81) 8888-4334

Investor Relations
Abraham Rodriguez
(52 81) 8888-4262

Analyst Relations
Ricardo Sales
(212) 317-6008

CEMEX
Building the futures(TM)
[Logo Graphic Omitted]

CEMEX'S THIRD QUARTER 2005 SALES INCREASE 110%;

Edgar Filing: CEMEX SA DE CV - Form 6-K

OPERATING INCOME UP 56%

MONTERREY, MEXICO, October 21, 2005 - CEMEX, S.A. de C.V. (NYSE: CX) announced today that consolidated net sales in the third quarter of 2005 grew 110% to US\$4.3 billion compared to the same quarter of 2004. This increase is primarily a result of the effect of the incorporation of RMC into CEMEX's consolidated results.

CEMEX Consolidated Third-Quarter Financial and Operational Highlights

- o Sales increased in the majority of CEMEX's markets due to higher cement, ready mix and aggregates volume. Infrastructure spending remains one of the main drivers of cement and ready-mix demand throughout CEMEX's markets, as was residential construction, driven largely by the prevailing low interest rate environment worldwide.
- o CEMEX's consolidated cement volume increased 27% to 22 million metric tons, while consolidated ready-mix volume grew 225% to 20.2 million cubic meters. The Company's consolidated aggregates volume increased 289% to 48 million metric tons, over the third quarter of 2004.
- o Operating income for the third quarter increased 56% to US\$771 million.
- o Free cash flow was US\$679 million, up 51% versus US\$451 million in the same quarter of 2004.
- o EBITDA (operating income plus depreciation and amortization) increased to US\$1 billion, up 54% over the third quarter of 2004, mainly due to the acquisition of RMC.

Hector Medina, Executive Vice President of Planning and Finance, said: "Our business showed continued strength in the third-quarter as we achieved significant increases in net sales and operating income. The results for the quarter reflect continued underlying growth in our core markets, as well as contributions from the recently integrated RMC operations. We are pleased to report the achievement of a 2.6 times net debt to EBITDA ratio only seven months after we completed the acquisition of RMC, one quarter ahead of schedule."

Consolidated Corporate Results

Cost of goods sold and selling, general, and administrative expenses (SG&A) increased 117% and 155%, respectively, versus the third quarter of 2004 due mainly to the acquisition of RMC.

Majority net income for the third quarter of 2005 rose 87%, to US\$675 million from US\$361 million in third quarter of 2004, and has increased 99% during the first nine months of 2005, reaching US\$1,855 million.

Net debt at the end of the third quarter 2005 was US\$8.9 billion, a reduction of US\$724 million during the quarter. The net-debt-to-EBITDA ratio improved to 2.6 from 2.9 at the end of second quarter 2005. Interest coverage remained unchanged from second quarter 2005 at 6.5, decreasing from 6.7 one year prior.

During the quarter, free cash flow of US\$679 million plus US\$91.5 million in proceeds from the additional assets contributed to the joint venture with Ready Mix USA were primarily used to reduce net debt by US\$687 million (when expressed in US dollars, net debt was further reduced by US\$37 million due mainly to the depreciation of the euro, British pound and yen versus the US

Edgar Filing: CEMEX SA DE CV - Form 6-K

dollar during the quarter), and for investments in connection with the post merger integration of RMC.

Completion of Non-Dilutive Equity Offering

On October 3, 2005, CEMEX announced that a total of 30,993,340 ADSs were sold in a non-dilutive equity offering, which included the sale of 27,000,000 ADSs, plus an additional 3,993,340 ADSs to cover over-allotments. The 30,993,340 ADSs were sold in the form of both ADSs and CPOs, comprised of 22,943,340 ADSs and 80,500,000 CPOs with one ADS representing ten CPOs. The ADSs were offered to the public at a price of US\$49.50 per ADS, and the CPOs were offered to the public at a price of MXN53.89 per CPO. The aggregate proceeds of the offering, including proceeds from the exercise of the over-allotment option, were approximately US\$1.5 billion, after underwriting discounts and commissions. Approximately US\$1.3 billion of these proceeds were used to unwind all of the forward contracts entered into between CEMEX and certain banks, with the remaining approximately US\$200 million paid to CEMEX on October 3, 2005. The transaction did not increase the number of shares outstanding.

Joint Venture with Ready Mix USA

On September 1, 2005, CEMEX announced the signing of an agreement to expand the scope of the recently formed joint venture with Ready Mix USA. As part of the expansion of the joint venture, CEMEX contributed 27 additional ready-mix plants and 4 additional block facilities that are located in the Atlanta, Georgia metropolitan area and operated under the Allied Ready Mix name. In return for the contribution of these assets CEMEX received from the joint venture a net amount of approximately US\$91.5 million .

Major Markets Third-Quarter Highlights

Net sales in CEMEX's Mexican operations increased 10% to US\$782 million compared to US\$709 million the same quarter of 2004 and EBITDA grew 2% over the prior year period to US\$310 million. Cement volumes in Mexico increased 1% during the quarter versus the third quarter of 2004, while ready-mix volumes increased 14% over the same period. The main drivers of demand in the Mexican cement market continue to be in the residential construction and infrastructure sectors.

In the United States, net sales for the quarter were US\$1.2 billion, up 116% over the third quarter of 2004, while EBITDA increased 121% to US\$329 million. U.S. operations cement volumes increased 2% versus the same period a year ago and ready-mix volumes increased 212% due in large part to the consolidation of RMC operations. Cement demand continues to be driven primarily by a strong infrastructure sector, particularly in street and highway construction, as well as a growing industrial and commercial sector and a healthy residential sector.

CEMEX's operations in Spain reported net sales of US\$376 million in the third quarter of 2005, up 19% versus the third quarter of 2004. EBITDA increased 10% to US\$107 million in the quarter. Domestic cement volume decreased 2% over the third quarter 2004, ready-mix volume increased 59% over the previous year period. For the first nine months of the year, cement and ready-mix volumes increased 5% and 56%, respectively, versus the first nine months of 2004. In Spain, the main drivers of cement and ready-mix demand continue to be infrastructure spending and residential construction but growth has moderated versus the first half of the year.

