CEMEX SA DE CV
Form 6-K
January 20, 2004

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: January 20, 2004

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 del Valle Campestre
Garza Garcia, Nuevo Leon, Mexico 64000
(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 X 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 X

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

N/A

Contents

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: January 20, 2004 By: /s/Rafael Garza

Name: Rafael Garza
Title: Chief Comptroller

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
1	Press release announcing CEMEX's results for the fourth quarter of 2003.
2.	2003 fourth quarter earnings release.

Exhibit 1

Media Relations	Investor Relations	Analyst Relations
Jorge Perez	Abraham Rodriguez	Ricardo Sales
(52 81) 8888-4334	(52 81) 8888-4262	(212) 317-6008

[CEMEX LOGO OMITTED]
Building the future(TM)

CEMEX'S FOURTH QUARTER 2003 SALES
INCREASE 10%; EBITDA GROWS 22%

MONTERREY, MEXICO, January 20, 2003 - CEMEX, S.A. de C.V. (NYSE: CX) announced today that its consolidated net sales for the fourth quarter of 2003 were US$1.8 billion, up 10% in dollar terms compared with the same period of 2002. The growth in sales was due to the overall improvement in economic conditions during the second half of the year. Our operations in Mexico, the United States and Spain, our three largest markets, saw increased public spending in infrastructure and housing. In real peso terms, net sales grew 8%, to MXP20.1 billion.

Our consolidated cement sales volume during the quarter was 16.3 million metric tons, up 4% compared with the fourth quarter of 2002, while ready-mix volumes were 11% higher at 5.5 million cubic meters.

Free cash flow for the fourth quarter decreased 19% in dollar terms compared with the same quarter of 2002, reaching US$247 million. EBITDA (operating income plus depreciation and amortization) grew 22% to US$509 million. Our consolidated EBITDA margin grew to 29% in the fourth quarter of 2003 from 26% during the same period of last year. The three percentage-point increase is due mainly to higher sales volumes and lower SG&A expenses. In real peso terms, EBITDA was MXP5.7 billion, up 19% compared with the same quarter of 2002.

Hector Medina, Executive Vice President of Planning and Finance, said "Twelve months ago, we faced a global economy burdened by uncertainty and volatility, offering few visible growth opportunities and subject to important downside risks. The reality was, however, better than expected. Demand in markets such as the United States, whose outlook was negative a year ago, grew significantly during the second half of 2003. Led by the U.S. economic expansion, the global economic environment has also moderately improved and offers better prospects for the year ahead. For example, Mexico and Spain, our other two major markets, grew at twice the rate of GDP growth or more. In fact, visibility has improved for most of the markets in our portfolio. These are growth markets on the upswing, and we feel that we are well prepared to capitalize on their accelerating development during 2004. For all of these reasons I've just mentioned, we approach 2004 with optimism.".

Fourth-quarter operating income increased 33% in dollar terms, to US$342 million. In real peso terms, operating income grew 31% to MXP3.8 billion. Our selling, general and administrative (SG&A) expenses decreased 1% versus the fourth quarter of 2002, but remained flat for the full year. As a percentage of net sales, SG&A decreased 2.6 percentage points versus the same period in 2002 and 2.1 percentage points for the full year versus 2002. The improved SG&A and SG&A margin is due to our ongoing cost-reduction initiatives which lowered costs significantly at the corporate and plant levels.

Other net expenses for the quarter were US$188 million, versus US$109 million in the fourth quarter of 2002. Of the US$188 million, US$17 million were cash expenses. The increase in the non-cash portion of these expenses was due mainly to the impairment of some assets in Asia.

Majority net income for the fourth quarter was US$91 million (US$0.28 per ADR), versus US$166 million in the year-ago quarter. The decrease was due mainly to losses in foreign exchange and marketable securities, as well as higher other non-cash charges. In real peso terms, majority net income decreased 46% to MXP1.03 billion.

At the end of the quarter, our net debt was US$5,641 million, representing a reduction of 8% versus the fourth quarter of 2002. Free cash flow in the amount of US$150 million was used to reduce debt during the quarter; when expressed in dollar terms, however, net debt decreased by US$35 million due to the appreciation of the yen and the euro versus the U.S. dollar during the quarter

Our net debt to EBITDA ratio reached 2.7 times, versus 3.2 times at the end of the 2002. CEMEX's interest coverage (EBITDA divided by interest expense plus preferred dividends, all for the last twelve months) was 5.3 times, versus 5.2 times a year ago.

CEMEX's Mexican operations reported net sales of US$664 million in the fourth quarter, a 5% growth versus the same period of 2002. EBITDA was down 1%, to US$275 million. Domestic cement sales volumes increased 2% for the quarter and 4% for the full year 2003 versus comparable periods of last year. The industrial and commercial sectors of the economy remain stable, with infrastructure projects and social housing driving most of the demand growth.

In constant Mexican Pesos, CEMEX Mexico's net sales were MXP 6.96 billion, down 6% versus fourth quarter 2002. For the full year, net sales were MXP 29.54 billion, up 4% versus 2002. Gross profit was down 8% for the quarter at MXP 4.0 billion, and up 1% at MXP 17.0 billion for the full year. Operating income reached MXP 2.51 billion, down 8% from fourth quarter 2002, and MXP 17.04 billion for the full year, an increase of 1% versus 2002.

In the United States, CEMEX's net sales were US$446 million, an increase of 14% compared to the year-earlier period. Quarterly EBITDA was 15% higher year-over-year, reaching US$99 million. Cement sales volumes increased 10% during the fourth quarter of 2003 and 2% for the full year, compared to the year-earlier periods. The public works - particularly streets and highways - and residential sectors were particularly strong in the second half of 2003, while the industrial and commercial sector reversed its downward trend and is now stable. Ready-mix volumes increased 1% for the quarter.

