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CEMEX SA DE CV
Form 6-K
July 24, 2003

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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: July 24, 2003

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 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

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Contents

- 1. Press release announcing CEMEX's results for the second quarter of 2003 (attached hereto as exhibit 1).

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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: July 24, 2003

By: /s/ Rafael Garza

Name: Rafael Garza

Title: Chief Comptroller

EXHIBIT INDEX

EXHIBIT NO.

DESCRIPTION

1

Press release announcing CEMEX's results for the second quarter of 2003

EXHIBIT 1

CEMEX 2003
SECOND QUARTER RESULTS

	Second quarter			Second quarter	
	2003	2002	% Var.	2003	2002
Net Sales	1,855	1,742	7%	% of Net Sales	

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Gross Profit	787	795	(1%)	42.4%	45.7%
Operating Income	390	403	(3%)	21.0%	23.2%
Majority net income	309	73	322%	16.7%	4.2%
EBITDA	552	555	(1%)	29.8%	31.9%
Free cash flow	390	378	3%		
Net debt	5,829	6,027	(3%)		
Net debt/EBITDA	3.0	2.9			
Interest coverage	4.9	5.3			
Earnings per ADR	1.00	0.25	300%		
Average ADRs outstanding	309.2	295.8	4.5%		

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

CONSOLIDATED NET SALES increased 7% from the second quarter of 2002 to US\$1,855 million. The increase in sales was primarily due to the positive contribution of our newly acquired Puerto Rican unit, and to our higher sales in Mexico, Spain and Venezuela.

COST OF GOODS SOLD as a percentage of net sales increased by 3.3 percentage points versus the year-earlier period, mainly due to the change in our sales mix, as we had higher sales from our multi-products strategy and ready-mix in Mexico, as well as higher energy costs.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A) increased 1% versus the second quarter of 2002. As a percentage of sales, SG&A decreased 110 basis points versus the second quarter of 2002 and 150 basis points for the first half of the year versus the comparable period in 2002. The reduced SG&A margin is due to our continuing efforts to reduce overhead at the corporate and plant levels.

EBITDA dropped 1% from a year ago to US\$552 million, and our consolidated EBITDA margin decreased from 32% in the year-earlier period to 30% in the second quarter of 2003. The two percentage-point drop is attributable to the increased weight of our multi-products and ready mix sales - both of which have lower margins than cement sales, as well as higher energy costs with stable average prices.

FOREIGN EXCHANGE GAIN (LOSS) for the quarter was a gain of US\$48 million, versus a loss of US\$107 million in the year-earlier period. The foreign exchange gain was primarily due to the appreciation of the Mexican peso and depreciation of the yen versus the U.S. dollar during the quarter.

MARKETABLE SECURITIES GAIN (LOSS) for the quarter was a gain of US\$66 million, versus a loss of US\$122 million in the year-earlier period. The gain is explained by the increase in value of our derivatives position (mainly our equity forward contracts designed to hedge our stock option plans), which improved by US\$347 million during the quarter, and a portion of which needs to be recognized through our income statement.

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MAJORITY NET INCOME for the quarter was US\$309 million, an increase of 322% versus the second quarter of 2002. The increase is mainly due to gains in foreign exchange and marketable securities, whereas in the second quarter of 2002 these items represented a loss (explained above).

NET DEBT at the end of the second quarter was US\$5,829 million, versus \$6,179 million at the end of the first quarter of 2003. Free cash flow in the amount of US\$388 million was used to reduce net debt during the quarter; however, when expressed in U.S. dollars, net debt decreased by US\$350 due to the strengthening of the euro versus the U.S. dollar.

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

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EBITDA & FREE CASH FLOW

	Second quarter			January-June		
	2003	2002	% Var.	2003	2002	%
Operating income	390	403	(3%)	698	714	
+ Depreciation and operating amortization	162	152		315	300	
EBITDA	552	555	(1%)	1,013	1,014	
- Net financial expense	93	69		179	130	
- Capital expenditures	82	104		167	178	
- Change in working capital	(50)	(75)		86	86	
- Taxes paid	26	61		44	110	
- Preferred dividend payments	6	9		15	21	
- Other cash items	5	9		25	36	
Free cash flow	390	378	3%	497	453	

In millions of U.S. dollars.