Net sales and EBITDA of the Company's operations in the United Kingdom were US\$480 million and US\$50 million respectively. Cement sales in the UK decreased

Edgar Filing: CEMEX SA DE CV - Form 6-K

4% for the third quarter and ready-mix volumes decreased 3% versus the same periods in 2004. The public, residential, industrial and commercial sectors remain the primary growth drivers in the UK although they are growing slower due to reduced spending on infrastructure and decreased demand from the repair, maintenance and improvement sectors

Other European Markets

During the third quarter of 2005, net sales in the other European markets was US\$855 million and EBITDA was US\$128 million.

In France, ready-mix volumes increased 8% in the third quarter. The increase in ready-mix demand is mainly due to a strong housing sector, driven by low interest rates and tax incentives aimed at promoting housing construction.

In Germany, the economic environment continues to be plagued with high unemployment, low consumer confidence and an overall weak business environment. Spending in infrastructure, which remains depressed due to high levels of public debt and limited investments, has offset the nonresidential sector, which has grown slightly due to a rise in commercial building construction. Cement sales volumes for the quarter declined 13% versus the comparable period of 2004.

South/Central America and the Caribbean

CEMEX operations in South/Central America and the Caribbean reported net sales of US\$358 million during the second quarter of 2005, an increase of 16% over the third quarter of 2004. EBITDA decreased 16% to US\$103 million versus the prior year period. Domestic cement volumes in the region increased 16% in the quarter versus third quarter 2004.

The Venezuelan economy continues to recover spurring construction spending. The main factors contributing to increased cement demand are the residential (both self-construction and government-sponsored housing) and infrastructure sectors fueled by increased oil revenues. For the quarter, cement volumes in Venezuela increased 38% versus third quarter 2004.

In Colombia, cement volumes grew 30% during the quarter mainly due to high demand from the self-construction sector and infrastructure spending.

Africa and Middle East

Third-quarter net sales in Africa and the Middle East were US\$155, up 200% as compared to the same quarter of 2004. EBITDA increased 69% to US\$43 million. Construction activity in the Middle East remains at a high level with housing requirements and oil revenues driving public and private investments.

Asia

Operations in Asia reported an increase in net sales of 53% over the third quarter of 2004, or US\$76 million, while EBITDA was US\$13 million, down 2% over the previous year period. Cement volumes in the region decreased 3% during the quarter.

CEMEX is a growing global building solutions company that provides products of consistently high quality and reliable service to customers and communities in more than 50 countries throughout the world. The company improves the

Edgar Filing: CEMEX SA DE CV - Form 6-K

well-being of those it serves through its relentless focus on continuous improvement and efforts to promote a sustainable future. For more information, visit www.cemex.com.

###

Exhibit 2

CEMEX	2005 THIRD QUARTER RESULTS			
Stock Listing Information	Third quarter (1)			
NYSE (ADR)	2005	2004	% Var.	
Ticker: CX				
MEXICAN STOCK EXCHANGE	Net sales	4,298	2,047	110%
Ticker: CEMEX.CPO	Gross profit	1,808	902	101%
Ratio of CEMEX.CPO to CX= 10:1	Operating income	771	495	56%
	Majority net income	675	361	87%
	EBITDA	1,011	656	54%
	Free cash flow	679	451	51%
	Net debt	8,900	4,679	90%
	Net debt/EBITDA	2.6	2.0	
	Interest coverage	6.5	6.7	
	Quarterly earnings per ADR	1.92	1.07	80%
	Average ADRs outstanding	352.1	339.0	4%

In millions of US dollars, except ratios and per-ADR amounts. Average ADRs outstanding are presented in millions of ADRs.

Consolidated net sales grew to US\$4,298 million, representing 110% over those of third quarter 2004, mainly as a result of acquisition. Sales increased in most of our markets due to ready-mix and aggregates volumes and a better pricing environment. Infrastructure spending has been one of the main drivers of ready-mix demand throughout our markets, as has residential construction driven by the prevailing low interest rate environment worldwide.

Cost of goods sold and selling, general, and administrative

Edgar Filing: CEMEX SA DE CV - Form 6-K

increased 117% and 155%, respectively, versus the third quarter 2004, due mainly to the acquisition of RMC. We are in the preliminary stages of implementing CEMEX's standardized practices aimed at reducing operating expenses in the newly acquired operations. Our long-term energy conservation program has helped us mitigate the effect of higher oil prices. Our aggregate cost of energy and electricity per ton of cement produced in our portfolio has increased 14% for the first nine months of 2005 versus the same period last year.

EBITDA reached US\$1,011 million, representing an increase of 10% versus the third quarter 2004, due mainly to the acquisition of RMC. Operating margin decreased from 32.1% in third quarter 2004 to 23.5% in third quarter 2005, but increased versus 22.6% in second quarter 2005. The margin was negatively affected by higher average volumes and better pricing conditions in 2005, offset for higher energy costs - but was more than offset by the increase in EBITDA as a result of the RMC acquisition.

Foreign exchange gain (loss) for the quarter was a loss of \$10 million, arising mainly from dollar-denominated debt held at some of our subsidiaries.

Gain (loss) on financial instruments for the quarter was a gain of \$10 million, resulting mainly from our cross currency and interest rate derivatives to the increase in interest rates - and gains from our equity investments that were terminated during the quarter.

Majority net income for the quarter rose 87%, to US\$675 million versus US\$360 million in third quarter 2004, and has increased 99% year-to-date versus US\$1,855 million for the first nine months of the year. Higher earnings, recovery, our continuing efficiency programs, and gains on investments in financial instruments have positively impacted our majority net income.

Net debt at the end of the third quarter was US\$8,900 million versus US\$724 million during the quarter, and US\$1,535 million at the end of the first quarter 2005. The net-debt-to-EBITDA ratio improved from 2.8 times at the end of second quarter 2005. Interest coverage ratio improved from 6.7 times a year ago, but remained unchanged from second quarter 2005.

