
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO (Rule 14d-100)

Tender Offer Statement Under Section 14(d)(1)
or Section 13(e)(1) of the Securities Exchange Act of 1934

Amendment No. 5

CEMEX, S.A. de C.V.

(Name of Subject Company (Issuer))

CEMEX, S.A. de C.V.

and

CEMEX, INC.

its wholly-owned subsidiary

(Names of Filing Persons (Offerors))

Appreciation Warrants

(Title of Class of Securities)

151290863

(CUSIP Number of Class of Securities)

Lic. Ramiro Villareal

General Counsel

CEMEX, S.A. de C.V.

Av. Ricardo Margáin Zozaya #325

Colonia Valle del Campestre, Garza García

Nuevo León, México 66265

(011-5281) 8888-8888

(Name, address and telephone number of person authorized to receive notices and communications on behalf of the filing person)

Copy to:

Robert M. Chilstrom, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

Four Times Square

New York, New York 10036

(212) 735-3000

CALCULATION OF FILING FEE

Transaction Valuation: \$75,447,066*

Amount of Filing Fee: \$6,103.67**

* Estimated for purposes of calculating the amount of the filing fee only. This calculation assumes the purchase of all outstanding appreciation warrants ("Appreciation Warrants") (including appreciation warrants represented by American Depositary Warrants (ADWs)) of CEMEX, S.A. de C.V., at the maximum tender offer price of Ps8.10 per Appreciation Warrant in cash in Mexican Pesos (U.S.\$0.73 per appreciation warrant at an exchange rate of Ps11.143 per U.S. dollar, which was the noon buying rate on November 14, 2003). As of November 17, 2003, there were 103,790,945 Appreciation Warrants (including Appreciation Warrants represented by ADWs) outstanding. The amount of the filing fee was calculated at a rate of \$80.90 for each \$1,000,000 of the transaction value.

** Previously paid.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Amendment No. 5 (“Amendment No. 5”) amends and restates the combined Tender Offer Statement and Rule 13e-3 Transaction Statement initially filed under cover of Schedule TO on November 17, 2003 (as amended, the “Schedule TO”) by CEMEX, S.A. de C.V. (“CEMEX”), a corporation organized under the laws of the United Mexican States (“Mexico”), relating to the offer by CEMEX and its wholly-owned U.S. subsidiary, CEMEX, Inc. (the “Offer”), to purchase up to 90,018,042 of its issued and outstanding Appreciation Warrants (including Appreciation Warrants represented by ADWs, each ADW representing five Appreciation Warrants) at a single price in Mexican Pesos not greater than Ps8.10 per Appreciation Warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per Appreciation Warrant (U.S.\$ equivalent of Ps25.50 per ADW) in cash. CEMEX reserves the right to extend the Offer for up to three months or terminate the Offer, in its sole and absolute discretion, which may be for any or no reason, and to otherwise amend the Offer in any respect. The Offer is subject to the terms and conditions set forth in the Revised Offer to Purchase dated December 23, 2003 (the “Offer to Purchase”) and in the related letter of transmittal (which, as either may be amended or supplemented from time to time, together constitute the “Disclosure Documents”). The Offer to Purchase and the letter of transmittal are attached to this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. This Amendment No. 5 amends and restates the Schedule TO filed on November 17, 2003, as amended by Amendment No. 1 thereto filed on November 19, 2003, Amendment No. 2 thereto filed on December 11, 2003, Amendment No. 3 thereto filed on December 17, 2003 and Amendment No. 4 thereto filed on December 22, 2003.

All information in the Disclosure Documents, including all schedules and annexes thereto, is hereby expressly incorporated herein by reference in answer to all items in this Schedule TO, except as otherwise set forth below.

Item 1. Summary Term Sheet.

The information set forth in the Offer to Purchase under the title “Summary” is incorporated herein by reference.

Item 2. Subject Company Information.

- (a) The issuer of the securities subject to the Offer is CEMEX, S.A. de C.V., a corporation organized under the laws of Mexico. CEMEX’s executive offices are located at Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265. CEMEX’s telephone number is +011-5281-8888-8888.
- (b) The subject class of securities is CEMEX’s outstanding Appreciation Warrants. As of November 17, 2003, 103,790,945 Appreciation Warrants (including Appreciation Warrants represented by ADWs) were issued and outstanding.
- (c) The information set forth in the Offer to Purchase under the title “THE OFFER—6. Price Range of Appreciation Warrants and ADWs” is incorporated herein by reference.
- (d) Not applicable.
- (e) Not applicable.
- (f) The information set forth in the Offer to Purchase under the title “SPECIAL FACTORS—7. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Appreciation Warrants and ADWs” is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

- (a) CEMEX, S.A. de C.V. and CEMEX, Inc. are the filing persons. The business address and telephone number of CEMEX are set forth under Item 2(a) of this Schedule TO. CEMEX, Inc. is a Louisiana Corporation with its principal executive offices located at 840 Gessner Road, Suite 1400, Houston, Texas 77024. CEMEX, Inc.’s main telephone number is (713) 650-6200. The information set forth in Schedule I to the Offer to Purchase regarding directors and executive officers of CEMEX and CEMEX, Inc., is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase under the title “THE OFFER—9. Information About Us and CEMEX, Inc.” is incorporated herein by reference.
- (c) The information set forth in Schedule I to the Offer to Purchase regarding directors and executive officers of CEMEX and CEMEX, Inc. is incorporated herein by reference.

Item 4. Terms of the Transaction.

- (a) The information set forth in the sections of the Offer to Purchase titled “SUMMARY,” “The OFFER—1. “Number of Appreciation Warrants and ADWs; Price; Proration,” “THE OFFER—2. Procedures for Tendering Appreciation Warrants and ADWs,” “3. THE OFFER—Withdrawal Rights,” “THE OFFER—4. Purchase of Appreciation Warrants and ADWs; Payment of Purchase Price,” “THE OFFER—5. Conditions of the Offer,” “THE OFFER—8. Source and Amount of Funds,” and “SPECIAL FACTORS—8. Income Tax Consequences” is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase under the title “SPECIAL FACTORS—7. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Appreciation Warrants and ADWs” is incorporated herein by reference.
- (c) The information set forth in the sections of the Offer to Purchase titled “SUMMARY” and “The OFFER—1. “Number of Appreciation Warrants and ADWs; Price; Proration” is incorporated herein by reference.
- (d) Holders of Appreciation Warrants or ADWs are not entitled to any appraisal rights.
- (e) None.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

- (a) The information set forth in the Offer to Purchase under the title “SPECIAL FACTORS—7. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Appreciation Warrants and ADWs” is incorporated herein by reference.
- (b) Not applicable.
- (c) Not applicable.
- (e) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—7. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Appreciation Warrants and ADWs” is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

- (a) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—2. Purposes and Reasons for the Offer” is incorporated herein by reference.
- (b) The information set forth in the sections of the Offer to Purchase titled “SUMMARY” and “The OFFER—1. “Number of Appreciation Warrants and ADWs; Price; Proration” is incorporated herein by reference.
- (c)(1) None.
- (c)(2) None.
- (c)(3) None.
- (c)(4) None.
- (c)(5) None.
- (c)(6) The information set forth in the sections of the Offer to Purchase titled “SPECIAL FACTORS—6. Effects of the Offer” and “THE OFFER—10. Effects of the Offer on the Market for Our Appreciation Warrants and ADWs; Registration Under the Exchange Act” is incorporated herein by reference.
- (c)(7) The information set forth in the sections of the Offer to Purchase titled “SPECIAL FACTORS - 6. Effects of the Offer” and “THE OFFER—10. Effects of the Offer on the Market for Our Appreciation Warrants and ADWs; Registration Under the Exchange Act” is incorporated herein by reference.

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- (c)(8) None.
 - (c)(9) None.
 - (c)(10) None.

Item 7. Source and Amount of Funds or Other Consideration.

- (a) The information set forth in the section of the Offer to Purchase titled “THE OFFER—8. Source and Amount of Funds” is incorporated herein by reference.
- (b) Not applicable.
- (c) The information set forth in the section of the Offer to Purchase titled “THE OFFER—13. Fees and Expenses,” is herein incorporated by reference.
- (d) Not applicable.

Item 8. Interest in Securities of the Subject Company.

- (a) The information set forth in Schedule I to the Offer to Purchase regarding beneficial ownership of Appreciation Warrants and ADWs by directors and executive officers of CEMEX and CEMEX, Inc. and by each majority-owned subsidiary and associate of CEMEX and CEMEX, Inc. is incorporated herein by reference.
- (b) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—7. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Appreciation Warrants and ADWs” is incorporated herein by reference.

Item 9. Persons/assets, Retained, Employed, Compensated or Used.

- (a) The information set forth in the sections of the Offer to Purchase titled “SPECIAL FACTORS—4. Views of the Financial Advisor” and “THE OFFER—13. Fees and Expenses” are herein incorporated by reference.
- (b) Not applicable.

Item 10. Financial Statements.

- (a) The information set forth in the section of the Offer to Purchase titled “THE OFFER—9. Information About Us and CEMEX, Inc.” is incorporated herein by reference.
- (b) Not applicable.

Item 11. Additional Information.

- (a) Not applicable.
- (b) None.

Item 12. Exhibits.

Item 12 of the Schedule TO is hereby amended and restated in its entirety, as follows:

- (a)(1)(A) Revised Offer to Purchase dated December 23, 2003.**
- (a)(1)(B) Revised Letter of Transmittal.**
- (a)(1)(C) Revised Letter to Broker-Dealers dated December 23, 2003.**
- (a)(1)(D) Revised Letter to Clients dated December 23, 2003.**
- (a)(1)(E) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.*
- (a)(1)(F) Press Release dated November 17, 2003.*
- (a)(1)(G) Press Release dated December 11, 2003.*
- (a)(1)(H) Press Release dated December 17, 2003.*
- (a)(1)(I) English translation of Definitive Information Memorandum, dated November 17, 2003, disseminated to holders of appreciation warrants in connection with the offer in Mexico.*
- (a)(1)(J) English translation of Definitive Supplement, dated December 23, 2003, disseminated to holders of appreciation warrants in connection with the offer in Mexico.**
- (a)(1)(K) Press Release dated December 23, 2003.**
- (b) Not applicable.
- (c) Not applicable.
- (d)(1)(A) Forward Contract and Confirmation between Wachovia Bank, National Association (“Wachovia”) and Centro Distribuidor de Cemento, S.A. de C.V. (“CEDICE”), dated as of September 4, 2003 (Reference No. 612904/612903).*
- (d)(1)(B) Forward Contract and Confirmation between Wachovia and CEDICE, dated as of September 4, 2003 (Reference No. 612905/612907).*
- (d)(1)(C) Forward Contract and Confirmation between Wachovia and CEDICE, dated as of September 4, 2003 (Reference No. 612889/612890).*
- (d)(1)(D) Forward Contract and Confirmation between Wachovia and CEDICE, dated as of September 4, 2003 (Reference No. 612891/612892).*
- (d)(1)(E) Forward Contract and Confirmation between Wachovia and CEDICE, dated as of September 4, 2003 (Reference No. 612885/612887).*
- (d)(2)(A) Forward Contract and Confirmation between Citibank, N.A. and Empresas Tolteca de Mexico, S.A. de C.V., dated as of December 23, 2002 (Reference No. EO2-94566).*
- (d)(3)(A) Forward Contract and Confirmation between Banco Santander Mexicano, S.A. (“Banco Santander”), Institución de Banca Multiple (“Multiple”), Grupo Financiero Santander Serfin (“Grupo Santander”) and CEDICE dated as of April 7, 2003 (Reference No. 6032-001).*
- (d)(3)(B) Amendment to Confirmation between Banco Santander, Multiple, Grupo Santander and CEDICE dated as of August 28, 2003 (Reference No. 6032-001).*
- (d)(4)(A) Forward Contract and Confirmation between Dresdner Bank AG and CEDICE dated as of October 29, 2003 (Reference No. 18498/9-R1).*
- (d)(5)(A) Forward Contract and Confirmation between Credit Agricole Lazard Financial Products Bank (“Credit Agricole”) and CEDICE dated as of September 27, 2001.*
- (d)(5)(B) Amendment to Confirmation between Credit Agricole and CEDICE dated as of March 26, 2003.*
- (d)(6)(A) Forward Contract and Confirmation between Bear, Stearns International Limited and CEDICE dated as of August 6, 2001 (Reference No. NY13996 – Amended II).*
- (d)(7)(A) Forward Contract and Confirmation between UBS, AG, London Branch (“UBS”) and CEDICE, dated as of September 17, 2003 (Reference No. STM0745770).*

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- (d)(7)(B) Forward Contract and Confirmation between UBS and CEDICE, dated as of August 17, 2003 (Reference No. STM0745772).*
 - (d)(7)(C) Forward Contract and Confirmation between UBS and CEDICE, dated as of August 17, 2003 (Reference No. STM0745774).*
 - (d)(7)(D) Forward Contract and Confirmation between UBS and CEDICE, dated as of August 17, 2003 (Reference No. STM0745776).*
 - (d)(8)(A) Forward Contract and Confirmation between JPMorgan Chase Bank (“JPMorgan Chase”) and CEDICE, dated as of August 20, 2003 (Reference No. 2332487).*
 - (d)(8)(B) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of February 26, 2003 (Reference No. 2119030).*
 - (d)(8)(C) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of February 26, 2003 (Reference No. 2119029).*
 - (d)(8)(D) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of February 26, 2003 (Reference No. 2280978).*
 - (d)(8)(E) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of August 7, 2003 (Reference No. 2309481).*
 - (d)(8)(F) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of February 26, 2003 (Reference No. 2119032).*
 - (d)(8)(G) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of August 28, 2003 (Reference No. 2302413).*
 - (d)(8)(H) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of August 28, 2003 (Reference No. 2302425).*
 - (d)(8)(I) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of November 14, 2003 (Reference No. 2335840).*
 - (d)(8)(J) Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of November 14, 2003 (Reference No. 2342682).*
 - (d)(9)(A) Trust Agreement number 110910-1 dated August 10, 1995 (as from time to time amended) between CEMEX (as settlor and beneficiary) and Banco Nacional de Mexico, S.A., Division Fiduciaria (as trustee).*
 - (d)(10)(A) Trust Agreement number 111132-7 dated December 13, 2001 between CEMEX and CEDICE (as settlors), and Banco Nacional de Mexico, S.A., Division Fiduciaria (as trustee).*
 - (d)(11)(A) Trust Agreement dated December 9, 1999 between the persons named in Annex A as first settlers-beneficiaries, the other persons named in Annex B as second settlers-beneficiaries, CEMEX as lending trustee and Citibank, N.A. as trustee.*
 - (d)(12)(A) Trust Agreement number 111174-2 dated February 27, 2003 between CEMEX employees as settlors and beneficiaries and Banco Nacional de Mexico, S.A., Integrante del grupo Financiero Banamex, División Fiduciaria.*
 - (d)(13)(A) Trust Agreement dated February 19, 1999 between the persons named in Annex A as first settlers-beneficiaries and Citibank, N.A. as trustee.*
 - (d)(14)(A) Call option agreement dated March 1, 2003 among CEDICE and Banco Nacional de Mexico, Grupo Financiero Banamex, Division Fiduciaria as trustee under Trust number 111174-2.*
 - (d)(15)(A) Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and AIG Asian Infrastructure Fund II LP (“AIG”).*
 - (d)(15)(B) Amendment No. 2 to Stock Purchase Agreement, dated as of April 3, 2003, between CEMEX and AIG.*
 - (d)(15)(C) Amendment No. 3 to Stock Purchase Agreement, dated as of July 15, 2003, between CEMEX and AIG.*

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- (d)(16)(A) Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and Pan Asian Cement Investors, L.P. (“Pan Asian”).*
 - (d)(16)(B) Amendment No. 2 to Stock Purchase Agreement, dated as of April 3, 2003, between CEMEX and Pan Asian.*
 - (d)(16)(C) Amendment No. 3 to Stock Purchase Agreement, dated as of July 15, 2003, between CEMEX and Pan Asian.*
 - (d)(17)(A) Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and Iona Investment Pte. Ltd. (“Iona”).*
 - (d)(17)(B) Amendment No. 2 to Stock Purchase Agreement, dated as of April 3, 2003, between CEMEX and Iona.*
 - (d)(17)(C) Amendment No. 3 to Stock Purchase Agreement, dated as of July 15, 2003, between CEMEX and Iona.*
 - (d)(18)(A) Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and GIMV N.V.*
 - (e) Not applicable.
 - (f) Not applicable.
 - (g) Not applicable.
 - (h)(1)(A) Opinion of Skadden, Arps, Slate, Meagher & Flom LLP, with respect to U.S. federal tax matters.*
 - (h)(2)(A) Opinion of C.P. Eutimio Medellin, Corporate Tax Manager of CEMEX, with respect to Mexican federal tax matters.*

* Previously filed.