During the quarter, US\$390 million of free cash flow was used primarily to reduce net debt, however net debt was reduced by US\$350 million during the

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quarter as a result of foreign exchange rates movements in the amount of US\$38 million. Free cash flow was also used to pay dividends in the amount of US\$6 million.

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 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

	Second quarter			First quarter	
	2003	2002	% Var.	2003	
Total debt	5,824	5,781	1%	5,818	Currency denomination
Short term	34%	19%		30%	
Long term	66%	81%		70%	U.S. Dollar
Equity obligations	716	716	0%	716	Japanese Yen
Cash & cash equivalents	711	470	51%	355	Euro
Net debt	5,829	6,027	(3%)	6,179	Other
Interest expense	96	83		92	Interest rate
Preferred dividends	6	9		9	
Interest coverage	4.9	5.3		5.0	Fixed
Net debt/EBITDA	3.0	2.9		3.2	Variable
Capitalization ratio	46.9%	45.6%		48.7%	Fixed deferred

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

OTHER DEVELOPMENTS

On June 30, 2003, CEMEX issued two tranches under its Medium-Term Promissory Notes Program ("Certificados Bursatiles"). The first tranche of notes consists of MXP 1,600 million with a maturity of three years at an interest rate equal

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to the Mexican peso Interbank Offer Rate (TIIE) plus 80 basis points. The second tranche of notes consists of five and a half years MXP 545 million tranche in UDIs ("Unidades de inversion") at an interest rate of 5.30%.

During June 2003, CEMEX Espana, through a wholly-owned subsidiary, closed a seven, ten and twelve-year US\$400 million private placement mainly with insurance companies and pension funds in the United States.

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EQUITY RELATED INFORMATION

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

Beginning of quarter CPO-equivalent units outstanding	1,520,783,863

CPOs issued due to stock dividend	98,841,944
Net effect of share repurchase program	4,290,500
Exercise of stock options not hedged	138,918
Change in the number of CPOs held in subsidiaries	(8,743,886)
End of quarter CPO-equivalent units outstanding	1,615,311,339

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

Employee stock options plans

As of June 30, 2003, directors, officers and other employees under our employee stock options plans had outstanding options to acquire 176,034,750 CEMEX CPOs. Of the total options outstanding, 95.4% are hedged through equity forward agreements, and will not dilute existing shares when exercised. The total amount of these options programs represents 10.9% of total CPOs outstanding.

DERIVATIVE INSTRUMENTS

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CEMEX periodically utilizes derivative financial instruments such as interest rate and currency swaps, currency and equity forward contracts, options and futures in order to achieve our funding strategy and to hedge our stock options plans and other equity related obligations.

The following table shows the notional amount for each type of derivative

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instrument, and the aggregate fair market value for all of CEMEX's derivative instruments as of the last day of each quarter presented.

	Second quarter		First quarter
	2003	2002	2003
Notional amounts			
Equity *	1,544	1,400	1,500
Foreign Exchange	3,290	3,119	2,750
Interest Rate	3,576	4,644	3,576
Estimated aggregate fair market value	(223)	(61)	(570)

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, 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 June 30, 2003 for CEMEX's outstanding stock options, warrants and the CAH obligation was US\$24.36 per ADR. On that same date, the aggregate weighted average strike price of CEMEX's equity forward agreements put in place to hedge our obligations under the abovementioned stock options was US\$21.96 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 refer 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 US\$592 million, arising from the fair value recognition of its derivatives portfolio as of June 30, 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.

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OTHER ACTIVITIES

98% of shareholders receive CPOs under CEMEX's stock dividend program

On June 5, 2003, CEMEX announced the completion of its stock dividend program. A total of 98,841,944 CPOs were issued on June 5, 2003 and distributed to 98% of shareholders. The remaining 2% of shareholders elected to receive a cash payment of MXP 2.20 per CPO (MXP 11.00 per ADS) in lieu of the stock, for a total of approximately MXP 61 million (US\$6 million) paid by CEMEX.