(1) Results for third quarter 2004 do not include the effect of the RMC acquisition.

Investor Relations
 In the United States
 1 877 7CX NYSE

 In Mexico
 52 (81) 8888 4292

 E-Mail
 ir@cemex.com

 www.cemex.com

 Please refer to the end of this report for definitions of terms, US dollar translation methodology, and other important disclosures. Page 1

CEMEX

EBITDA and Free Cash Flow(1)

=====

Third quarter			January - September	
2005	2004	% Var.	2005	2004

Edgar Filing: CEMEX SA DE CV - Form 6-K

Operating income	771	495	56%	1,967	1,376
+ Depreciation and operating amortization	240	161		672	497
EBITDA	1,011	656	54%	2,639	1,873
- Net financial expense	127	78		370	246
- Capital expenditures	209	103		473	243
- Change in working capital	(35)	(31)		7	68
- Taxes paid	29	28		108	67
- Other cash items (net)	2	27		8	43
Free cash flow	679	451	51%	1,673	1,206

In millions of US dollars.

Results for third quarter and first nine months of 2004 do not include the effect of the RMC acqui

During the quarter, free cash flow of US\$679 million plus US\$91 million in proceeds from the additional assets contributed to the joint venture with Ready Mix USA were primarily used to reduce net debt by US\$687 million (when expressed in US dollars, net debt was further reduced by US\$37 million due mainly to the depreciation of the euro, British pound and yen versus the US dollar during the quarter), and for investments in connection with the post merger integration of RMC.

Debt-Related Information

	Third quarter			Second quarter	
	2005	2004	% Var.	2005	
Total debt (2)	9,596	5,730	67%	11,036	Currency denom
Short-term	13%	23%		15%	US dollar
Long-term	87%	77%		85%	Euro
Cash and cash equivalents	512	1,051	(51%)	1,265	British pound
Fair value of cross-currency swaps (2)	184	N/A		147	Yen
Net debt (2)	8,900	4,679		9,624	Other
Interest expense	141	84	68%	153	Interest rate
Interest coverage	6.5	6.7		6.5	Fixed
Net debt/EBITDA	2.6	2.0		2.9	Variable

Edgar Filing: CEMEX SA DE CV - Form 6-K

In millions of US dollars, except ratios.

- (1) EBITDA and free cash flow (calculated as set forth above) are presented herein because CEMEX widely accepted as financial indicators of its ability to internally fund capital expenditures and incur debt. EBITDA and free cash flow should not be considered as indicators of CEMEX's financial alternatives to cash flow, as measures of liquidity, or as being comparable to other similar other companies. EBITDA is reconciled above to operating income, which CEMEX considers to be measure as determined under generally accepted accounting principles in Mexico (Mexican GAAP) reconciled to EBITDA. CEMEX is not required to prepare a statement of cash flows under Mexican principles and, as such, does not have such Mexican-GAAP cash-flow measures to present as compared to free cash flow.
- (2) During 2004, the Mexican Institute of Public Accountants issued Bulletin C-10, "Derivative Financial and Hedging Activities", which became effective beginning January 1, 2005. Bulletin C-10 details issues related to the accounting of derivative financial instruments. Among other aspects, Bulletin C-10 requires the presentation of two financial instruments as if they were a single instrument (synthetic instrument). For this reason, beginning this year, CEMEX recognizes the assets and liabilities resulting from cross-currency swaps ("CCS") separately from the financial debt, and such debt is presented as originally negotiated. Starting in 2001, CEMEX has effectively changed the original profile of the currencies of financial debt associated to CCS, and accordingly, until December 31, 2004, financial debt from these instruments was presented in the currencies negotiated in the CCS, through the recognition of a portion of the assets or liabilities resulting from the fair value of such CCS. This reclassification does not affect on stockholders' equity or net income. For presentation purposes in the table above, net debt is presented at the value of CCS associated with debt.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 2

CEMEX

Equity-Related Information

=====

One CEMEX ADR represents ten CEMEX CPOs. The following amounts are expressed in CPO terms and reflect the 2 for 1 stock split effective July 1, 2005.

Beginning-of-quarter CPO-equivalent units outstanding	3,518,706,245

Exercise of stock options not hedged	251,756
Less increase (decrease) in the number of CPOs held in subsidiaries	(3,934,652)
End-of-quarter CPO-equivalent units outstanding	3,522,892,653

Outstanding units equal total shares issued by CEMEX less shares held in subsidiaries.

Employee long-term compensation plans (1)

Edgar Filing: CEMEX SA DE CV - Form 6-K

As of September 30, 2005, executives had outstanding options on a total of 60,593,200 CPOs, with a weighted average strike price of US\$3.14 per CPO (equivalent to US\$31.40 per ADR). The total amount of CPO-equivalent units outstanding increased 0.12% during the quarter as we sold shares in subsidiaries to cover the exercise of dilutive stock options. Starting in 2005, CEMEX began offering executives a stock-ownership program. The plan's goal is to move CEMEX's long-term incentives from stock options to programs based on restricted stock. As of September 30, 2005, our executives held 108,568,124 restricted CPOs, representing 3.08% of our total CPOs outstanding.

Derivative Instruments

CEMEX periodically utilizes derivative financial instruments such as interest-rate and currency swaps, currency forwards and options, and equity derivatives in order to execute its corporate financing strategy and to hedge other obligations as they arise. The following table shows the notional amount for each type of derivative instrument and the aggregate fair market value for all of CEMEX's derivative instruments as of the last day of each quarter presented.

Notional amounts	Third quarter (2)		Second quarter
	2005	2004	2005
Equity(1)	0	1,179	1,280
Foreign-exchange	4,106	5,953	3,643
Interest-rate	3,487	2,120	3,489
Estimated aggregate fair market value	304	(197)	149

In millions of US dollars.