** Filed herewith.

Item 13. Information Required by Schedule 13e-3.

I. Purposes, alternatives, reasons and effects in a going-private transaction.

- (a) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—2. Purposes and Reasons for the Offer” is herein incorporated by reference.
- (b) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—2. Purposes and Reasons for the Offer” is herein incorporated by reference.
- (c) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—2. Purposes and Reasons for the Offer” is herein incorporated by reference.
- (d) The information set forth in the sections of the Offer to Purchase titled “SPECIAL FACTORS—2. Purposes and Reasons for the Offer,” “SPECIAL FACTORS—6. Effects of the Offer,” “THE OFFER—10. Effects of the Offer on the Market for Our Appreciation Warrants and ADWs; Registration Under the Exchange Act” and “SPECIAL FACTORS—8. Income Tax Consequences” are incorporated herein by reference.

II. Fairness of the going-private transaction.

- (a) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—3. Fairness of the Offer” is herein incorporated by reference.
- (b) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—3. Fairness of the Offer” is herein incorporated by reference.
- (c) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—3. Fairness of the Offer” is herein incorporated by reference.
- (d) The information set forth in the sections of the Offer to Purchase titled “SPECIAL FACTORS—1. Background of the Offer” and “SPECIAL FACTORS—3. Fairness of the Offer” is herein incorporated by reference.

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- (e) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—3. Fairness of the Offer” is herein incorporated by reference.
 - (f) Not applicable.

III. Reports, opinions, appraisals and negotiations.

- (a) Neither CEMEX nor any of its affiliates has received any report, opinion (other than an opinion of counsel) or appraisal from an outside party that is materially related to the offer.
- (b) Not applicable.
- (c) Not applicable.

IV. The Solicitation or Recommendation.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) The information set forth in the section of the Offer to Purchase titled “SUMMARY—How many appreciation warrants and ADWs will CEMEX purchase in all?” is herein incorporated by reference.
- (e) The information set forth in the section of the Offer to Purchase titled “SPECIAL FACTORS—2. Purposes and Reasons for the Offer” is herein incorporated by reference.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 23, 2003

CEMEX, S.A. de C.V.

By: _____ /s/ RODRIGO TREVIÑO

Name: Rodrigo Treviño
Title: Chief Financial Officer

CEMEX, Inc.

By: _____ /s/ GILBERTO PEREZ

Name: Gilberto Perez
Title: President

EXHIBIT INDEX

Exhibit No.	Description
(a)(1)(A)	Revised Offer to Purchase dated December 23, 2003.**
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(a)(1)(D)	Revised Letter to Clients dated December 23, 2003.**
(a)(1)(E)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.*
(a)(1)(F)	Press Release dated November 17, 2003.*
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(a)(1)(K)	Press Release dated December 23, 2003.**
(b)	Not applicable.
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(d)(8)(I)	Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of November 14, 2003 (Reference No. 2335840).*
(d)(8)(J)	Forward Contract and Confirmation between JPMorgan Chase and CEDICE, dated as of November 14, 2003 (Reference No. 2342682).*
(d)(9)(A)	Trust Agreement number 110910-1 dated August 10, 1995 (as from time to time amended) between CEMEX (as settlor and beneficiary) and Banco Nacional de Mexico, S.A., Division Fiduciaria (as trustee).*
(d)(10)(A)	Trust Agreement number 111132-7 dated December 13, 2001 between CEMEX and CEDICE (as settlors), and Banco Nacional de Mexico, S.A., Division Fiduciaria (as trustee).*
(d)(11)(A)	Trust Agreement dated December 9, 1999 between the persons named in Annex A as first settlers-beneficiaries, the other persons named in Annex B as second settlers-beneficiaries, CEMEX as lending trustee and Citibank, N.A. as trustee.*
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(d)(14)(A)	Call option agreement dated March 1, 2003 among CEDICE, and Banco Nacional de Mexico, Grupo Financiero Banamex, Division Fiduciaria as trustee under Trust number 111174-2.*
(d)(15)(A)	Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and AIG Asian Infrastructure Fund II LP (“AIG”).*
(d)(15)(B)	Amendment No. 2 to Stock Purchase Agreement, dated as of April 3, 2003, between CEMEX and AIG.*
(d)(15)(C)	Amendment No. 3 to Stock Purchase Agreement, dated as of July 15, 2003, between CEMEX and AIG.*

Exhibit No.	Description
(d)(16)(A)	Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and Pan Asian Cement Investors, L.P. (“Pan Asian”).*
(d)(16)(B)	Amendment No. 2 to Stock Purchase Agreement, dated as of April 3, 2003, between CEMEX and Pan Asian.*
(d)(16)(C)	Amendment No. 3 to Stock Purchase Agreement, dated as of July 15, 2003, between CEMEX and Pan Asian.*
(d)(17)(A)	Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and Iona Investment Pte. Ltd. (“Iona”).*
(d)(17)(B)	Amendment No. 2 to Stock Purchase Agreement, dated as of April 3, 2003, between CEMEX and Iona.*
(d)(17)(C)	Amendment No. 3 to Stock Purchase Agreement, dated as of July 15, 2003, between CEMEX and Iona.*
(d)(18)(A)	Stock Purchase Agreement, dated as of July 12, 2002, between CEMEX and GIMV N.V.*
(e)	Not applicable.
(f)	Not applicable.
(g)	Not applicable.
(h)(1)(A)	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP, with respect to U.S. federal tax matters.*
(h)(2)(A)	Opinion of C.P. Eutimio Medellin, Corporate Tax Manager of CEMEX, with respect to Mexican federal tax matters.*

* Previously filed.

** Filed herewith.



CEMEX, S.A. de C.V.

CEMEX, Inc.

**Revised Offer to Purchase for Cash
Up to 90,018,042 Appreciation Warrants
(Including Appreciation Warrants Represented by ADWs)
At a Purchase Price
Not Greater Than Ps8.10 Per Appreciation Warrant
(U.S.\$ Equivalent of Ps40.50 Per ADW)
nor
Less Than Ps5.10 Per Appreciation Warrant
(U.S.\$ Equivalent of Ps25.50 Per ADW)**

The offer, proration period and withdrawal rights will expire at 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on January 26, 2004, unless the offer is extended. We may extend the offer period at any time for up to three months, subject to applicable regulatory approvals.

We are offering to purchase for cash, upon the terms and subject to the conditions set forth in this document and in the related letter of transmittal, up to 90,018,042 of our appreciation warrants (including appreciation warrants represented by American Depositary Warrants, or ADWs, each ADW representing five appreciation warrants), which represents approximately 86.73% of our outstanding appreciation warrants, at a single price in Mexican Pesos not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), as specified by tendering holders. We refer to our offer, and the terms and conditions of this document and related letter of transmittal, as “the offer.”

If you want to tender your appreciation warrants or ADWs into the offer, you should:

- specify a price not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) at which you are willing to tender your appreciation warrants or ADWs (prices may only be specified in increments of Ps0.30 per appreciation warrant (U.S.\$ equivalent of Ps1.50 per ADW)),
- specify the amount of appreciation warrants or ADWs you want to tender, and
- follow the instructions in this document and the related documents, including the accompanying letter of transmittal, to submit your appreciation warrants or ADWs.

When the offer expires, we will determine the lowest purchase price that will allow us to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs) as are validly tendered and not properly withdrawn at prices not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW). We refer to the purchase price determined by us as described above as the “selected purchase price.”

We will purchase at the selected purchase price all appreciation warrants (including appreciation warrants represented by ADWs) that are validly tendered at prices at or below the selected purchase price and not properly withdrawn, subject to the terms and the conditions of the offer, including the odd lot and proration provisions. We will not purchase any appreciation warrants (including appreciation warrants represented by ADWs) tendered at prices above the selected purchase price, and we will return such appreciation warrants and any appreciation warrants (including appreciation warrants represented by ADWs) not purchased because of proration as promptly as practicable after the tender offer is completed or terminated.

All appreciation warrants we purchase in the offer will be purchased directly by us, and all ADWs we purchase in the offer will be purchased by CEMEX, Inc., our wholly-owned U.S. subsidiary. Concurrently with the commencement of the offer, we are also offering to purchase appreciation warrants in Mexico on the same terms as the offer made hereby.

The offer is not conditioned on any minimum number of appreciation warrants or ADWs being tendered. The offer is, however, subject to other conditions discussed under “The Offer—5. Conditions of the Offer.”

Our board of directors has approved the offer. However, neither we nor our board of directors, CEMEX, Inc., the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent makes any recommendation to you as to whether you should tender or not tender your appreciation warrants or ADWs or as to the price or prices at which you may choose to tender your appreciation warrants or ADWs. You must make your own decision as to whether to tender your appreciation warrants or ADWs and, if so, how many appreciation warrants or ADWs to tender and the price or prices at which your appreciation warrants or ADWs should be tendered.

This document and the related letter of transmittal contain important information about the offer that you should read before deciding whether to tender your appreciation warrants or ADWs in the offer. This document describes the revised terms of the offer and supersedes any terms contained in the initial offer document, dated November 17, 2003, previously distributed to holders of appreciation warrants and ADWs. To the extent of any conflict or inconsistency between the terms of this document and the terms of the initial offer document, the terms contained in this document will prevail. If you tendered your appreciation warrants or ADWs prior to your receipt of this document describing the revised terms of the offer, you should read the notice on page iv of this document.

The appreciation warrants are listed on the Mexican Stock Exchange under the symbol “CMX412E-DC062,” and the ADWs are listed on the New York Stock Exchange under the symbol “CX-WSB.” On November 14, 2003, the last full trading day prior to the commencement of the offer, the last reported sales price of the appreciation warrants on the Mexican Stock Exchange was Ps5.70 per appreciation warrant (U.S.\$0.51 per appreciation warrant at an exchange rate of Ps11.143 per U.S. dollar) and the last reported sales price of the ADWs on the New York Stock Exchange was U.S.\$2.35 per ADW. On December 19, 2003, the last reported sales price of the appreciation warrants on the Mexican Stock Exchange was Ps6.88 per appreciation warrant (U.S.\$0.62 per appreciation warrant at an exchange rate of Ps11.143 per U.S. dollar) and the last reported sales price of the ADWs on the New York Stock Exchange was U.S.\$3.20 per ADW.

This transaction has not been approved or disapproved by the Securities and Exchange Commission, or the SEC, nor has the SEC passed upon the fairness or merits of such transaction or upon the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offense.

The dealer manager for the offer is:

Citigroup

December 23, 2003

IMPORTANT

If you want to tender all or part of your appreciation warrants or ADWs, you must do one of the following before the offer expires:

In the case of appreciation warrants, all of which are held in book-entry form through the facilities of S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, your agent should arrange for a Mexican broker-dealer (*casa de bolsa*) that is an Indeval participant to receive and hold the appreciation warrants through its Indeval account on your behalf and to tender those appreciation warrants in the offer, in a transaction executed as a transfer (*cruce*) on the Mexican Stock Exchange, to Acciones y Valores de México, S.A. de C.V., Casa de Bolsa, Integrante del Grupo Financiero Banamex, or Accival, the Mexican dealer manager, who will be acting on our behalf, at its account at Indeval and to deliver to the Mexican dealer manager an Indeval participant tender letter, in the format provided for such purpose, prior to the expiration date. In the event one or more brokers, dealers, banks, trust companies, custodians or other nominees act as an intermediary between your agent and the Mexican broker-dealer that is an Indeval participant, your agent should arrange for the intermediary to forward the tender instructions for the appreciation warrants to the appropriate Mexican broker-dealer that is an Indeval participant for such Mexican broker-dealer to follow the procedures described above. See “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs.”

In the case of ADWs held in book-entry form, all of which are held through the facilities of The Depository Trust Company, or DTC, your agent should arrange for the DTC participant holding the ADWs through its DTC account to tender those ADWs in the tender offer to the U.S. tender agent prior to the expiration date in accordance with the DTC procedures applicable to tendering in modified Dutch auctions. In the event one or more brokers, dealers, banks, trust companies, custodians or other nominees acts as an intermediary between your agent and that DTC participant, your agent should arrange to deliver the tender instructions for the ADWs to the appropriate DTC participant. See “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs.”

In the case of ADWs held in certificated form, you may tender the ADWs registered in your name on the books of the U.S. tender agent by delivering to the U.S. tender agent a properly completed and duly executed letter of transmittal or a manually executed facsimile of it, together with the applicable signature guarantees from an eligible guarantor institution, and the certificate evidencing the ADWs specified in the accompanying letter of transmittal, in each case, on or prior to the expiration date. See “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs.”

A tender will be deemed to have been received only:

(1) *in the case of a tender of appreciation warrants*, when the Mexican dealer manager receives both the duly completed and signed Indeval participant tender letter stating the price(s) at which you are tendering appreciation warrants at its address in Mexico City specified on the back cover of this document and a book-entry transfer, pursuant to a transaction executed on the Mexican Stock Exchange, of the appreciation warrants into the Mexican dealer manager’s Indeval third-party account;

(2) *in the case of a tender of ADWs in book-entry form*, when the U.S. tender agent receives both a duly completed agents’ message through the facilities of DTC at the U.S. tender agent’s DTC account stating the price(s) at which you are tendering ADWs through your broker and confirmation of book-entry transfer of the ADWs into the U.S. tender agent’s applicable DTC account; or

(3) *in the case of a tender of ADWs held in certificated form*, when the U.S. tender agent receives a properly completed and duly executed letter of transmittal stating the price at which you are tendering each ADW certificate representing ADWs, together with the applicable signature guarantees from an eligible institution, and the certificate evidencing the ADWs specified in the accompanying letter of transmittal, in each case, on or prior to the expiration date.

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You may only submit one Indeval participant tender letter, letter of transmittal or agents' message, as applicable, for appreciation warrants or ADWs tendered, even if you wish to tender portions of your appreciation warrants or ADWs at more than one price. If you wish to ensure that your appreciation warrants or ADWs will be purchased, subject to the proration provisions of the offer, you should indicate on the Indeval participant letter, the letter of transmittal, or the agents' message, as applicable, that you will accept the minimum price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW).