Under this dividend program, CEMEX shareholders electing to receive stock received one new CPO for each 16.568 CPOs held (each representing two series A shares and one series B share). CEMEX shareholders had the option to receive a cash payment of MXP 2.20 per CPO in lieu of the stock dividend.

CEMEX plans to increase production capacity in the Dominican Republic

Cementos Nacionales, our main operating subsidiary in the Dominican Republic, has initiated a US\$130 million investment plan for installing a new kiln for producing clinker with annual capacity of 1.6 million metric tons of clinker. This investment would increase our total clinker production capacity in the Dominican Republic to 2.2 million tons per year. The new kiln is expected to be completed in early 2005. We expect to invest approximately US\$16 million to this project in 2003, with the remaining of the investment expected to be realized during 2004 and 2005.

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OPERATING RESULTS - MEXICO

In Mexico, net sales were US\$714 million, an increase of 9% versus the second quarter of 2002.

Domestic gray cement volume increased 2% versus the year-earlier period, while ready-mix volume increased 10%. The residential sector and infrastructure projects continue to be the main drivers of cement and ready-mix demand in Mexico. The self-construction sector - which represents about half of cement demand in Mexico - remains stable.

CEMEX's average realized gray cement price in Mexico increased 2% in constant pesos versus the second quarter of 2002, and decreased 1% in dollar terms. The average ready-mix price decreased 3% in constant pesos and decreased 5% in dollar terms compared with the second quarter of 2002.

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The average cash cost of goods sold per metric ton increased 4% in dollar terms versus the second quarter of 2002, mostly due to increased energy costs.

UNITED STATES

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Net sales for CEMEX's U.S. operations during the second quarter were US\$452 million, a decrease of 6% compared to the year-earlier period.

Domestic cement volume decreased 3% during the second quarter of 2003 compared to the year-earlier period, while the ready-mix volume increased 9%. The residential sector is still strong; however, lower spending on infrastructure and highways coupled with lower construction in the industrial and commercial sector drove down cement demand during the quarter. Weather continues to be a factor with significant influence over cement demand activity as heavy rainfall throughout our markets had an impact on our cement sales volumes. Ready mix volume was driven mainly by strong sales in the western U.S.

The average realized cement price decreased 2% versus the second quarter of 2002 and remained flat versus the first quarter of 2003, while the average ready-mix price remained flat versus the same period a year ago, and also versus the first quarter of 2003.

The average cash cost of goods sold per metric ton increased 1% versus the second quarter of 2002.

SPAIN

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Net sales for CEMEX Spain during the quarter were US\$291 million, an increase of 22% versus the year-earlier period. Domestic cement volume increased 7% during the quarter compared to the same period a year ago. Ready-mix volume increased 5% for the quarter versus the year-earlier period. Spain's infrastructure program, together with a low interest rate environment, has strengthened cement and ready mix demand in the country.

The average domestic cement price decreased 2% in euros and increased 20% in dollar terms compared to the year-earlier period. The average ready-mix price increased 1% in euros and 24% in dollar terms versus the second quarter of 2002.

The average cash cost of goods sold per metric ton increased 34% in dollar terms versus the second quarter of 2002. The increase in cash costs, when expressed in dollar terms, is due to the appreciation of the euro versus the U.S. dollar between June 2002 and June 2003.

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VENEZUELA

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Domestic cement volume for CEMEX's Venezuelan operations decreased 16% compared to the second quarter of 2002, while ready-mix volume decreased 12%. Venezuela is still going through an economic downturn, which has significantly affected overall demand in the country; lower oil revenue is cutting public expenditure and lack of confidence is dampening private investment. The effects of this economic slowdown have been partially compensated by cost reductions and customer oriented initiatives, which have strengthened the value proposition to our customers.

Export volume from the company's Venezuelan operations during the second quarter increased 45% compared to the year-earlier period. The North America and Caribbean regions accounted for 52% and 48% of CEMEX Venezuela's exports, respectively.

Domestic cement prices increased 8% in constant Bolivar terms and decreased 3% in dollar terms compared to the second quarter of 2002. During the second quarter of 2003, the average ready-mix price increased 8% in constant Bolivar terms, and decreased 2% in dollar terms compared to the year-earlier period.