The estimated aggregate fair market value represents the approximate settlement result as of the valuation date, based upon quoted market prices and estimated settlement costs, which fluctuate over time. Fair market values and notional amounts do not represent amounts of cash currently exchanged between the parties; cash amounts will be determined upon termination of the contracts considering the notional amounts and quoted market prices as well as other derivative items as of the settlement date. Fair market values should not be viewed in isolation but rather in relation to the fair market values of the underlying hedge transactions and the overall reduction in CEMEX's exposure to the risks being hedged.

Note: Mexican GAAP ("Bulletin C-2") requires companies to recognize all derivative financial instruments in the balance sheet as assets or liabilities, at their estimated fair market value, with changes in such fair market values recorded on the income statement. The exceptions to the general rule until December 31, 2004, as they pertained to CEMEX, occurred when transactions were entered into for cash-flow hedging purposes. In such cases, changes in the fair market value of the related derivative instruments were recognized temporarily in equity and were reclassified into earnings as the inverse effects of the underlying hedged items flowed through the income statement. Beginning in 2005, new Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", establishes the framework for hedge accounting and overrides Bulletin C-2 in this respect; however, in respect to cash-flow hedges, the new rules are the same as those applied by CEMEX since 2001. CEMEX has recognized increases in assets and liabilities, which resulted in a net asset of US\$304 million, arising from the fair market value recognition of its derivatives portfolio as of September 30, 2005. This net asset does not include the liability related to our

Edgar Filing: CEMEX SA DE CV - Form 6-K

stock-option programs of approximately US\$208.8 million as of September 30, 2005 (see footnote #1 below). The notional amounts of derivatives substantially match the amounts of underlying assets, liabilities, or equity transactions on which the derivatives are being entered into.

-
- (1) Until September 27, 2005, the date of pricing of our non-dilutive equity offering and the liquidation of the equity forward contracts that hedged our executive options programs, CEMEX accrued a liability representing the intrinsic value of the stock options. Resulting from the elimination of the economic hedge and given that the potential future appreciation of the stock options is currently not hedged through equity forwards, CEMEX has decided, for purposes of determining its obligations under the stock-option programs, to move from intrinsic value to fair value. As of September 30, 2005, CEMEX had accrued a liability of approximately US\$208.8 million arising from the valuation of its stock options, of which approximately US\$92.8 million correspond to the time value of the stock options.
 - (2) Notional amounts and fair market values at the end of third quarter 2004 do not include the effect of the RMC acquisition.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 3

CEMEX

Other Activities

=====

CEMEX completes non-dilutive equity offering

On October 3, 2005, CEMEX announced that a total of 30,993,340 ADSs were sold in a non-dilutive equity offering, which includes the sale of 27,000,000 ADSs, plus an additional 3,993,340 ADSs to cover over-allotments. The underwriters fully exercised their option to purchase the additional ADSs to cover over-allotments.

The 30,993,340 ADSs were sold in the form of both ADSs and CPOs, comprised of 22,943,340 ADSs and 80,500,000 CPOs. One ADS represents ten CPOs. The ADSs were offered to the public at a price of US\$49.50 per ADS, and the CPOs were offered to the public at a price of MXN53.89 per CPO.

The aggregate proceeds of the offering, including proceeds from the exercise of the over-allotment option, were approximately US\$1.5 billion, after underwriting discounts and commissions. Approximately US\$1.3 billion of these proceeds were used to unwind all of the forward contracts entered into between CEMEX and certain banks, with the remaining approximately US\$200 million paid to CEMEX on October 3, 2005.

This transaction did not increase the number of shares outstanding and thus did not dilute the equity of existing shareholders.

CEMEX contributes additional assets to joint venture with Ready Mix USA.

Edgar Filing: CEMEX SA DE CV - Form 6-K

On September 1, 2005, CEMEX announced the signing of an agreement to expand the scope of the recently formed joint venture with Ready Mix USA. Under the initial arrangement that was completed on July 1, 2005, CEMEX Inc. contributed to the joint venture two cement plants (Demopolis, Alabama and Clinchfield, Georgia), eleven cement terminals, and its ready-mix aggregates and block assets in the Florida Panhandle and Southern Georgia. Ready Mix USA contributed all of its ready-mix and aggregates operations in Alabama, Georgia, the Florida Panhandle, and Tennessee, as well as its block operations in Arkansas, Tennessee, Mississippi, Florida, and Alabama. The cement assets of the joint venture are being managed by CEMEX, and the ready-mix, aggregates and block assets are being managed by Ready Mix USA.

As a part of the expansion of the joint venture, CEMEX contributed 27 additional ready-mix plants and 4 additional block facilities, all of which are located in the Atlanta, Georgia metropolitan area and were operating under the Allied Ready Mix name. In return for the contribution of these additional assets, CEMEX received from the joint venture approximately US\$91.5 million. Ready Mix USA will manage these newly contributed assets.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 4

CEMEX

Operating Results

=====

Mexico

Our Mexican operations' cement volumes increased 1% during the quarter versus third quarter 2004, while ready-mix volumes increased 14% over the same period. For the first nine months of the year, cement volumes decreased 1% versus the same period in 2004, while ready-mix volumes increased 15% over the same period. Cement prices were 8% higher in US-dollar terms during the quarter versus the same period a year ago and have increased 5% year to date versus the first nine months of 2004. Ready-mix prices, in US-dollar terms, were 5% higher during the first nine months of the year versus the same period in 2004.

The main drivers of demand during the year have been government infrastructure spending and residential construction, the latter supported by increased credit availability from commercial banks, and non-commercial sources such as INFONAVIT. Cement demand from the self-construction sector remains weak, despite increased disposable income, primarily because the formal sector has attracted customers through increased financing availability.

United States

In CEMEX's US operations, cement volumes increased 2% in third quarter 2005 versus the same period a year ago. For the first nine months of the year, cement volumes increased 5%. On a like-to-like basis for the ongoing operations, cement volumes increased 7% both for the quarter and for the first nine months of the year versus the comparable periods of last year. Ready-mix volumes increased 212% during the quarter and 175% for the first nine months of the year due to the consolidation of RMC operations. On a like-to-like basis for the ongoing operations, ready-mix volumes for the quarter and first nine months of the year increased 7% and 5%, respectively, versus the same periods of last year. Aggregates volume, on a like-to-like basis for the ongoing operations, increased 6% and 12% for the third quarter and first nine months of the year, respectively, over last year's periods.