In constant Mexican Pesos, our CEMEX U.S. operations posted net sales of MXP 4.83 billion, up 5% versus fourth quarter 2002. For the full year, net sales were MXP 19.47 billion, down 3% versus 2002. Gross profit was up 12% for the quarter at MXP 1.65 billion, and down 11% at MXP 6.23 billion for the full year. Operating income reached MXP 660 million, up 24% from fourth quarter 2002, and MXP 2.30 billion for the full year, a decrease of 26% versus 2002.

In Spain, CEMEX's net sales and EBITDA for the fourth quarter grew 18% and 13%, reaching US$275 and US$79 million, respectively, compared with the same quarter of 2002. Domestic cement and ready-mix volumes increased 4% for the quarter versus the year-earlier period, and 5% for the full year 2003. Residential construction activity was high during the quarter, while spending in public works remained strong due to Spain's infrastructure program.

In constant Mexican Pesos, CEMEX Spain's net sales were MXP 3.89 billion, up 17% versus fourth quarter 2002. For the full year, net sales were MXP 13.65 billion, up 21% versus 2002. Gross profit was up 10% for the quarter at MXP 1.40 billion, and up 13% at MXP 4.86 billion for the full year. Operating income reached MXP 819 million, up 10% from fourth quarter 2002, and MXP 2.98 billion for the full year, an increase of 13% versus 2002.

CEMEX Venezuela reported a 26% growth in sales, reaching US$84 million. EBITDA increased to US$38 million, 22% higher compared with the same period of 2002.

Domestic cement volumes increased 30%, while ready-mix volumes grew 36%. The level of economic activity increased during the fourth quarter, and the government increased its spending on infrastructure projects. Economic activity during December of this year was significantly stronger than December of 2002 due to the general strike in Venezuela at the end of 2002.

In constant Mexican Pesos, CEMEX Venezuela's net sales were MXP 1.03 billion, up 1% versus fourth quarter 2002. For the full year, net sales were MXP 3.58 billion, up 3% versus 2002. Gross profit was down 5% for the quarter at MXP 486 million, and down 2% at MXP 1.67 billion for the full year. Operating income reached MXP 346 million, up 6% from fourth quarter 2002, and MXP 1.20 billion for the full year, an increase of 6% versus 2002.

CEMEX Colombia's net sales were US$57 million, up 3% versus the year-ago period. EBITDA, at US$34 million, decreased 4%. Cement volume was down 6% versus the fourth quarter of 2002, while ready-mix volume grew 32%. Spending on infrastructure during the quarter was weaker than previous periods as many projects came to an end at the end of the year.

In constant Mexican Pesos, CEMEX Colombia's net sales were MXP 699 million, up 7% versus fourth quarter 2002. For the full year, net sales were MXP 2.48 billion, up 12% versus 2002. Gross profit was up 14% for the quarter at MXP 417 million, and up 13% at MXP 1.38 billion for the full year. Operating income reached MXP 321 million, up 12% from fourth quarter 2002, and MXP 1.03 billion for the full year, an increase of 11% versus 2002.

Our operations in Central America and the Caribbean reported quarterly net sales of US$135 million, down 5% vis-a-vis the fourth quarter of 2002. EBITDA grew 15%, reaching US$33 million. Both cement and ready-mix sales volumes for the quarter decreased 9%.

In constant Mexican Pesos, CEMEX's operations in Central America and the Caribbean reported net sales of MXP 1.55 billion, flat versus fourth quarter 2002. For the full year, net sales were MXP 6.67 billion, up 16% versus 2002. Gross profit was up 14% for the quarter at MXP 515 million, and flat at MXP 2.11 billion for the full year. Operating income reached MXP 287 million, up 29% from fourth quarter 2002, and MXP 1.18 billion for the full year, an increase of 9% versus 2002.

CEMEX Egypt's sales increased 12% while domestic cement volumes decreased 22% versus the fourth quarter of 2002. Investment in infrastructure during the quarter was stronger than expected, and remains as the main driver of demand. EBITDA grew 81% reached US$16 million.

In constant Mexican Pesos, CEMEX Egypt's net sales were MXP 436 million, up 1% versus fourth quarter 2002. For the full year, net sales were MXP 1.51 billion, down 12% versus 2002. Gross profit was up 123% for the quarter at MXP 226 million, and up 14% at MXP 691 million for the full year. Operating income reached MXP 105 million, up from a loss of 3 million in fourth quarter 2002, and MXP 334 million for the full year, an increase of 51% versus 2002.

Our Asian operations, which include the Philippines, Thailand, Taiwan and Bangladesh, posted net sales of US$45 million, 4% higher than the same quarter of 2002. Domestic cement volumes declined 10%. Activity in the construction sector in the Philippines remains at a low level, driven mainly by decreased government spending in infrastructure. In constant Mexican Pesos, CEMEX's operations in Asia reported net sales of MXP 473 million, down 4% versus fourth quarter 2002. For the full year, net sales were MXP 2.08 billion, up 3% versus 2002. Gross profit was up 21% for the quarter at MXP 153 million, and up 7% at MXP 606 million for the full year. Operating income reached MXP 20 million, up from a loss of 89 million in fourth quarter 2002, and a loss of MXP 77 million for the full year, a decrease of 13% versus 2002.

CEMEX is a leading global producer and marketer of cement and ready-mix products, with operations concentrated in the world's most dynamic cement markets across four continents. CEMEX combines a deep knowledge of the local markets with its global network and information technology systems to provide world-class products and services to its customers, from individual homebuilders to large industrial contractors. For more information, visit www.cemex.com.