Notwithstanding any other provision of the offer, CEMEX's obligation to accept for purchase, and to pay the purchase price for, each appreciation warrant or ADW validly tendered and not properly withdrawn pursuant to the offer is subject to and conditioned upon the satisfaction of or, where applicable, waiver by CEMEX of, all "Conditions of the Offer" described under "The Offer—5. Conditions of the Offer."

Before deciding whether and at what price to tender your appreciation warrants or ADWs, you should carefully consider the information set forth in and incorporated by reference in this document, including our annual report on Form 20-F for the year ended December 31, 2002 and the risk factors set forth therein relating to owning our securities, and the letter of transmittal.

You may direct questions and requests for assistance, or for additional copies of this document or the letter of transmittal, to Global Bondholder Services Corporation, the information agent, or to Citigroup Global Markets Inc., the U.S. dealer manager, at their addresses and telephone numbers set forth on the back cover of this document.

The offer does not constitute an offer to purchase appreciation warrants or ADWs in any jurisdiction in which, or from any person from whom, it is unlawful to make the offer under applicable securities or blue sky laws. Subject to applicable law (including Rules 13e-4(d)(2) and 14e-1 under the Securities Exchange Act of 1934, or the Exchange Act, which require that material changes be promptly disseminated to security holders in a manner reasonably designed to inform them of such changes), our delivery of this document shall not under any circumstances create any implication that the information contained or incorporated by reference in this document is correct as of any time after the date of this document or that there has been no change in the information included or incorporated by reference herein or in the affairs of CEMEX or any of its subsidiaries or affiliates since the date hereof.

Neither CEMEX nor CEMEX, Inc., the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent has authorized any person to make any recommendation as to whether holders should tender or refrain from tendering appreciation warrants or ADWs pursuant to the offer or as to the price or prices at which holders of appreciation warrants or ADWs may choose to tender their appreciation warrants or ADWs. Neither CEMEX nor CEMEX, Inc., the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent has authorized any person to give any information or to make any representation in connection with the offer other than the information and representations contained in this document or in the related letter of transmittal. If anyone makes any recommendation or gives any information or representation, you should not rely upon that recommendation, information or representation as having been authorized by CEMEX, the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent.

The Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), or the CNBV, has approved a public offer in Mexico to purchase appreciation warrants, including the mechanics for participating in the offer, tendering appreciation warrants or ADWs in the offer and settling the appreciation warrants or ADWs. Any extension of the offer period or change in the mechanics for participating in the offer and tendering appreciation warrants or ADWs would require a supplemental approval by the CNBV. The Mexican dealer manager may, under certain circumstances, terminate its engagement as dealer manager for the Mexican offer.

Unless otherwise indicated, references in this document to "CEMEX," "we," "us" or "our" refer to CEMEX, S.A. de C.V., a Mexican corporation.

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References in this document to “U.S.\$” and “Dollars” are to U.S. Dollars, and references to “Ps” and “Pesos” are to Mexican Pesos.

Unless otherwise indicated, convenience translations of Pesos into Dollars and Dollars into Pesos in this document are translated at an exchange rate of Ps11.143 to U.S.\$1.00, which was the noon buying rate for Pesos in New York City on November 14, 2003, the last full business day prior to the commencement of the offer, as published by the U.S. Federal Reserve Bank of New York. The noon buying rate for Pesos on December 19, 2003 was Ps11.233 to U.S.\$1.00.

**NOTICE TO HOLDERS WHO TENDERED SECURITIES
PRIOR TO RECEIVING THE REVISED TERMS OF THE OFFER**

If you tendered your appreciation warrants or ADWs prior to your receipt of this document describing the revised terms of the offer and you do not wish to tender your appreciation warrants or ADWs under the revised terms of the offer or you wish to revise the terms of your tender, you need to withdraw the appreciation warrants or ADWs previously tendered by following the applicable withdrawal procedures described under “The Offer-3. Withdrawal Rights” prior to the expiration of the offer. All appreciation warrants and ADWs validly tendered and not properly withdrawn prior to the expiration of the offer will be deemed to have been tendered upon the revised terms of the offer described in this document. With respect to the odd lot provisions of the revised offer described in this document, if you tendered fewer than 100 appreciation warrants or 20 ADWs prior to your receipt of this document, you will be deemed to be an “odd lot” holder for purposes of the offer and you will not be required to withdraw and re-submit your existing tender to certify to that fact. If you wish to revise the terms of your tender, you will need to withdraw your existing tender and validly re-submit your revised tender, in each case prior to the expiration of the offer.

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SUMMARY

We are providing this summary for your convenience. It highlights material information in this document, but you should realize that it does not describe all the details of the offer to the same extent that they are described in the body of this document. We urge you to read the entire document and the related letter of transmittal because they contain the full details of the offer. Where helpful, we have included references to the sections of this document where you will find a more complete discussion.

Who is offering to purchase my securities?

CEMEX, S.A. de C.V. and its wholly-owned U.S. subsidiary, CEMEX, Inc. All appreciation warrants we purchase in the offer will be purchased directly by us, and all ADWs we purchase in the offer will be purchased by CEMEX, Inc., our wholly-owned U.S. subsidiary. We have designated CEMEX, Inc. to purchase ADWs in the offer in order to simplify the process by which non-residents of Mexico who tender ADWs are entitled to receive an exemption from Mexican withholding tax. See “Special Factors—8. Income Tax Consequences.”

What is the purchase price?

The price range for the offer is Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) (the closing price of the appreciation warrants on the Mexican Stock Exchange on September 30, 2003, the date we announced our intention to initiate a tender offer for our appreciation warrants) to Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) (the theoretical value of an appreciation warrant on November 15, 2003, calculated using the Black-Scholes pricing model, assuming a volatility of 35%, a risk-free rate of 1.3%, a dividend yield of 0% and the highest sales price of our American Depositary Shares, or ADSs, each ADS representing five of our Ordinary Participation Certificates, or CPOs, on the New York Stock Exchange during September 2003, which was U.S.\$26.20, translated into Pesos at an exchange rate of Ps11.13 to U.S.\$1.00, which was the Peso/Dollar spot exchange rate reported by Bloomberg L.P. on November 12, 2003).

We are conducting the offer through a procedure commonly called a “modified Dutch Auction.”

- This procedure allows you to select the price, within a price range specified by us, at which you are willing to sell your appreciation warrants or ADWs.
- We will determine the purchase price we will pay per appreciation warrant as promptly as practicable after the offer expires. The purchase price will be the lowest price that will allow us to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs) as are validly tendered and not properly withdrawn. The purchase price will not be greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW). We refer to the purchase price determined by us as described above as the “selected purchase price.”
- We and CEMEX, Inc. will purchase all appreciation warrants and ADWs, respectively, that are validly tendered at prices at or below the selected purchase price and not properly withdrawn, subject to the odd lot and proration provisions of the offer. All appreciation warrants and ADWs we purchase will be purchased at the selected purchase price, even if you have chosen a lower price, but we will not purchase any appreciation warrants or ADWs tendered at a price above the selected purchase price.
- If you wish to ensure that your appreciation warrants or ADWs will be purchased, subject to the proration provisions of the offer, you should check the box next to the minimum purchase price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) in the pricing section of the Individual participant tender letter, letter of transmittal or agents’ message, as applicable. See “The Offer—1. Number of Appreciation Warrants and ADWs; Price; Proration.”

How and when will I be paid?

If your appreciation warrants or ADWs are purchased in the offer, you will be paid the purchase price, in cash, without interest, as soon as practicable after the expiration of the offer period and the acceptance of the appreciation warrants or ADWs, as applicable, for payment. In the case of appreciation warrants, we will pay the purchase price in Mexican Pesos for the appreciation warrants to the Mexican broker-dealer tendering the appreciation warrants, which will act as your agent for the purpose of receiving payment from us and transmitting payment to you. In the case of ADWs, we will pay the purchase price in Mexican Pesos for the ADWs to the U.S. tender agent, which will act as your agent for the purpose of receiving payment from us and transmitting payment to you. The U.S. tender agent will arrange for the conversion of the purchase price paid in Mexican Pesos in respect of appreciation warrants underlying ADWs purchased in the offer into U.S. Dollars at an exchange rate available to it on the payment date for subsequent delivery to you. Neither we nor the U.S. tender agent are responsible for the U.S. tender agent in fact being able to convert Mexican Pesos received for U.S. Dollars, as a result of exchange controls or otherwise, or for the exchange rate at which such conversion ultimately occurs. Although Mexico has had no exchange control system in place since 1991, if an exchange control system were to be in effect on the payment date and as a result the U.S. tender agent were to be unable to convert Mexican Pesos into U.S. Dollars, the U.S. tender agent would deliver the purchase price to you in Mexican Pesos. In this case, you may be required to designate an account to take delivery of the purchase price in Mexican Pesos. There may also be tax consequences to receiving the purchase price in the offer, particularly if you tender appreciation warrants, rather than ADWs, in the offer and you are a non-resident of Mexico for tax purposes. See “Special Factors—8. Income Tax Consequences,” “The Offer—1. Number of Appreciation Warrants and ADWs; Price; Proration;” “—2. Procedures for Tendering Appreciation Warrants and ADWs,” “—4. Purchase of Appreciation Warrants and ADWs; Payment of Purchase Price.”

How many appreciation warrants and ADWs will CEMEX purchase in all?

We will purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) in the offer, or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs) as are validly tendered. The 90,018,042 appreciation warrants we are offering to purchase represents approximately 86.73% of our 103,790,945 outstanding appreciation warrants, which includes 30,708,913 appreciation warrants (including appreciation warrants represented by ADWs) held by our subsidiaries and 4,217,516 appreciation warrants (including appreciation warrants represented by ADWs) held by two of our employee pension funds over which we exercise investment discretion. We intend for our subsidiaries and these employee pension funds to tender all their appreciation warrants and ADWs in the tender offer at the minimum purchase price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW). If more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered and not properly withdrawn, all appreciation warrants (including appreciation warrants represented by ADWs) tendered at or below the selected purchase price will be purchased on a pro rata basis, except for “odd lots” (lots held by beneficial owners of fewer than 100 appreciation warrants or 20 ADWs), which will be purchased on a priority basis.

All appreciation warrants purchased by us in the offer will be cancelled. ADWs purchased by CEMEX Inc. in the offer may be held until maturity or may be transferred to us.

Why do CEMEX’s subsidiaries and the two employee pension funds over which CEMEX exercises investment discretion intend on tendering their appreciation warrants (including appreciation warrants represented by ADWs) at the minimum purchase price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW)?

We intend for our subsidiaries and the two employee pension funds over which we exercise investment discretion to tender all 34,926,429 of their appreciation warrants (including appreciation warrants represented by

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ADWs) at the minimum purchase price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW). This is because we have included these 34,926,429 appreciation warrants (including appreciation warrants represented by ADWs) in the 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) that we are offering to purchase in the offer. In order to ensure that these appreciation warrants are purchased in the offer, subject to the proration provisions of the offer, we intend for these appreciation warrants to be tendered at the minimum purchase price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW). We also took this tender into account in determining how many appreciation warrants we would tender for and are notifying you of our intention to tender those appreciation warrants at the minimum price so that you will take this into account in determining how many appreciation warrants you wish to tender and at what prices. In specifying that our tenders will be at the minimum price, it is our intention that the selected purchase price will be the result of elections made by holders of appreciation warrants and ADWs other than our subsidiaries and the two employee pension funds over which we exercise investment discretion.

Is there a minimum number of appreciation warrants or ADWs that must be tendered in order for CEMEX to purchase any appreciation warrants?

No. The offer is not conditioned on any minimum number of appreciation warrants or ADWs being tendered. The offer is, however, subject to other conditions. See “The Offer—1. Number of Appreciation Warrants and ADWs; Price; Proration” and “—5. Conditions of the Offer.”

If I tender my appreciation warrants or ADWs, how many of my appreciation warrants or ADWs will CEMEX purchase?

All the appreciation warrants or ADWs you tender in the offer may not be purchased even if they are tendered at or below the selected purchase price. If more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are tendered at or below the selected purchase price, we will purchase appreciation warrants and ADWs based on the following order of priority:

- First, we will purchase appreciation warrants and ADWs from all holders of “odd lots” of less than 100 appreciation warrants or less than 20 ADWs, as applicable, who properly tender all of their appreciation warrants or ADWs at prices equal to or below the selected purchase price; and
- Second, we will purchase appreciation warrants and ADWs from all other holders who properly tender appreciation warrants or ADWs at prices equal to or below the selected purchase price, on a pro rata basis. As a result, we will purchase the same percentage of appreciation warrants or ADWs from each tendering holder in this second category. We will announce this proration percentage, if it is necessary, as promptly as practicable after the offer expires.

We will return all appreciation warrants and ADWs not purchased as promptly as practicable after the offer is completed or terminated.

How will CEMEX pay for the appreciation warrants and ADWs?

We would need a maximum of Ps729.1 million (U.S.\$65.4 million) to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) at the maximum price of Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW). We will use cash on hand from the proceeds of our October 2003 public equity offering to pay for all appreciation warrants and ADWs we purchase in the offer.

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How long do I have to tender my appreciation warrants or ADWs to CEMEX?

You will have at least until 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on January 26, 2004 to decide whether to tender your appreciation warrants or ADWs in the offer, but we may choose to extend the expiration date at any time for a period of up to three months, subject to applicable regulatory approvals. We cannot assure you that we will extend the offer or, if we extend it, for how long it will be extended. **There will be no guaranteed delivery procedures permitting delivery after the expiration date.** See “The Offer—1. Number of Appreciation Warrants and ADWs; Price; Proration” and “—12. Extension of the Offer; Termination; Amendment.”

How will I be notified if the offer is extended?

If we extend the offer, we will inform Acciones y Valores de México, S.A. de C.V., Casa de Bolsa, Integrante del Grupo Financiero Banamex, or Accival, which is the Mexican dealer manager for the offer, and Citibank, N.A., or Citibank, which is the U.S. tender agent for the offer, of that fact and will make a public announcement of the extension, not later than 9:00 a.m., New York City time, which is 8:00 a.m., Mexico City time, on the business day after the day on which the offer was scheduled to expire. See “The Offer—12. Extension of the Offer; Termination; Amendment.”

How do I tender my appreciation warrants or ADWs?

To tender your appreciation warrants or ADWs, you must complete one of the actions described under “Important” on the inside front cover of this document before the offer expires. You may also contact the information agent or your broker for assistance. The contact information for the information agent is on the back page of this document. See “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs” and the instructions to the Indeval participant tender letter, letter of transmittal or agents’ message, as applicable.

Once I have tendered appreciation warrants or ADWs in the offer, can I change my mind?

Yes. If you tender your appreciation warrants or ADWs and change your mind, you may withdraw previously tendered appreciation warrants or ADWs, as the case may be, at any time before the offer expires. In addition, after the offer expires, if we have not accepted for payment the appreciation warrants or ADWs you have tendered to us, you may withdraw your appreciation warrants or ADWs, as the case may be, at any time after 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on February 23, 2004. See “The Offer—3. Withdrawal Rights.”

To withdraw appreciation warrants, you must timely deliver a written notice of your withdrawal to the Mexican broker-dealer acting on your behalf in the offer and instruct such Mexican broker-dealer to deliver a notice of withdrawal to the Mexican dealer manager at its address appearing on the back page of this document. To withdraw ADWs, you must timely deliver a written notice of your withdrawal to the U.S. tender agent at its address appearing on the back page of this document. Your notice of withdrawal must specify your name, the number of appreciation warrants or ADWs to be withdrawn and the name of the registered holder of the appreciation warrants or ADWs, as the case may be. Some additional requirements apply if certificates for ADWs to be withdrawn have been delivered to the U.S. tender agent. See “The Offer—3. Withdrawal Rights.”