Edgar Filing: CEMEX SA DE CV - Form 6-K

Cement prices have increased 18% for the first nine months of the year, while ready-mix prices increased 26% during the same period. Aggregates prices have increased 19% year to date versus the same period last year.

Construction spending for the first eight months of the year is up 9% versus last year's period. Cement demand continues to be driven mainly by a strong infrastructure sector, particularly streets and highway construction; a growing industrial and commercial sector, with construction spending up 7% for the first eight months of the year; and a healthy residential sector, with construction spending up 11% for the first eight months of the year.

Spain

Domestic cement volume decreased 2% over that of third quarter 2004 while ready-mix volume increased 59%. For the first nine months of the year, cement and ready-mix volumes increased 5% and 56%, respectively, versus the first nine months of 2004. The main drivers of cement and ready-mix demand continue to be infrastructure spending and residential construction, with housing starts up 4% for the first seven months of the year. Although the residential sector remains at record high levels of construction, it has moderated its growth rate versus that seen in the first half of the year. Prices in US dollars for domestic cement increased 7% and 9% for third quarter and first nine months of the year, respectively, versus the comparable periods in 2004.

United Kingdom

Cement sales volumes in the UK decreased 4% for the third quarter and decreased 2% for the first nine months of the year versus the comparable periods in 2004. Ready-mix volumes decreased 3% and 1% for the quarter and the first nine months of the year, respectively, versus the same periods in 2004. Cement and ready-mix prices increased 8% and 5%, respectively, in dollar terms during the first nine months of the year versus the same period in 2004, offsetting higher fuel and electricity costs.

The UK economy has weakened during the past months, which in turn has lowered cement and ready-mix consumption. The decline in national consumption of cement and ready mix is due mostly to decreased demand from the repair, maintenance, and improvement sector, as well as lower spending in infrastructure. Although growing at a lower pace from last year, the public, residential, and industrial and commercial sectors remain the primary drivers of growth.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 5

CEMEX

Operating Results

=====

Rest of Europe

In France, ready-mix volumes increased 8% in the third quarter and 5% during the first nine months of the year versus the same periods of 2004. Aggregates volumes decreased 1% in third quarter and remained flat year to date. Prices of ready-mix in US dollars increased 6% during the first nine months of the year versus the same period in 2004. The increase in ready-mix demand is mainly due to a strong housing sector, which is expected to reach a 20-year high this year, driven by low interest rates and tax incentives aimed at promoting housing construction.

Edgar Filing: CEMEX SA DE CV - Form 6-K

In Germany, the economic environment remains unfavorable, with high unemployment, low consumer confidence, and an overall weak business climate. The public works sector, which remains depressed due to high public debt and limited investments, has offset the nonresidential sector, which has grown slightly due to a rise in commercial building construction. Cement sales volumes for the quarter and for the first nine months of the year declined 13% and 16%, respectively, versus the comparable periods of 2004. Ready-mix volumes in Germany have declined 13% during the first nine months of the year versus the same period of 2004. Cement prices in Germany have increased 27% in US dollars for the first nine months of the year versus the same period in 2004.

For the rest of our portfolio in Europe, aggregate domestic cement volume has increased 3% and ready-mix volumes have decreased 1% for the first nine months of the year versus the comparable period of 2004. Weighted-average cement and ready-mix prices in US dollars have both increased 10% year to date versus the same period last year.

South/Central America and Caribbean

Domestic cement volumes in the region increased 16% in the quarter and 14% during the first nine months of the year versus the same periods of last year. The Venezuelan economy continues to recover, and with it construction spending. The main sectors contributing to increased cement demand are the infrastructure - fueled by increased oil revenues - and residential (both self-construction and government-sponsored housing) sectors. For the quarter, cement volumes in Venezuela increased 38% versus third quarter 2004.

In Colombia, cement volumes grew 30% during the quarter due mainly to high demand from the self-construction sector, as unemployment has declined and wages have increased. Infrastructure spending has also been a significant contributor to cement demand.

Africa and Middle East

Construction activity in the Middle East is currently running at a high level, with increased housing requirements and oil revenues driving public and private investments. Our operations in Egypt have increased their cement volumes throughout the year supported mainly by a strong infrastructure sector driven by private investment, and healthy residential and self-construction sectors. Overall, the region's domestic cement volumes during the quarter increased 33% versus the same period in 2004, while average prices in US-dollar terms increased 20%.

Asia

In aggregate, our cement volumes in the region decreased 3% during the quarter and increased 2% for the first nine months of the year, versus the same periods of last year. Cement demand in the Philippines declined during the quarter due to lower public and private spending related to the political uncertainty in the country, as well as the scarcity of government resources to fund infrastructure projects. In Thailand, the volume of cement sold decreased versus last year's level due to intensified competition in the country, while cement volumes in Bangladesh increased significantly during the quarter due to the expansion of the markets covered by our operations in that country. Average cement prices in the region increased 9% in US dollars during the third quarter versus the same period in 2004.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 6

Edgar Filing: CEMEX SA DE CV - Form 6-K

CONSOLIDATED INCOME STATEMENT & BALANCE SHEET

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC

CEMEX S.A. de C.V. AND SUBSIDIARIES
(Thousands of U.S. Dollars, except per ADR amounts)