EBITDA is defined as operating income plus depreciation and amortization. Free Cash Flow is defined as EBITDA minus net interest expense, capital expenditures, change in working capital, taxes paid, dividends on preferred equity and other cash items. Net debt is defined as total debt plus equity obligations minus cash and cash equivalents. All of the above items are presented under generally accepted accounting principles in Mexico. EBITDA and Free Cash Flow (as defined above) are presented herein because CEMEX believes that they are widely accepted as financial indicators of CEMEX's ability to internally fund capital expenditures and service or incur debt. EBITDA and Free Cash Flow should not be considered as indicators of CEMEX's financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies.

EXHIBIT 2

[CEMEX GRAPHIC OMITTED]

Stock Listing Information

NYSE (ADR)
Ticker: CX

MEXICAN STOCK EXCHANGE
Ticker: CEMEX.CPO

Ratio of CEMEX.CPO to CX=5:1

Investor Relations

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2003
FOURTH QUARTER RESULTS

	Fourth quarter			Fourth quarter	
	2003	2002	% Var.	2003	2002
Net sales	1,787	1,621	10%	% of Net Sales	
Gross profit	757	675	12%	42.4%	41.7%
Operating income	342	256	33%	19.1%	15.8%
Majority net income	91	166	(45%)	5.1%	10.2%
EBITDA	509	417	22%	28.5%	25.8%
Free cash flow	247	304	(19%)	13.8%	18.8%

Net debt	5,641	6,122	(8%)
Net debt/EBITDA	2.7	3.2	
Interest coverage	5.3	5.2	
Quarterly earnings per ADR	0.28	0.54	(48%)
Average ADRs outstanding	323.9	304.2	6%

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

Consolidated net sales increased 10% over fourth quarter 2002 to US$1,787 million. Most of our major markets increased cement sales volumes as the global economy expanded during the second half of the year. Our operations in Spain, the United States and Mexico, our three largest markets, saw increased public spending in infrastructure and housing.

Cost of goods sold as a percentage of net sales decreased 0.7 percentage points versus fourth quarter 2002, but increased by 1.8 percentage points for the full year, due mainly to overall higher energy, electricity, insurance, and transportation costs.

Selling, general and administrative expenses (SG&A) decreased 1% versus fourth quarter 2002, but remained flat for the full year. As a percentage of net sales, SG&A decreased 2.6 percentage points versus the same period in 2002 and 2.1 percentage points for the full year versus 2002. The improved SG&A and SG&A margin is due to our ongoing cost-reduction initiatives which lowered costs significantly at the corporate and plant levels.

EBITDA increased to US$509 million, representing an increase of 22% over fourth quarter 2002, and our consolidated EBITDA margin increased to 29% from 26% in the same period in 2002. The three percentage-point increase is due mainly to higher sales volumes and lower SG&A.

Foreign exchange gain (loss) for the quarter was a loss of US$29 million, versus a loss of US$5 million in fourth quarter 2002. The loss was mainly due to the depreciation of the Mexican peso against the U.S. dollar.

Marketable securities gain (loss) for the quarter was a loss of US$25 million, versus a gain of US$7 million in fourth quarter 2002. The loss is due to the decrease in value of some of our currency swaps and interest-rate derivatives, a portion of which is recognized in our income statement.

Other net expenses for the quarter were US$188 million, versus US$109 million in fourth quarter 2002. Of the US$188 million, US$17 million were cash expenses. The increase in the non-cash portion of these expenses was due mainly to the impairment of some assets in Asia.

Majority net income for the quarter was US$91 million, versus US$166 million in the fourth quarter of 2002. The decrease was due mainly to losses in foreign exchange and marketable securities, as well as higher other non-cash charges.

Net debt at the end of the fourth quarter was US$5,641 million, a decrease of 8% compared to that at the end of 2002. The ratio of net debt to EBITDA reached 2.7 times, versus 3.2 times at the end of 2002. Free cash flow in the amount of US$150 million was used to reduce debt during the quarter; when expressed in dollar terms, however, net debt decreased by US$35 million due to the appreciation of the yen and the euro versus the U.S. dollar during the quarter.

Please refer to the end of this report for definition of terms, U.S. dollar transaction methodology and other important disclosures.

EBITDA and Free Cash Flow

	Fourth quarter		
	2003	2002	% Var.
Operating income	342	256	33%
+ Depreciation and operating amortization	167	161	
EBITDA	509	417	22%
- Net financial expense	91	81	
- Capital expenditures	132	132	
- Change in working capital	8	(161)	
- Taxes paid	16	33	

- Preferred dividend payments	(2)	7	
- Other cash items	17	22	
Free cash flow	247	304	(19%)

In millions of U.S. dollars.

During the quarter, US$247 million of free cash flow was used as follows: US$150 million to reduce debt; however, net debt was reduced by US$35 million during the quarter as a result of foreign exchange movements in the amount of US$115 million; US$75 million to exercise an option to terminate an asset-based financing transaction; and US$22 million in other investments.

EBITDA and free cash flow (calculated as set forth above) are presented herein because CEMEX believes that they are widely accepted as financial indicators of its ability to internally fund capital expenditures and to service or incur debt. EBITDA and free cash flow should not be considered as indicators of CEMEX's financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies. EBITDA is reconciled above to operating income, which CEMEX considers to be the most comparable measure as determined under generally accepted accounting principles in Mexico (GAAP). Free cash flow is reconciled to EBITDA. CEMEX is not required to prepare a statement of cash flows under Mexican accounting principles and, as such does not have such GAAP cash flow measures to present as comparable to EBITDA or free cash flow.