The average cash cost of goods sold per metric ton decreased by 12% in dollar terms compared to the second quarter of 2002. A large portion of our cash costs is Bolivar-denominated; hence, the bolivar's depreciation caused these costs to decrease in U.S. dollar terms.

COLOMBIA

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During the second quarter of 2003, domestic cement volume for the Company's Colombian operations decreased 1%, while ready-mix volume increased 25% versus the year-earlier period. Prudent fiscal management has allowed for public investment, fueling the construction sector, while low interest rates and low inflation are fostering moderate demand for housing and private investment.

CEMEX's average realized cement price in Colombia was 9% higher in Colombian pesos and 11% lower in dollar terms versus the second quarter of 2002. The average ready-mix price increased 1% in Colombian pesos and decreased 17% in dollar terms versus the year-earlier period.

The average cash cost of goods sold per metric ton decreased 2% in dollar terms versus the second quarter of 2002.

OTHER OPERATIONS

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Our Central American and Caribbean operations increased sales and domestic cement volumes by 34% and 26%, respectively, versus the second quarter of last year. These increases are mainly attributable to a strong performance of our operations in Panama, Costa Rica and Nicaragua, as well as the consolidation of our newly acquired Puerto Rican unit. Ready-mix volumes increased 332% versus the year earlier period primarily due to higher volumes in Panama and the Dominican Republic, as well as the incorporation of Puerto Rican Cement, which has sizeable ready-mix operations.

In Egypt, sales and domestic cement volume decreased 18% and 24% respectively versus the second quarter of 2002; however EBITDA was up 10% versus the same

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quarter last year. CEMEX Egypt increased cement prices by 39% in Egyptian pounds versus the first quarter of 2003, which partially explains the decrease in cement volume. The second quarter of 2002 experienced exceptionally high cement volumes, which also explains the decrease in volumes during this quarter when compared to the second quarter of 2002. The construction sector in Egypt remains stable, with public works driving most of demand. The commercial and tourism sectors remain depressed.

The average domestic cement price in Egypt increased 3% in dollar terms and 33% in Egyptian pounds versus the second quarter of 2002.

Our Asian operations, which include the Philippines, Thailand, Taiwan and Bangladesh, experienced decreased sales and domestic cement volumes of 8% and 5% respectively versus the second quarter of 2002. The average domestic cement price for the region decreased 9% in dollar terms versus the second quarter of 2002, and increased 6% versus the first quarter of 2003. Lower cement volume in the Philippines was due to the early start of the rain season, and weak public works spending. The self-construction sector in the Philippines continues to be the main driver of demand.

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CONSOLIDATED INCOME STATEMENT & Balance Sheet

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

(Thousands of U.S. Dollars, except per ADR amounts)

	January - June			S
INCOME STATEMENT	2003	2002	% Var.	
Net Sales	3,489,693	3,264,166	7%	1,85
Cost of Sales	(2,026,586)	(1,785,168)	14%	(1,06
Gross Profit	1,463,107	1,478,999	(1%)	78
Selling, General and Administrative Expenses	(765,509)	(765,367)	0%	(39
Operating Income	697,598	713,631	(2%)	38
Financial Expenses	(190,531)	(160,108)	19%	(9
Financial Income	11,908	29,710	(60%)	
Exchange Gain (Loss), Net	(22,624)	(67,415)	(66%)	4
Monetary Position Gain (Loss)	166,702	174,817	(5%)	5
Gain (Loss) on Marketable Securities	(41,183)	(78,875)	(48%)	6
Total Comprehensive Financing (Cost) Income	(75,729)	(101,871)	(26%)	7
Other Expenses, Net	(175,128)	(210,123)	(17%)	(10
Net Income Before Income Taxes	446,742	401,638	11%	35
Income Tax	(52,451)	(46,866)	12%	(4
Employees' Statutory Profit Sharing	(5,049)	(5,426)	(7%)	(
Total Income Tax & Profit Sharing	(57,500)	(52,291)	10%	(4

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Net Income Before Participation				
of Uncons. Subs. and Ext. Items	389,242	349,347	11%	3
Participation in Unconsolidated Subsidiaries	14,141	12,312	15%	
Consolidated Net Income	403,383	361,659	12%	3
Net Income Attributable to Min. Interest	11,068	17,446	(37%)	
MAJORITY INTEREST NET INCOME	392,314	344,212	14%	3