INCOME STATEMENT	January - September		% Var.
	2005	2004	
Net Sales	11,284,293	5,885,220	92%
Cost of Sales	(6,628,575)	(3,300,649)	101%
Gross Profit	4,655,718	2,584,571	80%
Selling, General and Administrative Expenses	(2,688,759)	(1,208,502)	122%
Operating Income	1,966,958	1,376,069	43%
Financial Expenses	(400,265)	(262,513)	52%
Financial Income	30,073	16,199	86%
Exchange Gain (Loss), Net	(97,651)	(58,778)	66%
Monetary Position Gain (Loss)	306,351	271,805	13%
Gain (Loss) on Financial Instruments	365,087	(1,556)	N/A
Total Comprehensive Financing (Cost) Income	203,594	(34,843)	N/A
Other Expenses, Net	(35,826)	(279,388)	(87%)
Net Income Before Income Taxes	2,134,727	1,061,838	101%
Income Tax	(268,974)	(125,896)	114%
Employees' Statutory Profit Sharing	(8,135)	(7,459)	9%
Total Income Tax & Profit Sharing	(277,109)	(133,356)	108%
Net Income Before Participation of Uncons. Subs. and Ext. Items	1,857,618	928,482	100%
Participation in Unconsolidated Subsidiaries	43,104	25,149	71%
Consolidated Net Income	1,900,722	953,631	99%
Net Income Attributable to Min. Interest	45,236	22,286	103%
MAJORITY INTEREST NET INCOME	1,855,486	931,345	99%
EBITDA	2,638,854	1,873,102	41%
Earnings per ADR	5.40	2.82	92%

BALANCE SHEET	As of September 30		% Var.
	2005	2004	
Total Assets	25,282,248	16,767,007	51%
Cash and Temporary Investments	512,486	1,051,209	(51%)
Trade Accounts Receivables	1,795,423	426,042	321%
Other Receivables	726,536	334,324	117%
Inventories	1,109,255	644,450	72%
Other Current Assets	181,720	89,827	102%
Current Assets	4,325,420	2,545,851	70%

Edgar Filing: CEMEX SA DE CV - Form 6-K

Fixed Assets	13,228,426	9,030,870	46%
Other Assets	7,728,402	5,190,285	49%

Total Liabilities	15,244,059	9,301,105	64%
Current Liabilities	4,627,631	2,934,340	58%
Long-Term Liabilities	8,311,286	4,404,380	89%
Other Liabilities	2,305,142	1,962,384	17%

Consolidated Stockholders' Equity	10,038,189	7,465,902	34%
Stockholders' Equity Attributable to Minority Interest	535,188	368,597	45%
Stockholders' Equity Attributable to Majority Interest	9,503,001	7,097,304	34%

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 7

CONSOLIDATED INCOME STATEMENT & BALANCE SHEET

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC

CEMEX S.A. de C.V. AND SUBSIDIARIES

(Thousands of Mexican Pesos in real terms as of September 31, 2005
except per ADR amounts)

INCOME STATEMENT	January - September		% Var.
	2005	2004	

Net Sales	121,418,987	66,109,841	84%
Cost of Sales	(71,323,464)	(37,076,845)	92%

Gross Profit	50,095,524	29,032,995	73%
Selling, General and Administrative Expenses	(28,931,046)	(13,575,338)	113%

Operating Income	21,164,478	15,457,657	37%
Financial Expenses	(4,306,853)	(2,948,865)	46%
Financial Income	323,582	181,969	78%
Exchange Gain (Loss), Net	(1,050,729)	(660,268)	59%
Monetary Position Gain (Loss)	3,296,342	3,053,238	8%
Gain (Loss) on Financial Instruments	3,928,331	(17,476)	N/A
Total Comprehensive Financing (Cost) Income	2,190,674	(391,402)	N/A
Other Expenses, Net	(385,492)	(3,138,422)	(88%)

Net Income Before Income Taxes	22,969,659	11,927,833	93%
Income Tax	(2,894,161)	(1,414,219)	105%
Employees' Statutory Profit Sharing	(87,528)	(83,792)	4%
Total Income Tax & Profit Sharing	(2,981,689)	(1,498,010)	99%

Net Income Before Participation			
of Uncons. Subs. and Ext. Items	19,987,970	10,429,823	92%
Participation in Unconsolidated Subsidiaries	463,799	282,501	64%
Consolidated Net Income	20,451,769	10,712,324	91%
Net Income Attributable to Min. Interest	486,735	250,343	94%

Edgar Filing: CEMEX SA DE CV - Form 6-K

MAJORITY INTEREST NET INCOME	19,965,034	10,461,981	91%

EBITDA	28,394,076	21,040,930	35%
Earnings per ADR	58.10	32.09	81%

BALANCE SHEET	As of September 30		% Var.
	2005	2004	

Total Assets	272,036,988	188,347,104	44%
Cash and Temporary Investments	5,514,351	11,808,443	(53%)
Trade Accounts Receivables	19,318,748	4,785,810	304%
Other Receivables	7,817,528	3,755,528	108%
Inventories	11,935,581	7,239,231	65%
Other Current Assets	1,955,308	1,009,042	94%
Current Assets	46,541,516	28,598,053	63%
Fixed Assets	142,337,863	101,445,551	40%
Other Assets	83,157,609	58,303,500	43%

Total Liabilities	164,026,075	104,481,153	57%
Current Liabilities	49,793,314	32,962,027	51%
Long-Term Liabilities	89,429,434	49,475,277	81%
Other Liabilities	24,803,327	22,043,848	13%

Consolidated Stockholders' Equity	108,010,922	83,865,952	29%
Stockholders' Equity Attributable to Minority Interest	5,758,624	4,140,529	39%
Stockholders' Equity Attributable to Majority Interest	102,252,289	79,725,423	28%

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 8

OPERATING SUMMARY PER COUNTRY

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC

In thousands of U.S. dollars

NET SALES	January - September			Thi
	2005	2004	% Var.	