Debt-Related Information

	Fourth quarter			Third quarter	
	2003	2002	% Var.	2003	
Total debt	5,866	5,767	2%	5,368	Currency denomina
Short term	23%	24%		21%	
Long term	77%	76%		79%	U.S. dollar
Equity obligations	66	716	(91%)	716	Yen
Cash & cash equivalents	291	361	(19%)	409	Euro
Net debt	5,641	6,122	(8%)	5,676	Other
Interest expense	94	87		94	Interest rate
Preferred dividends	(2)	7		7	
Interest coverage	5.3	5.2		5.0	Fixed
Net debt/EBITDA	2.7	3.2		2.8	Variable

Capitalization ratio	46.7%	47.5%	44.4%		Fixed deferred

In millions of U.S. dollars, except ratios.

Other developments

During the fourth quarter we closed through one of our subsidiaries in Europe a new two and three-year multi-tranche loan in euros, dollars and yens. The transaction was over-subscribed and totaled the equivalent of US$1.15 billion. The proceeds were used to repurchase the remaining US$650 million in preferred equity and to refinance US$400 million outstanding under a Revolving Credit Facility, both of which were scheduled to mature in 2004.

Please refer to the end of this report for definition of terms, U.S. dollar transaction methodology and other important disclosures.

Equity-Related Information

One CEMEX ADR represents five CEMEX CPOs. The following amounts are expressed in CPO terms.

Beginning-of-quarter CPO-equivalent units outstanding	1,619,029,837
Exercise of stock options not hedged	1,165,702
Change in the number of CPOs held in subsidiaries	16,970
End-of-quarter CPO-equivalent units outstanding	1,620,212,509

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

Employee stock-option plans

As of December 31, 2003, directors, officers and other employees under our employee stock-option plans had outstanding options to acquire 150,502,054 CEMEX CPOs. Of the total options outstanding, 96.2% are hedged through equity forward agreements and will not dilute existing shares when exercised. The total amount of these options programs represents 9.3% of total CPOs outstanding.

Derivative Instruments

CEMEX periodically utilizes derivative financial instruments such as interest-rate and currency swaps, currency and equity forward contracts, options and futures in order to execute its corporate financing strategy and to hedge its stock-option plans and other equity-related obligations.

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.

	Fourth quarter		Third quart
Notional amounts	2003	2002	2003
Equity *	1,085	1,452	1,532
Foreign-exchange	2,893	3,174	3,090
Interest-rate	2,224	3,644	3,233
Estimated aggregate fair market value	(233)	(415)	(162)

In millions of U.S. 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 the other derivative items as of the settlement date. Fair market values should not be viewed in isolation but rather in relation to the fair values of the underlying hedge transactions and the overall reduction in the company's exposure to the risks being hedged.

* The aggregate weighted-average exercise price on December 31, 2003 for CEMEX's outstanding stock options, warrants and the CEMEX Asia Holdings obligation described in prior quarterly reports was US$25.54 per ADR. On that same date, the aggregate weighted-average strike price of CEMEX's equity forward agreements put in place to hedge its obligations under the abovementioned stock options was US$26.76 per ADR.

Under Mexican GAAP ("Bulletin C-2"), companies are required 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 values recorded on the income statement. The exceptions to the rule, as they pertain to CEMEX, are presented when transactions are entered for hedging purposes. In such cases, the related derivative financial instruments should be valued using the same valuation criteria applied to the hedged asset, liability or equity instrument. CEMEX has recognized increases in assets and liabilities, which resulted in a net liability of US512 million, arising from the fair value recognition of its derivatives portfolio as of December 31, 2003. The notional amounts of derivatives substantially match the amounts of underlying assets, liabilities or equity transactions on which the derivatives are being entered into.

Please refer to the end of this report for definition of terms, U.S. dollar transaction methodology and other important disclosures.

Other Activities

CEMEX successfully completes non-dilutive equity offering

On October 29, 2003, CEMEX announced that a total of 29.325 million ADSs were sold by it and certain selling ADS holders in the non-dilutive equity offering, which included the sale of 25.5 million ADSs completed on October 21, 2003, and the sale of an additional 3.825 million ADSs to cover over-allotments completed on October 29, 2003. The underwriters fully exercised their option to purchase the additional 3.825 million ADSs from CEMEX and the selling ADSs holders to cover over-allotments.

The 29.325 million ADSs were sold in the form of both ADSs and CPOs, comprised of 23.325 million ADSs and 30 million CPOs. One ADS represents five CPOs. The ADSs were offered to the public at a price of US$23.15 per ADS, and the CPOs were offered to the public at a price of MXP 52.07 per CPO.

The aggregate proceeds of the offering, including proceeds from the exercise of the over-allotment option, received by CEMEX and the selling ADS holders were approximately US$660 million, after underwriting discounts and commissions. Approximately US$538 million of these proceeds were used to unwind several forward contracts entered into between certain subsidiaries of CEMEX and certain banks, including the selling ADS holders, with the remaining approximately US$122 million, before expenses of the offering, paid to CEMEX. The net proceeds to CEMEX were primarily used to reduce CEMEX's derivatives position, and for debt reduction.

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

Please refer to the end of this report for definition of terms, U.S. dollar transaction methodology and other important disclosures.

Operating Results - Mexico

In Mexico, net sales were US$664 million, an increase of 5% versus fourth quarter 2002.

Domestic gray cement volume increased 2% versus fourth quarter 2002, and for the full year rose 4%. Ready-mix volume increased 11% versus the same period in 2002 and 13% for the full year. The industrial and commercial sectors of the economy remain stable, with infrastructure projects and social housing driving most of the demand growth.