EBITDA	1,013,375	1,013,878	(0%)	5
Earnings per ADR	1.28	1.17	9%	

BALANCE SHEET	As of June 30		
	2003	2002	% Var.
Total Assets	16,700,910	16,138,929	3%
Cash and Temporary Investments	710,865	470,167	51%
Trade Accounts Receivables	469,561	652,115	(28%)
Other Receivables	499,346	445,643	12%
Inventories	720,812	694,626	4%
Other Current Assets	102,294	149,529	(32%)
Current Assets	2,502,879	2,412,080	4%
Fixed Assets	9,024,855	8,710,066	4%
Other Assets	5,173,176	5,016,783	3%

Total Liabilities	9,533,095	8,612,827	11%
Current Liabilities	3,504,861	2,472,259	42%
Long-Term Liabilities	3,824,357	4,685,608	(18%)
Other Liabilities	2,203,877	1,454,960	51%

Consolidated Stockholders' Equity	7,167,815	7,526,103	(5%)
Stockholders' Equity Attributable to Minority Interest	1,163,076	1,370,324	(15%)
Stockholders' Equity Attributable to Majority Interest	6,004,739	6,155,779	(2%)

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CONSOLIDATED INCOME STATEMENT & Balance Sheet

CEMEX S.A. de C.V. AND SUBSIDIARIES
(Thousands of Mexican Pesos in real terms as of June 30, 2003
except per ADR amounts)

January - June

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INCOME STATEMENT	2003	2002	% Var.	2001
Net Sales	36,502,194	34,012,948	7%	19,403,000
Cost of Sales	(21,198,094)	(18,601,631)	14%	(11,168,000)
Gross Profit	15,304,099	15,411,316	(1%)	8,234,000
Selling, General and Administrative Expenses	(8,007,221)	(7,975,206)	0%	(4,155,000)
Operating Income	7,296,878	7,436,110	(2%)	4,078,000
Financial Expenses	(1,992,959)	(1,668,344)	19%	(1,008,000)
Financial Income	124,553	309,584	(60%)	37,000
Exchange Gain (Loss), Net	(236,644)	(702,472)	(66%)	506,000
Monetary Position Gain (Loss)	1,743,707	1,821,613	(4%)	543,000
Gain (Loss) on Marketable Securities	(430,777)	(821,887)	(48%)	689,000
Total Comprehensive Financing (Cost) Income	(792,120)	(1,061,506)	(25%)	768,000
Other Expenses, Net	(1,831,837)	(2,189,499)	(16%)	(1,112,000)
Net Income Before Income Taxes	4,672,920	4,185,105	12%	3,734,000
Income Tax	(548,634)	(488,343)	12%	(446,000)
Employees' Statutory Profit Sharing	(52,818)	(56,535)	(7%)	(26,000)
Total Income Tax & Profit Sharing	(601,452)	(544,879)	10%	(472,000)
Net Income Before Participation of Uncons. Subs. and Ext. Items	4,071,469	3,640,227	12%	3,261,000
Participation in Unconsolidated Subsidiaries	147,912	128,295	15%	83,000
Consolidated Net Income	4,219,381	3,768,521	12%	3,344,000
Net Income Attributable to Min. Interest	115,774	181,794	(36%)	112,000
MAJORITY INTEREST NET INCOME	4,103,607	3,586,727	14%	3,231,000
EBITDA	10,599,907	10,564,707	0%	5,777,000
Earnings per ADR	13.38	11.64	15%	10.00