Mexico	2,297,502	2,109,107	9%	781,90
U.S.A.	2,997,188	1,455,914	106%	1,189,39
Spain	1,132,933	939,036	21%	376,29
United Kingdom	1,142,230	N/A	N/A	479,74
Rest of Europe	1,949,209	N/A	N/A	855,11
South / Central America and Caribbean	1,002,261	913,240	10%	357,52
Africa and Middle East	388,628	140,779	176%	154,86
Asia	214,634	145,969	47%	76,30

Edgar Filing: CEMEX SA DE CV - Form 6-K

Others and intercompany eliminations	159,708	181,175	(12%)	26,91
TOTAL	11,284,293	5,885,220	92%	4,298,06

GROSS PROFIT

Mexico	1,254,007	1,205,765	4%	419,10
U.S.A.	1,146,612	478,763	139%	476,80
Spain	423,337	344,790	23%	136,94
United Kingdom	402,633	N/A	N/A	139,62
Rest of Europe	833,048	N/A	N/A	430,27
South / Central America and Caribbean	339,945	413,757	(18%)	120,81
Africa and Middle East	163,089	73,908	121%	74,60
Asia	70,525	62,310	13%	24,86

Others and intercompany eliminations	22,522	5,279	327%	(14,53)
TOTAL	4,655,718	2,584,571	80%	1,808,48

OPERATING INCOME

Mexico	819,689	827,902	(1%)	273,08
U.S.A.	589,331	215,358	174%	275,10
Spain	276,335	231,959	19%	87,67
United Kingdom	72,965	N/A	N/A	31,15
Rest of Europe	191,492	N/A	N/A	95,54
South / Central America and Caribbean	188,722	290,645	(35%)	70,40
Africa and Middle East	80,257	44,402	81%	32,11
Asia	28,817	22,295	29%	8,65

Others and intercompany eliminations	(280,650)	(256,491)	9%	(102,73)
TOTAL	1,966,958	1,376,069	43%	770,99

Please refer to the end of this report for definitions of terms, US dollar translation methodology, and other important disclosures. Page 9

OPERATING SUMMARY PER COUNTRY

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC

EBITDA in thousands of US dollars. EBITDA margin as a percentage of net sales

EBITDA	January - September			Third 2005
	2005	2004	% Var.	
Mexico	935,294	941,614	(1%)	309,866

Edgar Filing: CEMEX SA DE CV - Form 6-K

U.S.A.	744,948	332,536	124%	329,428
Spain	335,768	291,662	15%	107,194
United Kingdom	123,347	N/A	N/A	50,414
Rest of Europe	267,582	N/A	N/A	128,264
South / Central America and Caribbean	286,128	375,365	(24%)	103,010
Africa and Middle East	110,726	66,627	66%	42,917
Asia	44,122	42,301	4%	13,272
Others and intercompany eliminations	(209,061)	(177,002)	18%	(73,748)
TOTAL	2,638,854	1,873,102	41%	1,010,617

EBITDA MARGIN

Mexico	40.7%	44.6%	39.6%
U.S.A.	24.9%	22.8%	27.7%
Spain	29.6%	31.1%	28.5%
United Kingdom	10.8%	N/A	10.5%
Rest of Europe	13.7%	N/A	15.0%
South / Central America and Caribbean	28.5%	41.1%	28.8%
Africa and Middle East	28.5%	47.3%	27.7%
Asia	20.6%	29.0%	17.4%
CONSOLIDATED MARGIN	23.4%	31.8%	23.5%

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 10

VOLUME SUMMARY

Includes the results of RMC beginning March 1, 2005. Results for 2004
do not include RMC

Consolidated volume summary
Cement and aggregates: Thousands of metric tons
Ready-mix: Thousands of cubic meters

January - September		% Var.	Third
2005	2004		2005

Edgar Filing: CEMEX SA DE CV - Form 6-K

Consolidated cement volume	59,870	49,492	21%	21,684
Consolidated ready-mix volume	50,930	17,900	185%	20,250
Consolidated aggregates volume	117,798	34,089	246%	47,518

Per-country volume summary (1)

	January - September	Third quarter	
DOMESTIC CEMENT VOLUME	2005 Vs. 2004	2005 Vs. 2004	Third q Second q
Mexico	(1%)	1%	
U.S.A.	5%	2%	
Spain	5%	(2%)	
United Kingdom	N/A	N/A	
Rest of Europe	N/A	N/A	
South / Central America and Caribbean	14%	16%	
Africa and Middle East	20%	33%	
Asia	2%	(3%)	

READY-MIX VOLUME

Mexico	15%	14%
U.S.A.	175%	212%
Spain	56%	59%
United Kingdom	N/A	N/A
Rest of Europe	N/A	N/A
South / Central America and Caribbean	24%	44%
Africa and Middle East	N/A	N/A
Asia	N/A	N/A

AGGREGATES VOLUME

Mexico	1%	(4%)
U.S.A.	110%	119%
Spain	67%	64%
United Kingdom	N/A	N/A
Rest of Europe	N/A	N/A
South / Central America and Caribbean	22%	23%
Africa and Middle East	N/A	N/A
Asia	N/A	N/A

1) Includes only the month of March in first quarter 2005 for RMC operations.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 11

Edgar Filing: CEMEX SA DE CV - Form 6-K

PRICE SUMMARY

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC

Variation in US Dollars (1)

DOMESTIC CEMENT PRICE	January - September	Third quarter	Third q
	2005 Vs. 2004	2005 Vs. 2004	Second
Mexico	5%	8%	
U.S.A.	18%	18%	
Spain	9%	7%	
United Kingdom	N/A	N/A	
Rest of Europe (2)	N/A	N/A	
South / Central America and Caribbean (2)	(11%)	(14%)	
Africa and Middle East (2)	22%	20%	
Asia (2)	12%	9%	

READY-MIX PRICE

Mexico	5%	6%
U.S.A.	26%	23%
Spain	7%	5%
United Kingdom	N/A	N/A
Rest of Europe (2)	N/A	N/A
South / Central America and Caribbean (2)	5%	3%
Africa and Middle East (2)	N/A	N/A
Asia (2)	N/A	N/A

AGGREGATES PRICE

Mexico	(5%)	(5%)
U.S.A.	19%	19%
Spain	22%	27%
United Kingdom	N/A	N/A
Rest of Europe (2)	N/A	N/A
South / Central America and Caribbean (2)	5%	6%
Africa and Middle East (2)	N/A	N/A
Asia (2)	N/A	N/A

1) Includes only the month of March in first quarter 2005 for RMC operations.