CEMEX's average realized gray cement price in Mexico increased 2% in constant pesos versus fourth quarter 2002, and decreased 3% in dollar terms. For the full year 2003, gray cement prices increased 2% in constant pesos and decreased 4% in dollar terms versus 2002. The average ready-mix price increased 1% in constant pesos and decreased 4% in dollar terms compared to fourth quarter 2002. For the full year 2003, ready mix prices decreased 2% in constant pesos and 8% in dollar terms versus 2002.

The average cash cost of goods sold per metric ton decreased 3% in dollar terms versus fourth quarter 2002, and 5% for the full year. The decrease in these costs in dollar terms is due mainly to the depreciation of the Mexican peso between December 2002 and December 2003.

United States

Net sales for CEMEX's U.S. operations were US$446 million, an increase of 14% compared to fourth quarter 2002.

Domestic cement volume increased 10% compared to fourth quarter 2002 and 2% for the full year. Ready-mix volume increased 9% versus fourth quarter 2002 and 4% for the full year. The public works - particularly streets and highways - and residential sectors were particularly strong in the second half of 2003, while the industrial and commercial sector reversed its downward trend and is now more stable.

The average realized cement price decreased 1% versus fourth quarter 2002 and 2% for the full year, while the average ready-mix price increased 1% over the same period in 2002 and remained flat for the full year.

The average cash cost of goods sold per metric ton decreased 3% versus fourth quarter 2002, due mainly to lower energy costs. For the full year, cash costs per metric ton decreased 1%.

Spain

Net sales for CEMEX Spain were US$275 million, representing an increase of 18% versus fourth quarter 2002.

Domestic cement volume increased 4% compared to fourth quarter 2002 and 5% for the full year. Ready-mix volume increased 4% versus the same period in 2002 and 5% for the full year 2003. Residential construction activity was high during the quarter, while spending in public works remained strong due to Spain's infrastructure program.

The average domestic cement price remained flat in euros and increased 19% in dollar terms compared to fourth quarter 2002. For the full year, cement prices were 1% lower in euros and 18% higher in dollar terms versus 2002. The average ready-mix price increased 2% in euros and 21% in dollar terms versus fourth quarter 2002. For the full year, prices remained flat in euros and were 20% higher in dollar terms.

The average cash cost of goods sold per metric ton increased 28% in dollar terms versus fourth quarter 2002 and 30% for the full year. The increase in cash costs, when expressed in dollar terms, is due mainly to the appreciation of the euro versus the U.S. dollar between December 2002 and December 2003.

Please refer to the end of this report for definition of terms, U.S. dollar

transaction methodology and other important disclosures.

Venezuela

Domestic cement volume for CEMEX's Venezuelan operations increased 30% compared to fourth quarter 2002 and decreased 13% for the full year versus 2002. Ready-mix volume increased 36% over fourth quarter 2002 but decreased 6% for the full year compared to 2002. The level of economic activity increased compared to the fourth quarter of 2002, and the government increased its spending on infrastructure projects. Economic activity during December of this year was significantly stronger than in December 2002 because of the general strike in Venezuela at the end of 2002.

Export volume from CEMEX's Venezuelan operations increased 17% compared to fourth quarter 2002 and was up 17% for the full year. The North America and Caribbean regions accounted for 80% and 20%, respectively, of CEMEX Venezuela's fourth quarter exports.

Domestic cement prices decreased 6% in constant bolivar terms and increased 2% in dollar terms compared to fourth quarter 2002. For the full year, cement prices were 3% higher in constant bolivars and 1% lower in dollar terms. The average ready-mix price increased 3% in constant bolivar terms, and 12% in dollar terms compared to fourth quarter 2002. For the full year, ready-mix prices were 6% higher in constant bolivars and flat in dollar terms.

The average cash cost of goods sold per metric ton increased 15% in dollar terms compared to fourth quarter 2002. For the full year, cash costs per metric ton were down 3% in dollar terms.

Colombia

Domestic cement volume for CEMEX's Colombian operations decreased 6% compared to fourth quarter 2002, while for the full year 2003, volume rose 1% compared to 2002. Ready-mix volume increased 32% versus fourth quarter 2002 and 34% for the full year. Spending on infrastructure was weaker than in previous periods because many projects were concluded at the end of the year.

CEMEX's average realized cement price in Colombia was flat in Colombian pesos and 1% lower in dollar terms versus fourth quarter 2002. For the full year 2003, cement prices were 6% higher in Colombian pesos and 7% lower in dollar terms versus 2002. The average ready-mix price increased 7% in Colombian pesos and 6% in dollar terms versus fourth quarter 2002. For the full year, ready-mix prices were 4% higher in Colombian pesos and 8% lower in dollar terms versus 2002.

The average cash cost of goods sold per metric ton increased 12% in dollar terms versus fourth quarter 2002. During 2003, cash costs per metric ton were 11% higher in dollar terms versus 2002.

Other Operations

Net sales for our Central American and Caribbean operations decreased 5% versus fourth quarter 2002. The decline was due mainly to lower sales volumes in Puerto Rico, Costa Rica, and the Dominican Republic. For the full year, net sales increased 15% versus 2002. Domestic cement volume decreased 9% versus fourth quarter 2002 and rose 5% for the full year, while Ready-mix volume dropped 9% versus fourth quarter 2002 and grew 72% for the full year. The full-year increase in ready mix volume is due mainly to the acquisition of Puerto Rican Cement Company, which has sizeable ready-mix operations and was included in our 2002 consolidated results for only five months. Our ready mix-operations in Panama, Costa Rica, and the Dominican Republic also contributed positively to the increased ready-mix volume for the year.