What happens to appreciation warrants and ADWs tendered prior to receiving the revised terms of the offer?

If you tendered your appreciation warrants or ADWs prior to your receipt of this document describing the revised terms of the offer, you will be deemed to have been tendered your appreciation warrants or ADWs under the revised terms of the offer unless you timely withdraw your appreciation warrants or ADWs following the

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applicable withdrawal procedures described under “The Offer—3. Withdrawal Rights” prior to the expiration of the offer. With respect to the odd lot provisions of the revised offer described in this document, if you tendered fewer than 100 appreciation warrants or 20 ADWs prior to your receipt of this document, you will be deemed to be an “odd lot” holder for purposes of the offer and you will not be required to withdraw and re-submit your existing tender to certify to that fact. If you wish to revise the terms of your tender, you will need to withdraw your existing tender and validly re-submit your revised tender, in each case prior to the expiration of the offer. A copy of this document describing the revised terms of the offer is being distributed to all holders of appreciation warrants and ADWs of record as of the date of this document and to all persons who have tendered their appreciation warrants or ADWs in the offer prior to the date of this document.

What does CEMEX’s board of directors think of the offer?

Our board of directors has approved the offer. However, neither we nor our board of directors, CEMEX, Inc., the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent or their respective affiliates is making any recommendation regarding whether you should tender or not tender your appreciation warrants or ADWs or at what price you should choose to tender your appreciation warrants or ADWs. You must decide whether to tender your appreciation warrants or ADWs and, if so, how many appreciation warrants or ADWs to tender and the price or prices at which you will tender them. You should discuss whether to tender your appreciation warrants or ADWs with your broker or other financial or tax advisor.

Our directors and executive officers and the directors and executive officers of CEMEX, Inc. are entitled to participate in the offer on the same basis as all other holders of appreciation warrants and ADWs. As of November 5, 2003, our directors and executive officers as a group beneficially owned an aggregate of 12,248,263 appreciation warrants (including appreciation warrants represented by ADWs), which represent approximately 11.80% of the outstanding appreciation warrants (including appreciation warrants represented by ADWs). As of December 8, 2003, CEMEX, Inc.’s executive officers and directors as a group beneficially owned an aggregate of 514,963 appreciation warrants (including appreciation warrants represented by ADWs), which represent less than 1% of the outstanding appreciation warrants. Neither our directors and executive officers nor the directors and executive officers of CEMEX, Inc. have indicated to us whether they intend to tender any of their appreciation warrants (including appreciation warrants represented by ADWs) in the offer.

Why is CEMEX making the offer?

The offer has two principal purposes: first, to simplify the ability of third parties to value CEMEX on a per-share basis by reducing the impact of, and uncertainty created by, the outstanding appreciation warrants and ADWs; and second, to offer holders of appreciation warrants and ADWs the opportunity to sell their appreciation warrants or ADWs at or above a price selected by them (within the price range set by us in the offer) without the usual transaction costs and liquidity limitations associated with open-market sales of the appreciation warrants and ADWs.

Does the offer relate to CEMEX’s outstanding CPOs or ADSs?

No. The offer relates solely to our appreciation warrants and ADWs. The offer does not relate to any of our other securities, including our outstanding CPOs or ADSs. After the offer is completed, our CPOs will continue to be listed on the Mexican Stock Exchange and our ADSs will continue to be listed on the New York Stock Exchange.

What is the market value of my appreciation warrants and ADWs as of a recent date?

The appreciation warrants are listed and traded on the Mexican Stock Exchange under the symbol “CMX412E-DC062.” The ADWs representing appreciation warrants are listed and traded on the New York Stock Exchange under the symbol “CX-WSB.”

On November 14, 2003, the last full trading day on the Mexican Stock Exchange prior to the commencement of the offer, the last reported sales price of the appreciation warrants on the Mexican Stock

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Exchange was Ps5.70 (U.S.\$0.51) per appreciation warrant. On November 14, 2003, the last full trading day on the New York Stock Exchange prior to the commencement of the offer, the closing price per ADW reported on the New York Stock Exchange was \$2.35 per ADW. On December 19, 2003, the last reported sales price of the appreciation warrants on the Mexican Stock Exchange was Ps6.88 (U.S.\$0.62) per appreciation warrant and the last reported sales price of the ADWs on the New York Stock Exchange was U.S.\$3.20 per ADW. We urge you to obtain current market quotations for the appreciation warrants and ADWs. For trading information regarding the appreciation warrants and ADWs, you may call Global Bondholder Services Corporation, our information agent for the offer, toll free at (866) 470-4100, or Citigroup Global Markets Inc., the U.S. dealer manager for the offer, at (212) 816-6849. See “The Offer—6. Price Range of Appreciation Warrants.”

How does the purchase price compare to the amounts I could receive under the terms of the appreciation warrants and ADWs?

Under the terms of the appreciation warrants and ADWs, you are entitled to receive any appreciation value of the appreciation warrants and ADWs on December 21, 2004, the maturity date for the appreciation warrants and ADWs or upon the occurrence of a mandatory early redemption of the appreciation warrants and ADWs. Any appreciation value to which you are entitled under the appreciation warrants and ADWs will be distributed to you in form of CPOs if you hold appreciation warrants or ADSs if you hold ADWs. Whether and to the extent you will receive any appreciation value depends on the market price of our CPOs. If no mandatory redemption of the appreciation warrants and ADWs takes place, unless the market price of our CPOs on December 21, 2004 is above the strike price for the appreciation warrants, which is approximately U.S.\$5.45 (Ps60.68), your appreciation warrants and ADWs will expire and you will receive nothing. If the market price of our CPOs on December 21, 2004 exceeds the strike price, you will receive an appreciation value under the appreciation warrants and ADWs in an amount equal to the difference between the market price and the strike price. In order for you to receive an appreciation value under the appreciation warrants and ADWs in an amount equal to Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), the minimum price we will pay in the offer, the market price of our CPOs on December 21, 2004 would have to be approximately Ps65.31 per CPO. In order for you to receive an appreciation value under the appreciation warrants and ADWs in an amount equal to Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW), the maximum price we will pay in the offer, the market price of our CPOs on December 21, 2004 would have to be approximately Ps68.03 per CPO. If on any date prior to December 21, 2004 the market price of our CPOs equals or exceeds the triggering level for the appreciation warrants, which is approximately U.S.\$7.26 (Ps80.91), the appreciation warrants and ADWs will be mandatorily redeemed by us and you will receive U.S.\$2.00 (Ps22.29) per appreciation warrant (U.S.\$10.00 (Ps111.43) per ADW), which is the maximum appreciation value you could receive under the appreciation warrants and ADWs. The foregoing amounts do not give effect to any future anti-dilution adjustments which could be made in respect of the appreciation warrants and ADWs. For a summary description of the important terms of the appreciation warrants, see Annex A “Key Terms of Appreciation Warrants.” On December 19, 2003, the last reported sales price of our CPOs on the Mexican Stock Exchange was Ps57.06 (U.S.\$5.12) per CPO. For additional trading information regarding our CPOs, you may call Global Bondholder Services Corporation, our information agent for the offer, toll free at (866) 470-4100, or Citigroup Global Markets Inc., the U.S. dealer manager for the offer, at (212) 816-6849.

Will I have to pay brokerage commissions or stock transfer taxes if I tender my appreciation warrants or ADWs in the offer?

You will not need to pay any brokerage commissions in connection with the tender of appreciation warrants in the offer itself, but you may need to pay fees to your agent or the relevant Mexican broker-dealer, depending upon your arrangements. Also, you will not be obligated to pay any stock transfer taxes in connection with a tender of appreciation warrants.

If you are a registered holder of ADWs and tender your ADWs directly to the U.S. tender agent, you will not need to pay any brokerage commissions or stock transfer taxes. If you hold ADWs through a broker or bank,

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however, you should ask your broker or bank whether you will be charged a fee to tender your ADWs. See “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs.”

If you instruct the U.S. tender agent in the letter of transmittal to make the payment for the ADWs to the registered holder, you will not incur any brokerage commissions or stock transfer taxes. See “The Offer—4. Purchase of Appreciation Warrants and ADWs; Payment of Purchase Price.”

What are the tax consequences of tendering appreciation warrants and ADWs?

Holders of appreciation warrants may be required to pay taxes in Mexico in connection with a tender of appreciation warrants in the offer, particularly if such holders are non-residents of Mexico for tax purposes. Holders of ADWs who are non-residents of Mexico for tax purposes will not be required to pay any taxes in Mexico in connection with a tender of ADWs to CEMEX, Inc. in the offer. See “Special Factors—8. Income Tax Consequences—Mexican Tax Consequences.”

A U.S. holder, as defined in this document, will generally be subject to U.S. federal income taxation upon the receipt of cash from us in exchange for the appreciation warrants or ADWs tendered. The cash received will be treated as a sale or exchange eligible for capital gains treatment. See “Special Factors—8. Income Tax Consequences—U.S. Federal Income Tax Consequences.”

What are the effects of the offer on the market for the appreciation warrants and ADWs?

Depending on the number of appreciation warrants and ADWs tendered and accepted in the offer, the appreciation warrants and the ADWs may be held by fewer than 300 persons. Consequently, the appreciation warrants and the ADWs may be subject to delisting from the New York Stock Exchange; however, the appreciation warrants will continue to be listed on the Mexican Stock Exchange. In addition, if the appreciation warrants and ADWs are held by fewer than 300 persons following the completion of the offer, the ADWs and appreciation warrants may be eligible for deregistration under the Exchange Act at our option. However, we do not intend to take any action to terminate the registration of our ADWs and appreciation warrants under the Exchange Act. Furthermore, although under New York Stock Exchange rules, continued listing of the appreciation warrants and the ADWs is a decision for the New York Stock Exchange, not CEMEX, we would seek to maintain a New York Stock Exchange listing for the appreciation warrants and the ADWs following the completion of the offer. We also do not intend to take any action to terminate the ADW deposit agreement under which the ADWs are issued, even if appreciation warrants and ADWs are delisted from the New York Stock Exchange following completion of the offer.

If I decide not to tender, how will the offer affect my appreciation warrants or ADWs?

If our appreciation warrants and ADWs are delisted from the New York Stock Exchange following completion of the offer, there would likely be no active public market in which to trade your ADWs; however, the appreciation warrants will continue to be publicly traded on the Mexican Stock Exchange.

As described above, even if the ADWs are delisted from the New York Stock Exchange following completion of the offer, we do not intend to take any action to terminate the registration of our ADWs and appreciation warrants under the Exchange Act and we will continue to be required to file or submit reports, such as annual reports on Form 20-F and current reports on Form 6-K, with the SEC.

Who can I talk to if I have questions about the offer?

You can call Global Bondholder Services Corporation toll free at (866) 470-4100 or Citigroup Global Markets Inc. at (212) 816-6849. Global Bondholder Services Corporation is acting as the information agent for the offer and Citigroup Global Markets Inc. is acting as the U.S. dealer manager for the offer. See the back cover of this document for further information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this document may constitute forward-looking statements, which are subject to various risks and uncertainties. Such statements can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” “continue,” “plan” or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other “forward-looking” information. Although we believe these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks that could cause future results to be materially different from the results stated or implied in this document.

The documents incorporated in this document by reference also include statistical data regarding the production, distribution, marketing and sale of cement, ready-mix concrete and clinker. These data were obtained from industry publications and reports that we believe to be reliable sources. We have not independently verified these data or sought the consent of any organizations to refer to their reports in the documents incorporated in this document by reference.

All subsequent written and oral forward-looking statements concerning the offer or other matters addressed in this document and attributable to us or any person acting on our behalf are qualified by these cautionary statements. Subject to applicable law (including Rules 13e-4(d)(2) and 14e-1 under the Exchange Act, which require that material changes be promptly disseminated to security holders in a manner reasonably designed to inform them of such changes), we do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

SPECIAL FACTORS

1. Background of the Offer

On September 25, 2003, our management presented our board of directors with a proposal to unwind several forward transactions in our ADSs and CPOs, including those that hedged our obligations under our appreciation warrants and ADWs, and to place the ADSs and CPOs underlying those forward transactions in the market through a non-dilutive equity offering. In addition, our management recommended to our board of directors that, subject to the successful completion of the equity offering and depending on market conditions, we use a portion of the proceeds of the equity offering to conduct a cash tender offer for our outstanding appreciation warrants and ADWs.

In connection with the approval by our board of directors of the equity offering at the September 25, 2003 meeting, as required by Mexican law, our board of directors reviewed and approved the form of preliminary prospectus supplement to be used in the equity offering, which stated that, subject to market conditions, we intended to use a portion of the proceeds we received in the equity offering to conduct a cash tender offer for all or a portion of our appreciation warrants and ADWs at a price range between the market price of the appreciation warrants prior to the announcement of the equity offering and of our intention to conduct the appreciation warrant tender offer, and the theoretical value of the appreciation warrants calculated using the Black-Scholes pricing model. As of September 25, 2003, the specific structure of the tender offer, the number of appreciation warrants to be repurchased and the specific pricing mechanics had not yet been analyzed by our management and were not discussed with our board of directors.

On October 1, 2003, we issued a press release announcing our intention to commence the equity offering, subject to market conditions, and our intention to use a portion of the proceeds of the equity offering to conduct a cash tender offer for all or a portion of our outstanding appreciation warrants, subject to market conditions.

Immediately after pricing the equity offering on October 16, 2003, our management scheduled meetings with representatives of Citigroup to analyze alternatives for an appreciation warrant tender offer. On October 17, 2003, our management met with representatives of Citigroup to discuss the proposed tender offer for our appreciation warrants and possible structures for the tender offer, including the possibility of conducting a modified Dutch auction type tender offer. The modified Dutch auction structure was selected by our management because our management was concerned that a significant portion of the appreciation warrants are held by members of our management and our board of directors, and our management wanted to avoid the possible market perception of management self-dealing in setting the purchase price.

Between October 17, 2003 and October 30, 2003, subsequent teleconferences were held between our management and Citigroup regarding the terms of the tender offer, the proposed pricing for the tender offer and the mechanics for announcing and disseminating information related to the tender offer. During these teleconferences, our management and Citigroup discussed the number of appreciation warrants and ADWs we would seek to purchase in the tender offer and the possibility of purchasing all the outstanding appreciation warrants and ADWs. Our management determined that in order to repurchase as many appreciation warrants and ADWs as possible while preserving the functionality of the modified Dutch auction structure, the tender offer would be for all appreciation warrants and ADWs that are tendered at or below the purchase price selected using a price determination formula. Our management and Citigroup did not discuss any alternative structures for the offer during these teleconferences since our management had already decided to use the modified Dutch auction structure at the October 17, 2003 meeting, as described above.

During these teleconferences, our management and Citigroup also discussed, at Citigroup's suggestion, the possibility of excluding from the price determination mechanism the prices at which our executive officers, directors, subsidiaries and employee pension funds controlled by us tender their securities in the offer. Following this discussion, our management decided to incorporate this exclusion into the terms of the offer because it believed that this exclusion would further distance our management from the price determination mechanism and thereby further diminish any market perception of management self-dealing.