2) Volume weighted-average price.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures.

Page 12

Edgar Filing: CEMEX SA DE CV - Form 6-K

PRICE SUMMARY

Includes the results of RMC beginning March 1, 2005. Results for 2004 do not include RMC

Variation in Local Currency (1)

DOMESTIC CEMENT PRICE	January - September	Third quarter	Third quarter 2005 Second quarter
	2005 Vs. 2004	2005 Vs. 2004	
Mexico (2)	(3%)	(2%)	(1%)
U.S.A.	18%	18%	4%
Spain	6%	7%	1%
United Kingdom	N/A	N/A	0%

READY-MIX PRICE

Mexico (2)	(3%)	(4%)	0%
U.S.A.	26%	23%	6%
Spain	5%	5%	(1%)
United Kingdom	N/A	N/A	(1%)

AGGREGATES PRICE

Mexico (2)	(12%)	(14%)	19%
U.S.A.	19%	19%	11%
Spain	20%	28%	(0%)
United Kingdom	N/A	N/A	1%

- 1) Includes only the month of March in first quarter 2005 for RMC operations.
 2) In constant Mexican pesos as of June 30, 2005

Please refer to the end of this report for definitions of terms,
 US dollar translation methodology, and other important disclosures.

Page 13

CEMEX

Definition of Terms and Disclosures

Methodology for consolidation and presentation of results

CEMEX consolidates its results in Mexican pesos under Mexican generally accepted accounting principles (GAAP). For the reader's convenience, US dollar

Edgar Filing: CEMEX SA DE CV - Form 6-K

amounts for the consolidated entity are calculated by converting the constant Mexican peso amounts at the end of each quarter using the period-end MXN/USD exchange rate for each quarter. The exchange rates used to convert results for third quarter 2005, second quarter 2005, and third quarter 2004 are 10.76, 10.75, and 11.38 Mexican pesos per US dollar, respectively. CEMEX's weighted-average inflation factor between September 30, 2004, and September 30, 2005, was -1.29%.

Per-country/region figures are presented in US dollars for the reader's convenience. In the consolidation process, each country's figures (except those of CEMEX Mexico) are converted to US dollars and then to Mexican pesos under Mexican GAAP. Figures presented in US dollars for Mexico, Spain, and the United Kingdom as of September 30, 2005, and September 30, 2004, can be converted into their original local currency amount by multiplying the US-dollar figure by the corresponding exchange rate provided below.

To convert September 30, 2004, US-dollar figures for Mexico to constant Mexican pesos as of September 30, 2005, it is necessary to first convert the September 30, 2004, US-dollar figure to Mexican pesos using the exchange rate provided below, and then multiply the resulting amount by 1.0362, the inflation-rate factor between September 30, 2004, and September 30, 2005.

	September 30	
Exchange rate	2005	2004
Mexican Peso	10.76	11.38
Euro	0.83	0.80
British Pound	0.57	0.55

Amounts provided in units of local currency per US dollar.

Breakdown of regions

The South/Central America and Caribbean region includes CEMEX's operations in Argentina, Colombia, Costa Rica, the Dominican Republic, Jamaica, Nicaragua, Panama, Puerto Rico, and Venezuela, as well as our trading operations in the Caribbean region.

Rest of Europe includes operations in Austria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Latvia, Lithuania, Norway, Poland, Portugal, and Sweden.

Africa and Middle East includes operations in Egypt, Israel, and the United Arab Emirates.

The Asia region includes operations in Bangladesh, Malaysia, the Philippines, Taiwan, and Thailand.

Definition of terms

EBITDA equals operating income plus depreciation and operating amortization. Free cash flow equals EBITDA minus net interest expense, capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation).

Capital expenditures consist of maintenance and expansion spending on our cement, ready-mix, and other core businesses in existing markets.

Edgar Filing: CEMEX SA DE CV - Form 6-K

Working capital equals operating accounts receivable (including other current assets received as payment in kind) plus historical inventories minus operating payables.

Net debt equals total debt minus the fair value of cross-currency swaps associated with debt minus cash and cash equivalents (please refer to footnote 2 on the second page of this report for further details).

Interest coverage is calculated by dividing EBITDA for the last twelve months by interest expense for the last twelve months.

Net debt/EBITDA is calculated by dividing net debt at the end of the quarter by EBITDA for the last twelve months. This ratio includes CEMEX's EBITDA for the last twelve months plus the estimated EBITDA of RMC for the last twelve months (please refer to footnote 2 on the second page of this report for further details).

Earnings per ADR

The number of average ADRs outstanding used for the calculation of earnings per ADR was 352.1 million for the third quarter 2005 and 343.8 million for the first nine months of 2005, 339.0 million for third quarter 2004 and 330.8 million for the first nine months of 2004.

Please refer to the end of this report for definitions of terms,
US dollar translation methodology, and other important disclosures. Page 14

CEMEX

Definition of Terms and Disclosures

=====

Effect of the purchase of RMC on our financial statements

The acquisition of RMC was concluded on March 1, 2005. The processes to allocate the purchase price paid for RMC's shares of approximately US\$4.1 billion, not including other direct purchase costs, to the fair values of the assets acquired and liabilities assumed, substantially began during March 2005 concurrent with the assumption of control by CEMEX; consequently, as of September 30, 2005, CEMEX is in a preliminary stage in terms of determining the fair values of the net assets of RMC, including acquired intangible assets. Therefore, as of September 30, 2005, the difference between the purchase price paid and the book value of RMC as of March 1, 2005, was fully allocated to goodwill for an amount of approximately U.S.\$2.2 billion.

In subsequent periods, as we move forward in our determination of the fair values of RMC's assets and liabilities, the amount of initial goodwill will be adjusted against the corresponding balance-sheet accounts. Under Mexican GAAP, entities have up to a one-year period after the purchase to conclude the purchase-price allocation.

Please refer to the end of this report for definitions of terms,