In Egypt, net sales increased 12%, while domestic cement volume fell 22% versus fourth quarter 2002. Investment in infrastructure, although lower than that during fourth quarter 2002, was stronger than expected and remains the main driver of demand. Domestic cement prices were 55% higher in Egyptian pounds and 17% higher in dollar terms versus fourth quarter 2002.

Our Asian operations, which include the Philippines, Thailand, Taiwan and Bangladesh, increased net sales by 4% versus fourth quarter 2002, as our Philippine and Thai operations experienced an improvement in sales. Domestic cement volume for the region decreased 10% compared to fourth quarter 2002 and 2% for the full year. Our weighted-average domestic cement prices in the region increased 25% in dollar terms versus the same period in 2002, and were 2% higher for the full year. Activity in the construction sector in the Philippines remains at a low level, driven mainly by decreased government infrastructure spending.

Please refer to the end of this report for definition of terms, U.S. dollar transaction methodology and other important disclosures.

Consolidated Income Statement & Balance Sheet

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

	January - December			Fourth quarte
INCOME STATEMENT	2003	2002	% Var.	2003
Net Sales	7,164,384	6,543,087	9%	1,786,908
Cost of Sales	(4,130,046)	(3,655,500)	13%	(1,029,487)
Gross Profit	3,034,338	2,887,587	5%	757,421
Selling, General and Administrative Expenses	(1,579,134)	(1,577,191)	0%	(415,859)
Operating Income	1,455,204	1,310,396	11%	341,562
Financial Expenses	(380,648)	(332,522)	14%	(93,723)
Financial Income	16,691	44,605	(63%)	2,502
Exchange Gain (Loss), Net	(171,589)	(77,100)	123%	(29,080)
Monetary Position Gain (Loss)	327,667	352,145	(7%)	90,424
Gain (Loss) on Marketable Securities	(59,570)	(316,480)	(81%)	(24,649)
Total Comprehensive Financing (Cost) Income	(267,449)	(329,353)	(19%)	(54,525)
Other Expenses, Net	(456,737)	(389,276)	17%	(187,672)

Net Income Before Income Taxes	731,017	591,768	24%	99,365
Income Tax	(89,612)	(54,837)	63%	(13,301)
Employees' Statutory Profit Sharing	(16,989)	(10,299)	65%	(9,148)
Total Income Tax & Profit Sharing	(106,601)	(65,136)	64%	(22,448)
Net Income Before Participation of Uncons. Subs. and Ext. Items	624,416	526,631	19%	76,917
Participation in Unconsolidated Subsidiaries	34,768	30,703	13%	17,346
Consolidated Net Income	659,184	557,334	18%	94,262
Net Income Attributable to Min. Interest	30,412	37,063	(18%)	2,929
MAJORITY INTEREST NET INCOME	628,772	520,272	21%	91,333
EBITDA	2,108,028	1,917,064	10%	508,524
Earnings per ADR	1.99	1.74	15%	0.28

BALANCE SHEET	As of December 31 2003	2002	% Var.
Total Assets	16,015,780	15,934,483	1%
Cash and Temporary Investments	291,382	361,155	(19%)
Trade Accounts Receivables	469,534	400,854	17%
Other Receivables	404,217	404,070	0%
Inventories	594,580	706,743	(16%)
Other Current Assets	66,684	79,855	(16%)
Current Assets	1,826,396	1,952,677	(6%)
Fixed Assets	9,265,408	8,963,135	3%
Other Assets	4,923,975	5,018,671	(2%)
Total Liabilities	9,249,638	8,983,384	3%
Current Liabilities	2,829,344	2,954,064	(4%)
Long-Term Liabilities	4,536,828	4,373,888	4%
Other Liabilities	1,883,465	1,655,431	14%
Consolidated Stockholders' Equity	6,766,142	6,951,099	(3%)
Stockholders' Equity Attributable to Minority Interest	531,965	1,206,785	(56%)
Stockholders' Equity Attributable to Majority Interest	6,234,177	5,744,314	9%

Please refer to the end of this report for definition of terms, U.S. dollar translation methodolo
and other important disclosures.

Consolidated Income Statement & Balance Sheet

CEMEX S.A. de C.V. AND SUBSIDIARIES
(Thousands of Mexican Pesos in real terms as of December 31, 2003
except per ADR amounts)

INCOME STATEMENT	January - December 2003	2002	% Var.	Four 2003
Net Sales	80,527,677	75,042,021	7%	20,084,845
Cost of Sales	(46,421,722)	(41,924,570)	11%	(11,571,430)
Gross Profit	34,105,955	33,117,451	3%	8,513,414
Selling, General and Administrative Expenses	(17,749,464)	(18,088,647)	(2%)	(4,674,259)
Operating Income	16,356,491	15,028,803	9%	3,839,155
Financial Expenses	(4,278,480)	(3,813,668)	12%	(1,053,442)
Financial Income	187,606	511,573	(63%)	28,128
Exchange Gain (Loss), Net	(1,928,665)	(884,277)	118%	(326,862)
Monetary Position Gain (Loss)	3,682,977	4,038,703	(9%)	1,016,370
Gain (Loss) on Marketable Securities	(669,569)	(3,629,737)	(82%)	(277,056)
Total Comprehensive Financing (Cost) Income	(3,006,131)	(3,777,406)	(20%)	(612,863)
Other Expenses, Net	(5,133,726)	(4,464,558)	15%	(2,109,430)
Net Income Before Income Taxes	8,216,635	6,786,839	21%	1,116,862
Income Tax	(1,007,244)	(628,907)	60%	(149,501)
Employees' Statutory Profit Sharing	(190,956)	(118,123)	62%	(102,818)
Total Income Tax & Profit Sharing	(1,198,200)	(747,030)	60%	(252,319)
Net Income Before Participation of Uncons. Subs. and Ext. Items	7,018,435	6,039,810	16%	864,544
Participation in Unconsolidated Subsidiaries	390,794	352,128	11%	194,965
Consolidated Net Income	7,409,229	6,391,938	16%	1,059,509
Net Income Attributable to Min. Interest	341,834	425,051	(20%)	32,920
MAJORITY INTEREST NET INCOME	7,067,395	5,966,888	18%	1,026,588
EBITDA	23,694,237	21,986,547	8%	5,715,812
Earnings per ADR	22.42	18.05	24%	3.17