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As a result of these teleconferences and taking into account the financial information and advice provided by Citigroup, our management set a price range for the tender offer of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) to Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW). The minimum price of Ps5.10 per appreciation warrant represents the closing price of the appreciation warrants on the Mexican Stock Exchange on September 30, 2003, the date immediately prior to the date we announced our intention to conduct a tender offer for the appreciation warrants. The maximum price of Ps8.10 per appreciation warrant represents the theoretical value of an appreciation warrant on November 15, 2003, calculated using the Black-Scholes pricing model, assuming a volatility of 35%, a risk-free rate of 1.3%, a dividend yield of 0% and the highest per ADS sales price of our ADSs on the New York Stock Exchange during September 2003, which was U.S.\$26.20, translated into Pesos at an exchange rate of Ps11.13 to U.S.\$1.00, which was the Peso/Dollar spot exchange rate reported by Bloomberg L.P. on November 12, 2003.

On October 30, 2003, our management presented our board of directors with a proposal to conduct a cash tender offer for our appreciation warrants and ADWs using a modified Dutch auction structure and a price range of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) to Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW). No alternative structures for the tender offer were presented to or discussed with our board of directors by our management. On such date, our board of directors unanimously approved the offer with such changes and modifications as might be necessary or appropriate as a result of discussions with, or comments received from, the SEC or the CNBV.

From October 31, 2003 through November 17, 2003, our management worked with U.S. and Mexican counsel to finalize tender offer materials containing the terms described above. On November 17, 2003, we filed a combined statement on Schedules TO and 13E-3 with the SEC under cover of Schedule TO and applicable tender offer documents with the CNBV and we distributed the tender offer materials to holders of our appreciation warrants and ADWs.

As a result of discussions between our U.S. counsel and the staff of the SEC on November 21, 2003 and November 24, 2003, our management held several teleconferences with Citigroup on November 24, 2003 and November 25, 2003 to discuss revising the terms of the offer based on the discussions with the SEC. During these teleconferences, our management and Citigroup discussed revising the terms of the offer to eliminate the exclusion of the prices submitted by our executive officers, directors, subsidiaries and employee pension funds controlled by us from the determination of the purchase price. In connection with the discussions regarding the elimination of such exclusion, our management determined that a modified Dutch auction structure was still preferable to an offer with a set price because in a modified Dutch auction structure, although the prices at which members of our management and our board of directors tender their appreciation warrants will influence the determination of the purchase price, the actual purchase price paid in the offer would ultimately be decided by the market as a whole, including the members of our management and our board of directors who hold appreciation warrants, whereas in an offer with a set price, the purchase price would be determined solely by our management and our board of directors, which could create an implication of management self-dealing.

During these teleconferences, our management and Citigroup also discussed revising the terms of the offer to make it an offer to purchase up to an exact number of appreciation warrants and ADWs using the modified Dutch auction structure and to make such purchases on a pro rata basis in the event more than that number of appreciation warrants and ADWs are tendered at or below the purchase price selected in the offer.

Following these teleconferences, our management concluded that these revisions were necessary as a result of the discussions with the SEC and, in accordance with the resolutions adopted by our board of directors at the October 30, 2003 board meeting, decided to revise the terms of the offer accordingly. The revision of the terms of the offer did not require approval by our board of directors, and, therefore, no additional board meeting was held to approve the revised terms.

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From November 26, 2003 through December 10, 2003, our management worked with U.S. and Mexican counsel to finalize tender offer materials containing the revised terms described above. On December 11, 2003, we filed an amendment to our combined statement on Schedules TO and 13E-3 with the SEC under cover of Schedule TO and a supplement to the Mexican tender offer documents with the CNBV. We did not distribute these revised tender offer materials to holders of our appreciation warrants and ADWs because they remained subject to further comments from the SEC and the CNBV.

On December 16, 2003, we received comments from the SEC on the revised tender offer materials, and on December 22, 2003, we filed an additional amendment to our combined statement on Schedules TO and 13E-3 with the SEC under cover of Schedule TO and a revised supplement to the Mexican tender offer documents with the CNBV.

2. Purposes and Reasons for the Offer

The offer has two purposes: first, to simplify the ability of third parties to value CEMEX on a per-share basis by reducing the impact of, and uncertainty created by, the outstanding appreciation warrants and ADWs, particularly since we have recently terminated the forward transactions that hedged our obligations under the appreciation warrants and ADWs in connection with our recent equity offering, as described above; and second, to offer holders of appreciation warrants and ADWs the opportunity to sell their appreciation warrants or ADWs at or above a price selected by them (within the price range set by us in the offer) without the usual transaction costs and liquidity limitations associated with open-market sales of the appreciation warrants and ADWs.

As described above, we commenced the offer as soon as practicable following the completion of the equity offering since the forward transactions that hedged our obligations under the appreciation warrants and ADWs were terminated in connection with the equity offering. In addition, based upon the current market price of our CPOs and ADSs, we believe that the purchase of appreciation warrants and ADWs is an attractive use of funds on behalf of our shareholders and is consistent with our long-term goal of increasing value for holders of our appreciation warrants and ADWs as well as for our shareholders.

After evaluating the advantages and disadvantages of the offer as a way to attempt to maximize shareholder value, we believe that the purchase of appreciation warrants and ADWs pursuant to the offer is a positive action that is intended to accomplish the desired objectives. Given the current illiquidity in the trading market for our appreciation warrants and ADWs, we determined this was a better alternative than attempting to repurchase our appreciation warrants and ADWs through small open market repurchases. We considered making an offer for all outstanding appreciation warrants and ADWs at a set price in order to repurchase as many appreciation warrants and ADWs as possible; however, given the fact that a significant portion of the appreciation warrants are held by members of our management and our board of directors, we determined that a modified Dutch auction structure was preferable to an offer with a set price in order to avoid the possible market perception of management self-dealing in setting the purchase price.

Following the discussions between our U.S. counsel and the staff at the SEC on November 21, 2003 and November 24, 2003, as described above, we decided to revise the terms of the offer to eliminate the exclusion of prices submitted by members of our management and our board directors from the price determination mechanism. In connection with our decision to eliminate such exclusion, we determined that a modified Dutch auction structure was still preferable to an offer with a set price because in a modified Dutch auction structure, although the prices at which members of our management and our board of directors tender their appreciation warrants will influence the determination of the purchase price, the actual purchase price paid in the offer would ultimately be decided by the market as a whole, including the members of our management and our board of directors who hold appreciation warrants, whereas in an offer with a set price, the purchase price would be determined solely by our management and our board of directors, which could create an implication of management self-dealing.

The offer will provide holders of appreciation warrants or ADWs who are considering a sale of all or a portion of their appreciation warrants or ADWs the opportunity to determine the price or prices (not greater than

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Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) at which they are willing to sell their appreciation warrants or ADWs and, if any such appreciation warrants or ADWs are purchased pursuant to the offer, to sell those appreciation warrants or ADWs for cash without the usual transaction costs associated with open-market sales.

For holders of appreciation warrants or ADWs who do not tender, there is no assurance that the price of the appreciation warrants and ADWs will not trade below the price being offered pursuant to the offer, nor is there any assurance that there will be an active public market in which to trade appreciation warrants or ADWs. For holders of appreciation warrants or ADWs who do tender, the appreciation value of the appreciation warrants and ADWs upon maturity may be greater than the price being offered pursuant to the offer; also, for holders of appreciation warrants who do tender, the appreciation warrants and ADWs may be mandatorily redeemed by us if the market price of our CPOs reaches the triggering level for the appreciation warrants and ADWs, in which case the appreciation value would be U.S.\$2.00 (Ps22.29) per appreciation warrant (U.S.\$10.00 (Ps111.43) per ADW). For a summary description of the important terms of the appreciation warrants, see Annex A “Key Terms of Appreciation Warrants.”

Neither we nor our board of directors, CEMEX, Inc., the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent, the information agent or their respective affiliates make any recommendation to any holder of appreciation warrants or ADWs as to whether to tender or not tender any appreciation warrants or ADWs or as to the price or prices at which holders of appreciation warrants or ADWs may choose to tender their appreciation warrants or ADWs. We have not authorized any person to make any such recommendation. Holders of appreciation warrants and ADWs should carefully evaluate all information in the offer, consult their own investment and tax advisors, and make their own decisions about whether to tender appreciation warrants or ADWs and, if so, how many appreciation warrants or ADWs to tender and the price or prices at which to tender.

3. Fairness of the Offer

We believe the offer is fair and equitable and in the best interests of CEMEX and all holders of appreciation warrants and ADWs, including unaffiliated holders. We took into account the following factors in reaching our belief that the offer is fair and in the best interest of CEMEX and of all holders of appreciation warrants and ADWs, including unaffiliated holders:

- (i) Our financial condition and results of operations, including our earnings per share and capital levels for the year ended December 31, 2002 and the first nine months of 2003 as well as our published earnings targets for the full year 2003. We determined that our financial condition and expected results of operation provided us with the financial flexibility to pursue the offer and that the maximum aggregate purchase price we would be required to pay in the offer (approximately Ps729.1 million (U.S.\$65.4 million) would not have a material effect on our financial condition or total capitalization, and, therefore, the offer would not negatively impact the market price of our CPOs and the potential appreciation value of appreciation warrants that are not tendered in the offer.
- (ii) Our calculation of the theoretical value of an appreciation warrant on November 15, 2003, computed using the Black-Scholes pricing model, assuming a volatility of 35%, a risk-free rate of 1.3%, a dividend yield of 0% and the highest sales price of our ADSs on the New York Stock Exchange during September 2003, which was U.S.\$26.20, translated into Pesos at an exchange rate of Ps11.13 to U.S.\$1.00, which was the Peso/Dollar spot exchange rate reported by Bloomberg on November 12, 2003. We considered that the calculation of the maximum offer price based on the theoretical value of an appreciation warrant and the use of a widely accepted pricing model, such as the Black-Scholes model, to determine that theoretical value would provide a reasonable incentive for holders to tender their appreciation warrants or ADWs at prices within the price range provided in the offer.

The Black-Scholes pricing model is one of a number of valuation models that have been developed to estimate the value of options and other equity-linked securities based on assumed levels of volatility,

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interest rates and dividend rates in the future, and therefore the estimated valuation that the Black-Scholes model produces depends on judgments or approximations about these future events. However, the Black-Scholes model and other similar models are intended to estimate the value of options and other equity-linked securities that are both freely transferable and held by a financial institution or similar entity that has the ability to enter into offsetting hedging transactions. Given the limited liquidity of our appreciation warrants and ADWs and the nature of the holders of our appreciation warrants and ADWs, there is no guarantee that our appreciation warrants and ADWs have either of these characteristics.

- (iii) Recent trading prices for the appreciation warrants and ADWs and the percentage by which the per appreciation warrant (or per ADW) price to be paid in the offer exceeds these trading prices. We considered the trading prices for the appreciation warrants and ADWs from the beginning of 2003 until October 1, 2003, the date we initially announced our intention to conduct the offer, and we noted that the minimum offer price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), which was the closing price of the appreciation warrants on September 30, 2003, was among the highest trading prices for the appreciation warrants during that period. We did not consider the trading prices for the appreciation warrants during October 2003 because we believed such trading prices reflected market expectations of the results of the offer.
- (iv) The likelihood of payments being made under the appreciation warrants at their scheduled maturity in December 2004 or upon an earlier mandatory redemption. We noted that, based on the closing price of Ps52.65 for our CPOs on October 30, 2003, the date our board approved the offer, and without giving effect to any future anti-dilution adjustments which could be made in respect of the appreciation warrants, in order for holders of appreciation warrants to receive an appreciation value at maturity in amount equal to the minimum offer price, the market price for our CPOs would need to appreciate by approximately 23%, in order for holders of appreciation warrants to receive an appreciation value at maturity in amount equal to the maximum offer price, the market price for our CPOs would need to appreciate by approximately 28%, and in order for holders of appreciation warrants to be mandatorily redeemed prior to maturity, the market price for our CPOs would need to appreciate by approximately 52%.
- (v) The likelihood that the transaction would be consummated and therefore reduce the number of CPOs and ADSs that would be deliverable upon maturity or early redemption of the appreciation warrants and ADWs.
- (vi) The fact that the offer is a voluntary transaction in which holders of our appreciation warrants and ADWs may or may not participate.
- (vii) The limited trading market for our appreciation warrants and ADWs, including limited liquidity, relatively low prices and trading volume.

In view of the wide variety of factors considered in connection with its evaluation of the offer, we have found it impractical to, and therefore have not, quantified or otherwise attempted to assign relative weights to the specific factors considered in reaching our belief that the offer is fair and equitable and in the best interests of CEMEX and all holders of appreciation warrants and ADWs. We have also considered Citigroup's belief, as set forth in Section 4 below, that the offer's modified Dutch auction procedure facilitates a price determination for the offer that reflects the views of warrant holders regarding the appropriate value of the appreciation warrants and ADWs and that the maximum price of Ps8.10 proposed by us was a reasonable attempt to provide a financial incentive for holders to tender appreciation warrants and ADWs.

In addition, we believe the offer is fair to holders of appreciation warrants and ADWs who tender appreciation warrants or ADWs at prices above the selected purchase price and will not have their appreciation warrants or ADWs purchased in the offer because the formula for determining the selected purchase price in the offer is clearly stated and these holders had the opportunity to participate in the offer on the same basis as all other holders and to select a price at which they were willing to sell their appreciation warrants or ADWs. We

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also believe the offer is fair to holders who tender all their appreciation warrants or ADWs and have only a portion purchased as a result of proration because the proration provisions of the offer apply to all holders equally. In either case, any appreciation warrants or ADWs that are held following the completion of the offer will continue to be entitled receive any appreciation value that may be paid on the appreciation warrants or ADWs.

Our board of directors, a majority of whom are non-employee directors, has unanimously approved the offer. Our non-employee directors have not retained an unaffiliated representative to act solely on behalf of the unaffiliated holders of appreciation warrants and ADWs for purposes of negotiating terms of the offer. The offer does not require the approval of a majority of unaffiliated holders of appreciation warrants and ADWs. Nevertheless, we believe the offer is procedurally fair to holders of appreciation warrants and ADWs in light of the following factors:

- You can determine individually whether to tender all or a portion of your appreciation warrants or ADWs in the offer;
- You can determine the price at which you are willing to sell your appreciation warrants or ADWs in the offer; and
- The offer allows you to sell your appreciation warrants or ADWs without the usual transaction costs associated with open market sales.

We considered these procedural factors as a whole and did not find it practicable to, and did not, quantify or otherwise assign relative weight to these factors.

We did not consider our net book value in making our determination that the offer is fair to all holders of appreciation warrants and ADWs, including unaffiliated holders, because we believe that net book value is not an appropriate measure for establishing the fair value of the appreciation warrants and ADWs since net book value is an accounting methodology based on the historical cost of our assets, and therefore does not reflect the current market value of our CPOs, which determine the value of the appreciation warrants and ADWs. Net book value also does not consider the volatility of the current market value of our CPOs, which we believe is a key factor in determining the fair value of the appreciation warrants and ADWs. We did not consider our going concern value in making our fairness determination because we believe that our going concern value is not directly relevant to the value of the appreciation warrants and ADWs since their value is determined by the market price of our CPOs, and not by the theoretical going concern value of a CPO. Due to the short period of time remaining until the maturity of the appreciation warrants and ADWs (approximately one year), we did not think it was necessary to consider the impact of our going concern value on the market price of our CPOs. We believe that the Black-Scholes pricing model, applied as described above, is the most appropriate method of determining the value of the appreciation warrants. We did not consider our liquidation value because we consider CEMEX to be a viable business concern and we do not intend to liquidate CEMEX following the completion of the offer. We also did not consider purchase prices paid in previous purchases of appreciation warrants and ADWs within the past two years because the market prices at the time of those purchases were lower than current market prices. Finally, we did not consider firm offers made by unaffiliated persons during the past two years for a merger, consolidation, sale of all or substantially all of our assets or purchase of our securities in a transaction that would give the purchaser control because we have not received any such offers and because we believed that these factors are relevant only to a change of control and the premium that might be paid to security holders to acquire control.