As of June 30

BALANCE SHEET	2003	2002	% Var.	2001
Total Assets	174,691,518	168,169,289	4%	100,000,000
Cash and Temporary Investments	7,435,649	4,899,184	52%	5,000,000
Trade Accounts Receivables	4,911,613	6,795,101	(28%)	5,000,000
Other Receivables	5,223,161	4,643,649	12%	5,000,000
Inventories	7,539,689	7,238,079	4%	5,000,000
Other Current Assets	1,069,998	1,558,110	(31%)	5,000,000
Current Assets	26,180,110	25,134,123	4%	5,000,000
Fixed Assets	94,399,984	90,759,780	4%	5,000,000
Other Assets	54,111,424	52,275,387	4%	5,000,000
Total Liabilities	99,716,171	89,746,526	11%	5,000,000
Current Liabilities	36,660,850	25,761,187	42%	5,000,000
Long-Term Liabilities	40,002,770	48,824,511	(18%)	5,000,000
Other Liabilities	23,052,552	15,160,828	52%	5,000,000
Consolidated Stockholders' Equity	74,975,345	78,422,763	(4%)	5,000,000
Stockholders' Equity Attributable to Minority Interest	12,165,776	14,278,921	(15%)	5,000,000
Stockholders' Equity Attributable to Majority Interest	62,809,569	64,143,844	(2%)	5,000,000

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OPERATING SUMMARY PER COUNTRY

In thousands of U.S. dollars

NET SALES	January - June		% Var.	
	2003	2002		
Mexico	1,365,796	1,266,976	8%	713,7
U.S.A.	801,908	866,270	(7%)	452,2
Spain	564,342	466,479	21%	291,3
Venezuela	137,285	134,023	2%	79,7
Colombia	97,488	101,329	(4%)	49,3
Egypt	55,123	75,055	(27%)	30,5
Central America & the Caribbean region	288,392	221,068	30%	154,1
Asia region	98,855	103,082	(4%)	48,5
Others and intercompany eliminations	80,505	29,885	169%	35,3
TOTAL	3,489,693	3,264,166	7%	1,855,0
GROSS PROFIT				
Mexico	782,737	741,540	6%	412,4
U.S.A.	248,101	300,975	(18%)	138,0
Spain	206,257	176,336	17%	102,5
Venezuela	61,953	63,760	(3%)	39,9
Colombia	53,325	54,627	(2%)	27,9
Egypt	20,711	27,148	(24%)	14,5
Central America & the Caribbean region	88,020	75,119	17%	43,9
Asia region	27,312	29,515	(7%)	14,0
Others and intercompany eliminations	(25,309)	9,979	N/A	(6,1
TOTAL	1,463,107	1,478,999	(1%)	787,2
OPERATING INCOME				
Mexico	539,590	504,432	7%	287,9
U.S.A.	86,696	144,299	(40%)	54,6
Spain	128,112	114,789	12%	62,3
Venezuela	43,011	43,141	(0%)	31,1
Colombia	37,404	40,969	(9%)	20,5
Egypt	8,130	11,358	(28%)	8,2
Central America & the Caribbean region	46,659	47,644	(2%)	23,2
Asia region	(6,464)	(157)	4018%	(3,2

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Others and intercompany eliminations	(185,540)	(192,845)	(4%)	(94,8
<hr style="border-top: 1px dashed black;"/>				
TOTAL	697,598	713,631	(2%)	389,9

EBITDA

Mexico	612,452	568,603	8%	324,5
U.S.A.	159,366	213,156	(25%)	91,9
Spain	163,010	130,721	25%	80,6
Venezuela	66,330	62,324	6%	41,7
Colombia	57,537	60,542	(5%)	29,7
Egypt	22,710	30,876	(26%)	15,3
Central America & the Caribbean region	65,163	58,640	11%	32,5
Asia region	9,763	16,465	(41%)	4,7

Others and intercompany eliminations	(142,956)	(127,450)	12%	(69,0
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TOTAL	1,013,375	1,013,878	(0%)	552,3
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Please refer to the end of this report for definition of terms, U.S. dollar translation methodology and other important disclosures.

OPERATING SUMMARY PER COUNTRY

As a percentage of net sales

	January - June		Second quarter	
	2003	2002	2003	2002
OPERATING INCOME MARGIN				
Mexico	39.5%	39.8%	40.3%	41.9%
U.S.A.	10.8%	16.7%	12.1%	18.9%
Spain	22.7%	24.6%	21.4%	26.4%
Venezuela	31.3%	32.2%	39.0%	31.8%
Colombia	38.4%	40.4%	41.6%	39.7%
Egypt	14.7%	15.1%	26.9%	11.5%
Central America & the Caribbean region	16.2%	21.6%	15.1%	22.1%
Asia region	(6.5%)	(0.2%)	(6.8%)	1.4%
CONSOLIDATED MARGIN	20.0%	21.9%	21.0%	23.2%