BALANCE SHEET	As of December 31 2003	2002	% Var.
Total Assets	180,017,367	182,750,383	(1%)
Cash and Temporary Investments	3,275,131	4,142,035	(21%)
Trade Accounts Receivables	5,277,561	4,597,340	15%
Other Receivables	4,543,395	3,641,689	25%
Inventories	6,683,083	8,105,542	(18%)
Other Current Assets	749,525	1,908,378	(61%)
Current Assets	20,528,695	22,394,981	(8%)
Fixed Assets	104,143,188	102,796,955	1%
Other Assets	55,345,484	57,558,447	(4%)
Total Liabilities	103,965,928	103,029,193	1%
Current Liabilities	31,801,830	33,879,756	(6%)
Long-Term Liabilities	50,993,951	50,163,523	2%
Other Liabilities	21,170,146	18,985,913	12%

Consolidated Stockholders' Equity	76,051,440	79,721,191	(5%)
Stockholders' Equity Attributable to Minority Interest	5,979,292	13,840,448	(57%)
Stockholders' Equity Attributable to Majority Interest	70,072,148	65,880,743	6%

Please refer to the end of this report for definition of terms, U.S. dollar translation methodolo
and other important disclosures.

Operating Summary per Country

In thousands of U.S. dollars

	January - December			Fourth
NET SALES	2003	2002	% Var.	2003
Mexico	2,628,544	2,483,061	6%	663,625
U.S.A.	1,718,265	1,735,539	(1%)	445,625
Spain	1,195,432	964,756	24%	275,068
Venezuela	318,894	303,602	5%	83,840
Colombia	217,234	189,159	15%	57,323
Egypt	132,288	145,978	(9%)	39,300
Central America & the Caribbean region	562,301	490,104	15%	134,731
Asia region	187,204	180,572	4%	45,273
Others and intercompany eliminations	204,222	50,316	306%	42,123
TOTAL	7,164,384	6,543,087	9%	1,786,908
GROSS PROFIT				
Mexico	1,516,616	1,474,069	3%	381,105
U.S.A.	549,817	605,107	(9%)	152,212
Spain	425,234	366,908	16%	98,792
Venezuela	148,358	148,152	0%	39,446
Colombia	121,124	104,002	16%	34,454
Egypt	60,491	51,166	18%	20,350
Central America & the Caribbean region	179,995	157,486	14%	45,324

Asia region	53,657	46,123	16%	14,453
Others and intercompany eliminations	(20,955)	(65,427)	(68%)	(28,714)
TOTAL	3,034,338	2,887,587	5%	757,421
OPERATING INCOME				
Mexico	1,023,738	985,331	4%	237,487
U.S.A.	219,998	275,813	(20%)	59,331
Spain	255,770	231,084	11%	53,904
Venezuela	103,465	99,634	4%	26,361
Colombia	87,750	80,112	10%	25,011
Egypt	28,611	19,047	50%	8,708
Central America & the Caribbean region	97,073	92,668	5%	23,800
Asia region	(11,815)	(13,713)	(14%)	(3,106)
Others and intercompany eliminations	(349,386)	(459,580)	(24%)	(89,934)
TOTAL	1,455,204	1,310,396	11%	341,562
EBITDA				
Mexico	1,166,338	1,113,772	5%	274,875
U.S.A.	369,937	419,171	(12%)	99,286
Spain	339,055	291,658	16%	78,635
Venezuela	152,680	143,743	6%	38,110
Colombia	129,597	116,689	11%	34,197
Egypt	57,844	57,538	1%	16,284
Central America & the Caribbean region	133,699	120,106	11%	33,426
Asia region	19,265	17,223	12%	4,377
Others and intercompany eliminations	(260,386)	(362,836)	(28%)	(70,666)
TOTAL	2,108,028	1,917,064	10%	508,524

Please refer to the end of this report for definition of terms, U.S. dollar translation methodolo
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Operating Summary per Country

As a percentage of net sales

OPERATING INCOME MARGIN	January - December 2003	2002	Four 200
Mexico	38.9%	39.7%	35.8%
U.S.A.	12.8%	15.9%	13.3%
Spain	21.4%	24.0%	19.6%
Venezuela	32.4%	32.8%	31.4%
Colombia	40.4%	42.4%	43.6%
Egypt	21.6%	13.0%	22.2%
Central America & the Caribbean region	17.3%	18.9%	17.7%
Asia region	(6.3%)	(7.6%)	(6.9%)
CONSOLIDATED MARGIN	20.3%	20.0%	19.1%

EBITDA MARGIN			
Mexico	44.4%	44.9%	41.4%
U.S.A.	21.5%	24.2%	22.3%
Spain	28.4%	30.2%	28.6%
Venezuela	47.9%	47.3%	45.5%
Colombia	59.7%	61.7%	59.7%
Egypt	43.7%	39.4%	41.4%
Central America & the Caribbean region	23.8%	24.5%	24.8%
Asia region	10.3%	9.5%	9.7%
CONSOLIDATED MARGIN	29.4%	29.3%	28.5%