4. Views of Financial Advisor

In October 2003, we retained Citigroup, an investment banking firm, on the basis of its experience in the United States and global markets, as U.S. dealer manager for the offer and as financial advisor to provide us with certain limited financial advice with respect to certain issues related to the proposed pricing and structure of the offer. In this regard, as described below, Citigroup provided us financial information with respect to our proposed pricing of the offer, including information related to the historical trading price of our appreciation warrants, ADWs, CPOs and ADSs.

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Citigroup reviewed our initial proposed structure and pricing for the offer for the appreciation warrants and ADWs, which initially would have excluded appreciation warrants and ADWs held by our subsidiaries, pension plans, executive officers and directors from the purchase price determination. Citigroup also reviewed the structure and mechanics of several recent modified Dutch auction tender offers conducted by other issuers and other publicly available information. Based on that and Citigroup's experience in transactions of this type, on October 17, 2003, Citigroup orally advised us that it believed that the offer's modified Dutch auction procedure as initially proposed facilitated a price determination for the offer that reflected the views of warrant holders regarding the appropriate value of the appreciation warrants and ADWs. In particular, Citigroup noted that the transaction is a voluntary transaction that will result in sales of warrants by a holder only at a price at or above the price the holder is willing to sell its appreciation warrants or ADWs as indicated by the holder pursuant to its tender of warrants or ADWs.

Citigroup subsequently reviewed the structure and terms of the offer as revised by us and reflected in this document. Specifically, Citigroup considered the number of appreciation warrants and ADWs held by our subsidiaries and employee pension funds that will be tendered in the offer at the minimum purchase price of Ps5.10, the number of appreciation warrants and ADWs held by our executive officers and directors that will be allowed to participate in the purchase price determination on the same basis as unaffiliated holders and the total number of appreciation warrants and ADWs that we are offering to purchase pursuant to the tender offer. Citigroup orally advised us that it believes that the offer as so revised still facilitates a price determination for the offer that reflects the views of warrant holders regarding the appropriate value of the appreciation warrants and ADWs. In particular, Citigroup noted that the revised offer continues to be a voluntary transaction that only results in sales by a holder at a price at or above the price the holder is willing to sell its appreciation warrants or ADWs as indicated by the holder pursuant to its tender of appreciation warrants or ADWs.

Citigroup further commented that the minimum warrant price proposed by us in the offer of Ps5.10 reflected recent market prices for the appreciation warrants. In particular, Citigroup commented that between January 1, 2003 and September 30, 2003, the appreciation warrants traded at prices ranging between Ps.2.50 and Ps.5.10 per appreciation warrant on the Mexican Stock Exchange.

We proposed that the maximum appreciation warrant price in the offer be Ps8.10, which was determined by us pursuant to the Black-Scholes pricing model based on a price per ADS of \$26.20 and our assumption of a 35% volatility in the market prices for the ADSs. Based on recent market conditions, Citigroup informed us that it believed that the maximum price of Ps8.10 proposed by us was a reasonable attempt to provide a financial incentive for holders to tender appreciation warrants and ADWs.

In conducting its review, Citigroup reviewed and relied upon (i) a draft of the Schedule TO relating to the proposed tender offer and amendments thereto, which Citigroup assumed would correspond in all material respects to the Schedule TO filed with the SEC; (ii) publicly available information with respect to the historical trading prices of the appreciation warrants, the ADWs, the CPOs and the ADSs; and (iii) the structure and mechanics of certain recent modified Dutch auction tender offers conducted by other issuers.

We did not ask Citigroup to render an opinion or advice regarding the fairness of the offer. We concluded that the offer is fair and equitable and in the best interests of CEMEX and all holders of appreciation warrants and ADWs based on our own analysis with respect to the offer as described above in Section 3, including the information provided by Citigroup as described in this Section 4. In light of the factors described in Section 3, we did not believe it was necessary to engage Citigroup to render a fairness opinion or to provide any additional analysis in connection with the offer other than the limited analysis described in this Section 4.

Citigroup will not be separately compensated for providing us with this advice apart from its compensation as U.S. dealer manager for the offer. In the past, Citigroup has provided investment banking and advisory services for us from time to time for which its has received customary fees and expenses. Citigroup may, from time to time, engage in transactions with and perform services for us in the ordinary course of its business and may hold our securities either for its own account or the accounts of its customers.

5. Our Plans After the Offer

It is expected that following the offer, our business and operations will be continued substantially as they are currently being conducted by management. Except for the offer and as otherwise described in this document, we do not have any present plans or proposals which relate to or would result in:

- an extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries,
- a purchase, sale or transfer of an amount of our assets or any of our subsidiaries' assets that would be material to us and our subsidiaries taken as a whole,
- a material change in our present dividend rate or policy, or in our indebtedness or capitalization,
- a change in our present board of directors or management,
- a material change in our corporate structure or business, or
- a change in our by-laws or other governing documents or an action that could impede the acquisition of control of us.

At the completion of the offer, depending on the number of appreciation warrants and ADWs tendered and accepted in the offer, the appreciation warrants and the ADWs may be held by fewer than 300 persons. Consequently, the appreciation warrants and the ADWs may be subject to delisting from the New York Stock Exchange. See "Special Factors—6. "Effects of the Offer" below and "The Offer—10. Effects of the Offer on the Market for Our Appreciation Warrants; Registration Under the Exchange Act."

Although we do not currently have any plans, other than as described in this document, that relate to or would result in any of the events discussed above, as we continue to evaluate opportunities for increasing shareholder value we may undertake or plan actions that relate to or could result in one or more of these events.

6. Effects of the Offer

As we described above, the offer will reduce the number of issued and outstanding appreciation warrants and ADWs. Depending on the number of appreciation warrants and ADWs tendered and accepted in the offer, the appreciation warrants and the ADWs may be subject to delisting from the New York Stock Exchange. In the event the appreciation warrants and ADWs are delisted from the New York Stock Exchange, the appreciation warrants and ADWs outstanding after the offer may not be admitted to trading or quotation on any U.S. national securities exchange or association, and there will be limited trading information and market liquidity regarding the ADWs; however, the appreciation warrants will continue to be listed and traded on the Mexican Stock Exchange.

You may be able to sell appreciation warrants and ADWs that you do not tender or that are otherwise not purchased in the offer. We cannot predict or assure you, however, as to the price at which you will be able to sell your appreciation warrants or ADWs, which may be higher or lower than the purchase price paid by us in the offer. Consummation of the offer will further reduce the liquidity of the appreciation warrants and ADWs, and there can be no assurance that holders of appreciation warrants and ADWs, will be able to find willing buyers for their appreciation warrants or ADWs after the offer. In addition, if the appreciation warrants and ADWs are held by fewer than 300 persons following the completion of the offer, the ADWs and appreciation warrants may be eligible for deregistration under the Exchange Act at our option. However, we do not intend to take any action to terminate the registration of our ADWs and appreciation warrants under the Exchange Act. Furthermore, although under New York Stock Exchange rules, continued listing of the appreciation warrants and the ADWs is a decision for the New York Stock Exchange, not CEMEX, we would seek to maintain a New York Stock Exchange listing for the appreciation warrants and the ADWs following the completion of the offer. We also do not intend to take any action to terminate the ADW deposit agreement under which the ADWs are issued, even if

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appreciation warrants and ADWs are delisted from the New York Stock Exchange following completion of the offer. See “The Offer—10. Effects of the Offer on the Market for our Appreciation Warrants; Registration under the Exchange Act.”

Following completion of the offer, we may repurchase additional appreciation warrants and ADWs in the open market, in privately negotiated transactions or otherwise. Future purchases may be on terms that are more or less favorable to holders of our appreciation warrants and ADWs than the offer. However, SEC Rules 14e-5 and 13e-4 generally prohibit us and our affiliates from purchasing any appreciation warrants other than pursuant to the offer until ten business days after the expiration date of the offer, although there are some exceptions. Any future purchases will depend on many factors, which include market conditions and the condition of our business.

7. Interest of Directors and Executive Officers; Transactions and Arrangements Concerning Appreciation Warrants and ADWs

Interest of Directors and Executive Officers

Information about our directors and executive officers and the directors and executive officers of CEMEX, Inc., including information relating to their beneficial ownership of appreciation warrants (including appreciation warrants represented by ADWs) is set forth in Schedule I to this document. As of November 5, 2003, our executive officers and directors as a group beneficially owned an aggregate of 12,248,263 appreciation warrants (including appreciation warrants represented by ADWs), which represent approximately 11.80% of the outstanding appreciation warrants. As of December 8, 2003, CEMEX, Inc.’s executive officers and directors as a group beneficially owned an aggregate of 514,963 appreciation warrants (including appreciation warrants represented by ADWs), which represent less than 1% of the outstanding appreciation warrants.

Our directors and executive officers and the directors and executive officers of CEMEX, Inc. are entitled to participate in the offer on the same basis as all other holders of appreciation warrants and ADWs.

Repurchases of Appreciation Warrants and ADWs

On February 12, 2003, Centro Distribuidor de Cemento, S.A. de C.V., or CEDICE, one of our wholly-owned Mexican subsidiaries, purchased 4,306,209 appreciation warrants at price of Ps3.70 per appreciation warrant. On April 11, 2003, CEDICE purchased 327,303 ADWs (representing 1,636,515 appreciation warrants) at price of U.S.\$1.618 per ADW (Ps3.61 per appreciation warrant). On April 14, 2003, CEDICE purchased 22,794,504 appreciation warrants at price of Ps3.70 per appreciation warrant. On April 28, 2003, CEDICE purchased 52,826 ADWs (representing 264,130 appreciation warrants) at price of U.S.\$1.618 per ADW (Ps3.61 per appreciation warrant).

Recent Transactions in Appreciation Warrants and ADWs.

On October 15, 2003, Jorge García Segovia, an alternate member of our board of directors, purchased 49,000 appreciation warrants on the Mexican Stock Exchange at a price of Ps4.95 per appreciation warrant. Mr. Segovia was present at the September 25, 2003 board meeting, at which our board of directors approved the form of preliminary prospectus supplement to be used in the equity offering, which stated that we intended to conduct the tender offer for our appreciation warrants and ADWs, subject to the successful completion of the equity offering and depending on market conditions. However, as described above under “Special Factors—1. Background of the Offer,” as of the date of such meeting, the definitive terms and structure of the offer had not yet been analyzed by our management and were not discussed with our board of directors at such meeting. Mr. Segovia was not a party to any meetings or teleconferences relating to the offer between September 25, 2003 and October 15, 2003. In addition, as described above under “Special Factors—1. Background of the Offer,” on October 1, 2003, we publicly announced our intention to use a portion of the proceeds of the equity offering to

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conduct a cash tender offer for all or a portion of our outstanding appreciation warrants, subject to market conditions, and we disclosed this intention in the preliminary prospectus supplement relating to the equity offering.

Other than this transaction, based on our records and information provided to us by our directors, executive officers, associates and subsidiaries, neither we, nor CEMEX, Inc., nor any of our associates or subsidiaries, nor any of our directors or executive officers or CEMEX, Inc.'s directors or executive officers, have effected any transactions in our appreciation warrants or ADWs during the 60 days prior to the date of this document.

Transactions and Arrangements Concerning CEMEX's Securities

Neither CEMEX, Inc. nor any of its executive officers and directors are party to any arrangement with respect to any of our securities.

Neither we nor our executive officers and directors are party to any arrangement with respect to the appreciation warrants and ADWs that are the subject of the offer. However, we, our executive officers and directors are, respectively, parties to agreements involving other classes of our securities. These arrangements are described below.

Lock-Up Agreements. In connection with our October 2003 public equity offering, we and our executive officers and directors have agreed, subject to limited exceptions, not to offer, sell or otherwise dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock for a period of 90 days from October 16, 2003, without the prior written consent of the underwriters of that offering. This agreement does not apply to, among other things, our appreciation warrants and ADWs and our employee benefit plans, including the grant of securities or options thereunder, the delivery of securities pursuant thereto and the disposition by the recipient of any securities so delivered.

Employee Benefit Trust Agreements. Our employee stock option plans have entered into the following agreements with us whereby we have agreed to provide them with sufficient CPOs (or funds to acquire CPOs) to satisfy their obligations to deliver CPOs to employees upon exercise of stock options:

- Trust Agreement number 110910-1 dated August 10, 1995 (as from time to time amended) between CEMEX (as settlor and beneficiary) and Banco Nacional de Mexico, S.A., Division Fiduciaria (as trustee); and
- Trust Agreement number 111132-7 dated December 13, 2001 between CEMEX and Centro Distribuidor de Cemento, S.A. de C.V. (as settlors), and Banco Nacional de Mexico, S.A., Division Fiduciaria (as trustee).

In addition, our employee benefit plans have entered into the following agreements:

- Trust Agreement dated December 9, 1999 between the persons named in Annex A as first settlers-beneficiaries, the other persons named in Annex B as second settlers-beneficiaries, CEMEX as lending trustee and Citibank, N.A. as trustee pursuant to which the trust, among other things, acquires, manages and disposes of appreciation warrants;
- Trust Agreement number 111174-2 dated February 27, 2003 between CEMEX employees as settlors and beneficiaries and Banco Nacional de Mexico, S.A., Integrante del grupo Financiero Banamex, División Fiduciaria, pursuant to which the trust has the right to acquire and dispose of CPOs;
- Trust Agreement dated February 19, 1999 between the persons named in Annex A as first settlers-beneficiaries and Citibank, N.A. as trustee pursuant to which the trust, among other things, acquires, manages and disposes of CPOs and ADSs; and
- Call option agreement dated March 1, 2003 among Centro Distribuidor de Cemento, S.A. de C.V., or CEDICE, a subsidiary of ours, and Banco Nacional de Mexico, Grupo Financiero Banamex, Division Fiduciaria as trustee under Trust number 111174-2 pursuant to which the trust has the right to purchase from CEDICE up to 38,583,989 CPOs for a price of U.S.\$3.45784 per CPO and a premium of U.S.\$0.25048 per CPO. The trust paid CEDICE U.S.\$9,664,706.63 for this option, which is open for 5 years from March 27, 2003.

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CEMEX Asia Holdings Transaction. On July 12, 2002, we entered into agreements to purchase 1,483,365 shares of CEMEX Asia Holdings, Ltd., or CAH, common stock (approximately 14.58% of the outstanding share capital) from several CAH investors in exchange for 28,195,213 CPOs (subject to anti-dilution adjustments), which exchange was originally scheduled to take place in four equal quarterly tranches commencing on March 31, 2003. The exchange of 63,572 of these CAH shares took place in three quarterly tranches commencing on March 31, 2003, with the exchange of the fourth tranche of 21,191 CAH shares scheduled to take place on December 31, 2003. In April 2003, we amended the terms of the July 12, 2002 agreements with respect to 1,398,602 of the CAH shares. Instead of purchasing those CAH shares in four equal quarterly tranches commencing on March 31, 2003, we agreed to purchase those CAH shares in four equal quarterly tranches commencing on March 31, 2004.