EBITDA MARGIN

Mexico	44.8%	44.9%	45.5%	46.9%
U.S.A.	19.9%	24.6%	20.3%	26.1%
Spain	28.9%	28.0%	27.7%	32.0%
Venezuela	48.3%	46.5%	52.4%	48.6%

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Colombia	59.0%	59.7%	60.3%	59.5%
Egypt	41.2%	41.1%	50.3%	37.6%
Central America & the Caribbean region	22.6%	26.5%	21.1%	27.0%
Asia region	9.9%	16.0%	9.9%	17.0%

CONSOLIDATED MARGIN	29.0%	31.1%	29.8%	31.9%

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VOLUME SUMMARY

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

	January - June			Second quarter	
	2003	2002	% Var.	2003	2003
Consolidated cement volume	31,615	30,247	5%	16,782	16,130
Consolidated ready-mix volume	10,637	9,276	15%	5,561	4,846

Per-country volume summary

DOMESTIC CEMENT VOLUME	January - June 2003 Vs. 2002	Second quarter 2003 Vs. 2002	Second quarter First q
Mexico	6%	2%	
U.S.A.	(3%)	(3%)	
Spain	6%	7%	
Venezuela	(33%)	(22%)	
Colombia	(0%)	(1%)	
Egypt	(13%)	(24%)	
Central America & the Caribbean region	24%	26%	
Asia Region	4%	(5%)	

READY-MIX VOLUME

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Mexico	16%	10%
U.S.A.	5%	9%
Spain	4%	5%
Venezuela	(15%)	0%
Colombia	32%	25%
Central America & the Caribbean region	312%	332%
Asia Region	N/A	N/A
EXPORT CEMENT VOLUME		
Mexico	(22%)	(24%)
Spain	(7%)	(9%)
Venezuela	7%	45%

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PRICE SUMMARY

	Second quarter 2003 Vs. 2002		Second
	% Var.	% Var.	First
DOMESTIC CEMENT PRICE	U.S. dollar	Local currency	U.S. dolla
Mexico (1)	(1%)	2%	8%
U.S.A.	(2%)	(2%)	(0%)
Spain	20%	(2%)	6%
Venezuela (1)	(3%)	8%	6%
Colombia	(11%)	9%	4%
Egypt	3%	33%	29%
Central America & the Caribbean region (2)	(8%)	N/A	(2%)
Asia Region (2)	(9%)	N/A	6%

READY-MIX PRICE

Mexico (1)	(5%)	(3%)	9%
U.S.A.	0%	0%	0%
Spain	24%	1%	9%
Venezuela (1)	(2%)	8%	12%
Colombia	(17%)	1%	5%
Central America & the Caribbean region (2)	(5%)	N/A	(3%)
Asia Region (2)	(20%)	N/A	(2%)

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

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DEFINITION OF TERMS AND DISCLOSURES

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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 second quarter of 2003, first quarter of 2003 and second quarter of 2002 are 10.46, 10.78 and 9.94 Mexican pesos per 1 U.S. dollar, respectively. CEMEX's weighted average inflation factor between June 30, 2002 and June 30, 2003 was 4.83%.

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 June 30, 2003 and June 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 June 30, 2002 U.S. dollar figures for Mexico and Venezuela to constant pesos and bolivars, respectively, as of June 30, 2003 it is necessary to first convert the June 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.

Exchange rate	June 30		Inflation rate factor
	2003	2002	
Mexico	10.46	9.94	1.045
Spain	0.87	1.01	
Venezuela	1,600	1,353	1.342
Colombia	2,817	2,399	
Egypt	6.07	4.64	

Amounts provided in units of local currency per 1 U.S. dollar.

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 will not include Panama and the Dominican Republic for presentation purposes, but will now be consolidated into the Central America & Caribbean region. For comparison purposes, Venezuela's and Central America &

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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: 309.2 million for the second quarter of 2003 and 295.8 million for the second quarter of 2002; 306.7 million for the first six months of 2003, and 299.3 million for the first six months of 2002.