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Volume Summary

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

	January - December			
	2003	2002	% Var.	2003
Consolidated cement volume	64,650	61,823	5%	16,273
Consolidated ready-mix volume	21,669	19,224	13%	5,460

Per-country volume summary

	January - December	Fourth quarter
DOMESTIC CEMENT VOLUME	2003 Vs. 2002	2003 Vs. 2002
Mexico	4%	2%
U.S.A.	2%	10%
Spain	5%	4%
Venezuela	(13%)	30%
Colombia	1%	(6%)
Egypt	(12%)	(22%)
Central America & the Caribbean region	5%	(9%)
Asia Region	(2%)	(10%)

READY-MIX VOLUME		
Mexico	13%	11%
U.S.A.	4%	9%
Spain	5%	4%
Venezuela	3%	56%
Colombia	34%	32%
Central America & the Caribbean region	72%	(9%)
Asia Region	N/A	N/A

EXPORT CEMENT VOLUME		
Mexico	(24%)	(14%)
Spain	(21%)	(26%)
Venezuela	17%	17%

Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 11 and other important disclosures.

Price Summary

DOMESTIC CEMENT PRICE	Fourth quarter 2003 Vs. 2002 % Var. U.S. dollar	% Var. Local currency
Mexico (1)	(3%)	2%
U.S.A.	(1%)	(1%)
Spain	19%	(0%)
Venezuela (1)	2%	(6%)
Colombia	(1%)	(0%)
Egypt	17%	55%
Central America & the Caribbean region (2)	6%	N/A
Asia Region (2)	25%	N/A

READY-MIX PRICE	% Var. U.S. dollar	% Var. Local currency
Mexico (1)	(4%)	1%
U.S.A.	1%	1%
Spain	21%	2%
Venezuela (1)	12%	3%
Colombia	6%	7%
Central America & the Caribbean region (2)	(1%)	N/A
Asia Region (2)	(2%)	N/A

1) Local currency price variation for Mexico and Venezuela is presented in constant currency term
2) Volume weighted-average price.

Please refer to the end of this report for definition of terms, U.S. dollar translation methodolo and other important disclosures.

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. For the convenience of the reader, U.S. dollar amounts for the consolidated entity are calculated by converting the constant-Mexican peso amounts at the end of each quarter using the end of period Mexican peso/U.S. dollar exchange rate for each quarter. The exchange rates used to convert results for the third quarter of 2003, second quarter of 2003 and third quarter of 2002 are 11.00, 10.46 and 10.22 Mexican pesos per 1 U.S. dollar, respectively. CEMEX's weighted average inflation factor between September 30, 2002 and September 30, 2003 was 7.66%.

Per-country figures are presented in U.S. dollars for the convenience of the reader. In the consolidation process, each country's figures are converted to U.S. dollars (except CEMEX Mexico) and then to Mexican pesos under Mexican generally accepted accounting principles. Each country's figures presented in U.S. dollars at September 30, 2003 and September 30, 2002 can be converted to its original local currency amount by multiplying the U.S. dollar figure by the corresponding exchange rate provided below.

To convert September 30, 2002 U.S. dollar figures for Mexico and Venezuela to constant pesos and bolivars, respectively, as of September 30, 2003 it is necessary to first convert the September 30, 2002 U.S. dollars to the corresponding local currency (using the exchange rates provided below), and then multiply the resulting amount by the inflation rate factor provided in the table below.

	September 30		
Exchange rate	2003	2002	Inflation rate factor
Mexico	11.00	10.22	1.040
Spain	0.86	1.01	
Venezuela	1,600	1,474	1.290
Colombia	2,889	2,828	
Egypt	6.16	4.64	

The Central America & Caribbean region includes CEMEX's operations in Costa Rica, the Dominican Republic, Panama, Nicaragua and Puerto Rico, as well as our trading operations in the Caribbean region. The Asia region includes CEMEX's operations in the Philippines, Taiwan, Thailand and Bangladesh.

CEMEX's quarterly reports before 2003 consolidated CEMEX's operations in Panama and the Dominican Republic into Venezuela. Beginning in 2003, CEMEX's Venezuelan operations do not include Panama and the Dominican Republic for presentation purposes, but are now consolidated into the Central America & Caribbean region. For comparison purposes, Venezuela's and Central America & Caribbean region's figures for 2002 were restated to make them comparable with the new disclosure procedures.

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, dividends on preferred equity, and other cash items.

Capital expenditures. Maintenance spending on our cement and ready mix businesses, and expansion of current facilities of cement and ready mix.

Equity obligations. Equal the outstanding US$650 million balance of preferred equity plus the outstanding US$66 million of preferred capital securities.

Net debt. Equals total debt plus equity obligations, minus cash and cash equivalents. Interest plus preferred dividend coverage. Is calculated by dividing EBITDA for the last twelve months by the sum of interest expense and preferred dividend payments for the last twelve months (all amounts in constant currency terms). Net debt/EBITDA. Is calculated by dividing net debt at the end of the quarter by EBITDA for the last twelve months (EBITDA in constant currency terms).

Capitalization ratio. Is calculated by dividing the sum of total debt, the US$66 million outstanding preferred capital securities, and the present value of the forward agreements put in place to hedge our warrant obligations by the sum of total debt, the US$66 million outstanding preferred capital securities, the present value of the forward agreements put in place to hedge our warrant obligations and consolidated stockholders' equity.

Earnings per ADR

For the calculation of earnings per ADR, the number of average ADRs outstanding used was as follows: 323.3 million for the third quarter of 2003 and 304.2 million for the third quarter of 2002; 312.3 million for the first nine months of 2003, and 297.5 million for the first nine months of 2002.