Equity Forward Contracts. From time to time we enter into forward transactions in our CPOs or ADSs with banks and other financial institutions in order to cover our obligations to deliver CPOs or ADSs upon the future exercise of options granted under our employee stock option programs and our voluntary employee stock option programs and our obligation to deliver CPOs upon the exchange of CPOs for CAH shares as described above. Under these forward contracts, which are listed below, the banks agreed to sell to us on the respective maturity dates of these forward contracts the respective number of CPOs or ADS, as applicable, which these banks purchased in open market transactions, for the respective forward purchase price per CPO or ADS, as applicable. Upon liquidation and at our option, these forward contracts provide for physical settlement or net cash settlement. The forward settlement price payable at any time under these forward contracts is equal to the present value of the forward purchase price per share multiplied by the number of shares subject to the forward contract. At maturity, if these forward contracts are not settled or replaced, or if we default on these agreements, these banks may sell the CPOs or ADSs underlying these forward contracts.

The following are the equity forward transactions entered into between Wachovia Bank, National Association and our wholly-owned subsidiary, Centro Distribuidor de Cemento, S.A. de C.V., or CEDICE, on the dates and upon the terms specified below. We provided a guaranty in favor of Wachovia in each of these transactions:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per CPO Forward Purchase Price</u>	<u>Shares (CPOs)</u>
01/08/2003	03/16/2005	5.2727	813,294
01/03/2003	03/16/2005	5.2727	11,610,912
11/18/2002	12/10/2004	5.2327	7,186,360
10/02/2002	12/10/2004	5.2327	9,755,287
09/17/2002	11/05/2004	5.2201	5,867,169

The following is the equity forward transaction entered into between Citibank, N.A. and our wholly-owned subsidiary, Empresas Tolteca de Mexico, S.A. de C.V., on the date and upon the terms specified below:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per ADS Forward Purchase Price</u>	<u>Shares (ADSs)</u>
12/23/2002	02/24/2004	21.7788	1,124,892

The following is the equity forward transaction entered into between Banco Santander Mexicano, S.A., Institución de Banca Múltiple Grupo Financiero Santander Serfin and CEDICE on the date and upon the terms specified below. We provided a guaranty in favor of Banco Santander in this transaction:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per CPO Forward Purchase Price</u>	<u>Shares (CPOs)</u>
04/09/2003	05/10/2004	4.962094	9,769,000

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The following is the equity forward transaction entered into between Dresdner Bank AG and CEDICE on the date and upon the terms specified below. We provided a guaranty in favor of Dresdner in this transaction:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per CPO Forward Purchase Price</u>	<u>Shares (CPOs)</u>
10/10/2001	10/08/2004	5.25955	20,830,582

The following is the equity forward transaction entered into between Bear, Stearns International Limited and CEDICE on the date and upon the terms specified below. We provided a guaranty in favor of Bear, Stearns in this transaction:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per CPO Forward Purchase Price</u>	<u>Shares (CPOs)</u>
06/28/2001	02/14/2006	6.76	19,000,000

The following is the equity forward transaction entered into between Credit Agricole Lazard Financial Products Bank and CEDICE on the date and upon the terms specified below. We provided a guaranty in favor of Credit Agricole in this transaction:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per CPO Forward Purchase Price</u>	<u>Shares (CPOs)</u>
10/01/2001	10/02/2006	5.56	24,870,308

The following are the equity forward transactions entered into between UBS AG, London Branch and CEDICE on the dates and upon the terms specified below. We provided a guaranty in favor of UBS in this transaction:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per CPO Forward Purchase Price</u>	<u>Shares (CPOs)</u>
08/20/2003	07/20/2004	5.1611	5,087,500
08/20/2003	08/20/2004	5.1775	5,087,500
08/20/2003	09/20/2004	5.1944	5,087,500
08/20/2003	10/20/2004	5.212	5,087,500

The following are the equity forward transactions entered into between JPMorgan Chase Bank and CEDICE on the dates and upon the terms specified below:

<u>Date</u>	<u>Expiration</u>	<u>U.S.\$ Per ADS Forward Purchase Price</u>	<u>Shares (ADSs)</u>
06/26/2003	06/25/2004	22.9178	484,000
08/20/2003	08/20/2004	25.8346	1,130,000
09/23/2003	09/22/2004	26.6115	542,000
11/06/2003	09/22/2004	26.6115	422,540
06/01/2001	01/30/2006	35.7232	363,328
02/27/2001	01/30/2006	36.6726	1,231,924
07/05/2001	01/30/2006	36.2387	921,385
10/30/2001	01/30/2006	37.9845	312,992
05/15/2003	08/15/2006	29.0018	1,606,000
05/15/2003	09/15/2006	29.2542	1,606,000

8. Income Tax Consequences

U.S. Federal Income Tax Consequences

The following summary describes the material U.S. federal income tax consequences relating to the offer. This summary is based upon the Internal Revenue Code of 1986, as amended, Treasury regulations under the Internal Revenue Code, administrative pronouncements and judicial decisions, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This summary addresses only U.S. Holders (as defined below) that are entitled to tender their appreciation warrants or ADWs pursuant to the offer. This summary does not address all aspects of U.S. federal income taxation that may be important to you in light of your individual circumstances, for example, if you are an investor subject to special tax rules (such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities who elects to apply a mark-to-market method of accounting, person whose functional currency is not the U.S. dollar, person who acquired the securities as compensation, expatriate or tax-exempt investor) or if you hold a security as a position in a “straddle,” as part of a “synthetic security” or “hedge,” as part of a “conversion transaction” or other integrated investment, or other than a capital asset within the meaning of Section 1221 of the Internal Revenue Code. This summary also does not address the state, local or foreign tax consequences of participating in the offer.

For purposes of this summary, a “U.S. Holder” means a beneficial owner of appreciation warrants or ADWs who is the owner of record of those securities and is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any state thereof (including the District of Columbia);
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust whose administration is subject to the primary supervision of a United States court and which has one or more U.S. persons who have the authority to control all of its substantial decisions.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds appreciation warrants or ADWs, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership.

Holders of appreciation warrants or ADWs are advised to consult with their tax advisors regarding the particular tax consequences to them of the offer and the consequences of participating or not participating in the offer in light of their particular tax situation and under state, local and foreign tax laws applicable to them.

Characterization of the Purchase. Our purchase of a U.S. Holder’s appreciation warrants or ADWs pursuant to the offer will be a taxable transaction for U.S. federal income tax purposes. As a consequence of the purchase, a U.S. Holder will be treated as having sold the U.S. Holder’s appreciation warrants or ADWs and will recognize capital gain or loss equal to the difference between the amount of cash received under the offer (converted by the U.S. tender agent from Mexican Pesos into U.S. Dollars at an exchange rate available to it on the payment date) and the U.S. Holder’s adjusted tax basis in its appreciation warrants or ADWs (as determined in U.S. dollars) surrendered in the exchange therefor. Gain or loss must be determined separately for each block of appreciation warrants or ADWs (appreciation warrants or ADWs acquired at the same cost in a single transaction) that is purchased by us from a U.S. Holder under the offer. A U.S. Holder may be able to designate, generally through its broker, which blocks of its appreciation warrants or ADWs it wishes to tender under the offer if less than all of its appreciation warrants or ADWs are tendered under the offer. U.S. Holders should consult their tax advisors concerning the mechanics and desirability of that designation.

Any gain or loss recognized will be long-term capital gain or loss if the U.S. Holder’s holding period for the appreciation warrants or ADWs that were sold exceeds one year as of the date of purchase by us under the offer.

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Long-term capital gains recognized by an individual are eligible for reduced rates of taxation. The deduction of capital losses is subject to limitations. Gain recognized on the exchange usually will be treated as U.S. source gain for purposes of the foreign tax credit rules of U.S. tax law.

Gain recognized on the exchange of ADWs should not be subject to Mexican withholding tax. Gain recognized on the exchange of appreciation warrants, however, will be subject to Mexican withholding tax unless (i) we obtain a ruling from the Mexican taxing authority that the income tax treaty between the United States and Mexico, or the Treaty, exempts such gain from tax and (ii) at the time of the exchange, a U.S. Holder is able to provide either proof of U.S. residency in Form 6166 from the Internal Revenue Service, or the IRS, or a certified copy of the prior year's tax return to the broker-dealer tendering the appreciation warrants on their behalf. See "Mexican Tax Consequences" below. A U.S. Holder may obtain Form 6166 by mailing a request for certification of U.S. residency to the IRS, Philadelphia Service Center, Foreign Certification Request, P.O. Box 16437, Philadelphia, PA 19114-0447 or faxing such a request to (212) 516-1035 or (212) 516-3412. A U.S. Holder may refer to IRS Publication 686 for a detailed discussion of residency certification procedures. No assurance can be given that a U.S. Holder will be able to obtain a Form 6166 from the IRS in time to participate in the offer.

If Mexican tax is imposed on the exchange of appreciation warrants in the offer, a U.S. Holder will not be permitted to offset the Mexican tax as a credit against its U.S. tax to the extent that the Mexican tax is refundable or is otherwise not considered a compulsory payment within the meaning of U.S. tax laws. This will depend in part upon the U.S. Holders eligibility for benefits under the Treaty.

U.S. Holders should consult their own tax advisors regarding the applicability of Mexican withholding tax on an exchange of appreciation warrants, their eligibility for benefits under the Treaty, the possibility of obtaining a refund from the Mexican taxing authority and their ability to claim a credit against U.S. tax for any Mexican tax withheld on an exchange of appreciation warrants.

Holders of Appreciation Warrants or ADWs Who Do Not Receive Cash under the Offer. U.S. Holders whose appreciation warrants or ADWs are not purchased by us under the offer will not incur any tax liability as a result of the completion of the offer.

Backup Withholding and Information Reporting. See "The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs" with respect to the application of U.S. federal backup withholding and information reporting.

Mexican Tax Consequences

The following is a summary of the principal consequences, under Mexico's federal tax laws and regulations in effect on the date hereof, of the participation in the offer and the tendering of appreciation warrants to us and ADWs to CEMEX Inc. by a person that is deemed to be a non-resident of Mexico for Mexican tax purposes, whom we refer to as a "Foreign Holder." This summary includes such principal Mexican tax consequences, but it does not purport to be a complete description of all tax consequences arising from participating in the offer or tendering appreciation warrants or ADWs by any such Foreign Holder. In addition, those consequences may vary depending upon the specific characteristics or the place of residence of the Foreign Holder.

This summary is based on Mexico's federal tax laws and regulations in effect on the date hereof, all of which may change in the future, which may affect the accuracy or completeness of this summary. We will not and do not have any obligation to update this summary in the future.

For purposes of Mexican taxation, a Foreign Holder is a person that may not be deemed a resident of Mexico for tax purposes. A natural person is a resident of Mexico for tax purposes if he or she has established his or her home in Mexico, unless he or she has resided in another country for more than 183 calendar days, whether consecutive or not, during a calendar year and can demonstrate that he or she has become a resident of that

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country for tax purposes. A legal entity is a resident of Mexico if it is organized under Mexican law or it maintains the principal administration of its business or the effective location of its management in Mexico. A Mexican citizen is presumed to be a resident of Mexico unless such citizen can demonstrate the contrary. If a non-resident of Mexico is deemed to have a permanent establishment in Mexico for tax purposes, all income attributable to such permanent establishment will be subject to Mexican taxes, in accordance with the applicable Mexican tax laws.

Under Mexico's federal tax laws, the tendering of ADWs to CEMEX Inc. by a Foreign Holder or the payment by CEMEX Inc. to a Foreign Holder of the purchase price for ADWs, will not be subject to Mexican withholding or similar taxes or to Mexican transfer or similar taxes.

Under Mexico's federal tax laws, gains, if any, arising from the payment by us to a Foreign Holder of the purchase price for appreciation warrants, will be subject to Mexican withholding taxes imposed at a rate of twenty five percent (25%). Foreign Holders will be required to provide to the Mexican broker-dealer tendering the appreciation warrants on their behalf, to the satisfaction of such Mexican broker-dealer, the documentation or other evidence necessary to determine the gain to which such Mexican withholding taxes will apply.

If the Foreign Holder is a resident of a country deemed to maintain a preferential tax regime in accordance with the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), the payment by us of the purchase price for the appreciation warrants, will be subject to Mexican withholding taxes imposed at a rate of forty percent (40%), without any deduction. For this purpose, Foreign Holders will be required to provide to the Mexican broker-dealer tendering the appreciation warrants on their behalf, to the satisfaction of such Mexican broker-dealer, documentation or other evidence necessary to determine their place of residency.

We intend to file a request for a ruling with the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*), or the Ministry, confirming that if the Foreign Holder resides in a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect, the payment made by us of the purchase price for the appreciation warrants to such Foreign Holder, will not be subject to Mexican withholding taxes, pursuant to the terms of such treaties. If the request for the ruling is resolved favorably by the Ministry, before the expiration date of the offer, Foreign Holders may take advantage of the benefits of the ruling, if such Foreign Holders provide evidence to the Mexican broker-dealer tendering the appreciation warrants on their behalf, that they reside in a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect. We believe that the only evidence of residence that will be acceptable will be (i) a certification of tax residency, issued by the relevant tax authority, or (ii) a certified copy of the last yearly tax return. We cannot assure you that such ruling will be obtained and, even if it is obtained, if evidence of residence in a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect cannot be obtained by the relevant Foreign Holder, the withholding taxes specified above will apply.

Under Mexico's federal tax laws, the tender of appreciation warrants by a Foreign Holder will not be subject to Mexican transfer or similar taxes.

The discussion set forth above is included for general information only. We urge you to consult your tax advisor to determine the particular tax consequences to you of the offer, including the applicability and effect of state, local and foreign tax laws.

THE OFFER

1. Number of Appreciation Warrants and ADWs; Price; Proration

General

On the terms and subject to the conditions of the offer, we will purchase at a price not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), in cash, without interest, 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs) as are validly tendered and not properly withdrawn in accordance with the procedures set forth under “The Offer—3. Withdrawal Rights.” All appreciation warrants we purchase in the offer will be purchased directly by us, and all ADWs we purchase in the offer will be purchased by CEMEX, Inc., our wholly-owned U.S. subsidiary.

The term “expiration date” with respect to the offer means 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on January 26, 2004, unless we, in our sole discretion, extend the period of time during which the offer will remain open, subject to applicable regulatory approvals. If extended by us, the term “expiration date” will mean the latest time and date at which the offer, as extended, will expire. See “The Offer—12. Extension of the Offer; Termination; Amendment” for a description of our right to extend, delay, terminate or amend the offer. In the event of an over-subscription of the offer as described below, appreciation warrants and ADWs tendered at or below the selected purchase price will be subject to proration, except for odd lots. The proration period and withdrawal rights expire on the expiration date.

Holders desiring to tender appreciation warrants or ADWs must specify the price or prices, not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), at which they are willing to sell their appreciation warrants or ADWs, as applicable. Prices may only be specified in increments of Ps0.30 per appreciation warrant (U.S.\$ equivalent of Ps1.50 per ADW). Tenders of appreciation warrants or ADWs of holders who do not specify a price will be rejected.

As soon as practicable following the expiration date, we will determine the purchase price for appreciation warrants and ADWs validly tendered and not properly withdrawn, which we refer to as the “selected purchase price,” taking into account the number of appreciation warrants and ADWs tendered and the prices specified by tendering holders. We will select the lowest purchase price between Ps5.10 and Ps8.10 per appreciation warrant (between the U.S.\$ equivalents of Ps25.50 and Ps40.50 per ADW) in cash, without interest, that will enable us to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs) as are validly tendered.

We will purchase at the selected purchase price all appreciation warrants and ADWs validly tendered at prices at or below the selected purchase price and not properly withdrawn subject to the terms and conditions of the offer, including the odd lot and proration provisions described below. If more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are tendered at or below the selected purchase price, all appreciation warrants (including appreciation warrants represented by ADWs) tendered at or below the selected purchase price will be subject to proration, except for odd lots (as described below).

All appreciation warrants and ADWs we purchase will be purchased at the selected purchase price. However, we will not purchase any appreciation warrants or ADWs tendered at a price above the selected purchase price.

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As soon as practicable following the expiration date, we will accept for payment and pay for, appreciation warrants and ADWs validly tendered (and not properly withdrawn) at or below the selected purchase price upon the terms and conditions of the offer. All appreciation warrants purchased by us in the offer will be cancelled. ADWs purchased by CEMEX Inc. in the offer may be held until maturity or may be transferred to us.

All appreciation warrants and ADWs tendered and not purchased, including appreciation warrants and ADWs tendered at prices above the selected purchase price and appreciation warrants and ADWs not purchased because of proration, will be returned to you at our expense as soon as practicable following the expiration date.

In addition, you can tender different portions of your appreciation warrants or ADWs at different prices. However, you may only submit one Indeval participant letter, letter of transmittal or agents' message, as applicable, for appreciation warrants or ADWs tendered, even if you wish to tender portions of your appreciation warrants or ADWs at more than one price. **The same appreciation warrants or ADWs cannot be tendered (unless properly withdrawn previously in accordance with the procedures described under "The Offer—3. Withdrawal Rights") at more than one price.** If you wish to ensure that your appreciation warrants or ADWs will be purchased, subject to the proration provisions of the offer, you should indicate on the Indeval participant letter, the letter of transmittal, or the agents' message, applicable, that you will accept the minimum price of Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW). See "The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs."

You may withdraw your appreciation warrants or ADWs from the offer by following the procedures described under "The Offer—3. Withdrawal Rights."

If we:

- increase or decrease the range of prices to be paid for appreciation warrants,
- increase the number of appreciation warrants being sought in the offer by more than 2% of our outstanding appreciation warrants, or
- decrease the number of appreciation warrants being sought in the offer,

then the offer must remain open, or will be extended, until at least ten business days from, and including, the date that notice of any such change is first published, sent or given in the manner described under "The Offer—12. Extension of the Offer; Termination; Amendment." For purposes of the offer, a "business day" means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, Eastern time.

Priority of Purchases

Upon the terms and conditions of the offer, if 90,018,042 or fewer appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered at prices equal to or below the selected purchase price and not properly withdrawn, we will purchase all validly tendered appreciation warrants and ADWs at the selected purchase price.

Upon the terms and conditions of the offer, if more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered at prices equal to or below the selected purchase price and not properly withdrawn, we will purchase validly tendered appreciation warrants and ADWs in the following order:

- First, all appreciation warrants and ADWs validly tendered and not properly withdrawn by any "odd lot holder" (as defined below) who:
 - (i) tenders all appreciation warrants or ADWs owned (beneficially or of record) by the odd lot holder at a price equal to or below the selected purchase price (tenders of less than all the appreciation warrants or ADWs owned will not qualify for this preference); and

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- (ii) completes the section entitled “Odd Lots” in the Indeval participant letter, letter of transmittal or agent’s message, as applicable; and
- Second, after the purchase of all the appreciation warrants and ADWs validly tendered by odd lot holders, all other appreciation warrants and ADWs validly tendered at prices equal to or below the selected purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional appreciation warrants, as described below.

As a result, all the appreciation warrants and ADWs that you tender in the offer may not be purchased, even if they are tendered at prices equal to or below the selected purchase price. This will occur if we receive more than 90,018,042 validly tendered appreciation warrants (including appreciation warrants represented by ADWs) at prices equal to or below the selected purchase price.

As we noted above, we may elect to purchase more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) in the offer, subject to applicable law. If we do so, the preceding provisions will apply to the greater number of appreciation warrants (including appreciation warrants represented by ADWs).

Odd Lots

For purposes of the offer, the term “odd lots” means all appreciation warrants and ADWs validly tendered before the expiration date at prices equal to or below the selected purchase price and not properly withdrawn by any person, referred to as an “odd lot holder,” who owns, beneficially or of record, a total of fewer than 100 appreciation warrants or 20 ADWs, as applicable, and certifies to that fact in the “Odd Lots” box on the Indeval participant letter, letter of transmittal or agent’s message, as applicable. As set forth above, odd lots will be accepted for payment before proration, if any, of the purchase of other tendered appreciation warrants or ADWs. To qualify for this preference, an odd lot holder must tender all appreciation warrants or ADWs owned, beneficially or of record, by the odd lot holder in accordance with the procedures described under “The Offer—2. Procedures for Tendering Shares.”

This preference is not available to partial tenders or to beneficial or record holders of a total of 100 or more appreciation warrants or 20 or more ADWs, even if these holders have separate accounts or certificates representing fewer than 100 appreciation warrants or 20 ADWs, as applicable.

Any odd lot holder wishing to tender all its appreciation warrants or ADWs pursuant to the offer should complete the section entitled “Odd Lots” in the Indeval participant letter, letter of transmittal or agent’s message, as applicable.

Proration

If proration of tendered appreciation warrants and ADWs is required, we will determine the proration percentage as soon as practicable following the expiration date. Proration for each holder tendering appreciation warrants or ADWs, other than odd lot holders, will be based on the ratio of the number of appreciation warrants or ADWs validly tendered and not properly withdrawn by the holder to the total number of appreciation warrants (including appreciation warrants represented by ADWs) validly tendered and not properly withdrawn by all holders other than odd lot holders at or below the selected purchase price.

Because of the potential difficulty in determining the number of appreciation warrants (including appreciation warrants represented by ADWs) validly tendered and not properly withdrawn and because of the odd lot procedures described above, we do not expect that we will be able to announce the final proration percentage or commence payment for any appreciation warrants or ADWs purchased under the offer until three to five business days after the expiration date. The preliminary results of any proration will be announced by

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press release as soon as practicable after the expiration date. Holders may obtain preliminary proration information from the information agent and may be able to obtain this information from their brokers.

The offer is not conditioned on any minimum number of appreciation warrants or ADWs being tendered. The offer is, however, subject to other conditions discussed under “The Offer—5. Conditions of the Offer.”

2. Procedures for Tendering Appreciation Warrants and ADWs

If you own appreciation warrants or ADWs and wish to tender them in the offer, you should determine how you hold the securities and follow the instructions below for tendering them.

If you hold your securities through an agent

If you hold your securities in a brokerage or custodian account through an agent, including a broker, dealer, bank, trust company, custodian or other nominee, you will need to timely instruct your agent to tender your securities prior to the expiration date in the manner described below and upon the terms and conditions set forth in this document. The appreciation warrants are held only in book entry form through the facilities of S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval; the ADWs may be held in either book entry form through the facilities of The Depository Trust Company, or DTC, or in certificated form. Please refer to any materials forwarded to you by your agent to determine how you can timely instruct your agent to take these actions.

If you hold your ADWs in certificated form

If you hold your ADWs in certificated form, you will be able to tender those ADWs only if you tender your ADWs in the manner described below or arrange for an agent to hold your ADWs on your behalf in book-entry form. If you appoint an agent, your agent may arrange for ADWs to be held in book-entry form through any participant in DTC. You and your agent should contact the information agent or the dealer-manager at the numbers set forth on the back cover of this document if you have questions in this regard.

The role of your agent

The following chart will assist you in determining how you hold your securities and how you should tender those securities in the offer:

<u>Security Type</u>	<u>Security Identifier</u>	<u>How to Tender</u>
Appreciation warrants	Your account statements should identify your appreciation warrants by reference to ISIN No. MXWACM010004.	Instruct your agent to follow the tender offer procedures for tendering appreciation warrants in book-entry form described below.
ADWs in book-entry form	Your account statements should identify your ADWs by reference to CUSIP No. 151290863.	Instruct your agent to follow the tender offer procedures for tendering ADWs in book-entry form described below.
ADWs in certificated form	Your American Depositary Warrant Receipt should identify the ADWs represented by it and should identify those ADWs by reference to CUSIP No. 151290863.	Follow the tender offer procedures for tendering ADWs in certificated form described below.

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Valid Tender of Appreciation Warrants and ADWs

In the case of appreciation warrants, your agent should arrange for a Mexican broker-dealer (*casa de bolsa*) that is an Indeval participant to receive and hold the appreciation warrants through its Indeval account on your behalf and to tender those appreciation warrants in the offer, in a transaction executed as a transfer (*cruce*) on the Mexican Stock Exchange, to the Mexican dealer manager, who will be acting on our behalf, at its account at Indeval and to deliver to the Mexican dealer manager an Indeval participant tender letter, in the format provided for such purpose, prior to the expiration date. In the event one or more brokers, dealers, banks, trust companies, custodians or other nominees act as an intermediary between your agent and the Mexican broker-dealer that is an Indeval participant, your agent should arrange for the intermediary to forward the tender instructions for the appreciation warrants to the appropriate Mexican broker-dealer that is an Indeval participant for such Mexican broker-dealer to follow the procedures described above.

In the case of ADWs held in book-entry form, your agent should arrange for the DTC participant holding the ADWs through its DTC account to tender those ADWs in the tender offer to the U.S. tender agent prior to the expiration date in accordance with the DTC procedures applicable to tendering in modified Dutch auctions. In the event one or more brokers, dealers, banks, trust companies, custodians or other nominees acts as an intermediary between your agent and that DTC participant, your agent should arrange to deliver the tender instructions for the ADWs to the appropriate DTC participant.

In the case of ADWs held in certificated form, you may tender the ADWs registered in your name on the books of the U.S. tender agent by delivering to the U.S. tender agent a properly completed and duly executed letter of transmittal or a manually executed facsimile of it, together with the applicable signature guarantees from an eligible guarantor institution, and the certificate evidencing the ADWs specified in the accompanying letter of transmittal, in each case, on or prior to the expiration date.

Your agent should contact in advance the Mexican broker-dealer that is an Indeval participant or the DTC participant whom your agent will be instructing to deliver the securities and the accompanying tender documentation to the Mexican dealer manager or the U.S. tender agent, as applicable, to assure that all necessary arrangements are made with that participant in a timely manner to permit the delivery of the securities and the accompanying tender documentation to the Mexican dealer manager or the U.S. tender agent, as applicable, on or before the expiration date and in accordance with that participant's procedures. You and your agent will be responsible for the risks in connection with the procedures of that participant, and we will have no liabilities or obligations in connection with those risks.

If you want to tender your appreciation warrants or ADWs you must properly complete the pricing section of the Indeval participant tender letter, letter of transmittal or agents' message, as applicable:

- If you wish to ensure that your appreciation warrants or ADWs will be purchased, subject to the proration provisions of the offer, you should check the box next to the minimum purchase price of Ps5.10 per appreciation warrant (Ps25.50 per ADW) in the pricing section of the Indeval participant tender letter, letter of transmittal or agents' message, as applicable. This means that you will accept the purchase price selected by us in accordance with the terms of the offer.
- If you wish to indicate a purchase price higher than the minimum purchase price (in multiples of Ps0.30 per appreciation warrant (Ps1.50 per ADW)) at which your appreciation warrants or ADWs are being tendered, you must check *one* box in the pricing section of the Indeval participant tender letter, letter of transmittal or agents' message, as applicable, for each portion of your appreciation warrants or ADWs tendered. You should be aware that this election could mean that none of your appreciation warrants or ADWs will be purchased if you choose a price for those securities that is higher than the purchase price we select after the expiration date.

If you wish to tender portions of your appreciation warrants or ADWs at different prices, you may only submit one Indeval participant letter, letter of transmittal or agents' message, as applicable, for appreciation

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warrants or ADWs tendered. However, the same appreciation warrants or ADWs cannot be tendered (unless properly withdrawn previously in accordance with the procedures described under “The Offer—3. Withdrawal Rights”) at more than one price. To tender appreciation warrants or ADWs properly, **one and only one price box** must be checked in the pricing section of the Indeval participant letter, letter of transmittal or agents’ message, as applicable, *for each portion* of your appreciation warrants or ADWs tendered.

If you tender your appreciation warrants or ADWs directly to the Mexican dealer manager or the U.S. tender agent, as applicable, you will not need to pay any brokerage commissions. If you hold appreciation warrants or ADWs through a broker or bank, however, you should ask your broker or bank to see if you will be charged a fee to tender your appreciation warrants or ADWs through the broker or bank.

The role of the DTC participant or the Mexican broker-dealer Indeval participant

A DTC participant may tender ADWs only by taking the following actions on or before 4:15 p.m., New York City time, on January 26, 2004:

(1) delivering ADWs by means of book-entry transfer into the U.S. tender agent’s applicable DTC account; and

(2) transmitting a message to the U.S. tender agent through the facilities of DTC, commonly referred to as an “agents’ message,” specifying that the relevant participant has received and agrees to be bound by the terms and conditions set forth in this document with respect to the offer, specifying the price or prices at which the relevant participant is tendering ADWs in the offer.

By taking these actions, you and your agent will be deemed to have agreed (1) to the terms and conditions of the offer as set forth in this document and (2) that we and the U.S. tender agent may enforce the terms and conditions against you and your agent.

A Mexican broker-dealer that is an Indeval participant may tender appreciation warrants only by taking the following actions on or before 3:15 p.m., Mexico City time, on January 26, 2004:

(1) delivering appreciation warrants by means of book-entry transfer, pursuant to a transaction executed on the Mexican Stock Exchange, into the Mexican dealer manager’s Indeval third party account specified by the Mexican dealer manager to each Mexican broker-dealer Indeval participant promptly after the commencement of the tender offer; and

(2) delivering to the Mexican dealer manager, at its address in Mexico City specified on the back cover of this document, a signed and completed Indeval participant tender letter, a form of which will be provided by the Mexican dealer manager to each Indeval participant promptly after the commencement of the tender offer. **The Indeval participant tender letter will not be accepted by the Mexican dealer manager at any address other than the address for the Mexican dealer manager in Mexico City specified on the back cover of this document.**

By taking these actions, you and your agent shall be deemed to have agreed (1) to the terms and conditions of the tender offer or the Mexican tender offer, as applicable, and (2) that CEMEX and the Mexican dealer manager may enforce the terms and conditions against you and your agent.

You should deliver the letter of transmittal and the DTC participants’ agents’ messages only to the U.S. tender agent and the Indeval participants’ tender letters only to the Mexican dealer manager. The U.S. tender agent will not accept any tender materials other than the letter of transmittal and the DTC participants’ agents’ messages. The Mexican dealer manager will not accept any tender materials other than the Indeval participants’ tender letters.

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General Provisions

The method of delivery of securities and all other documents or instructions including, without limitation, the agents' messages and Indeval participant tender letters and the letters of transmittal, is at your risk.

A tender will be deemed to have been received only:

(1) *in the case of a tender of appreciation warrants*, when the Mexican dealer manager receives both the duly completed and signed Indeval participant tender letter stating the price(s) at which you are tendering appreciation warrants at its address in Mexico City specified on the back cover of this document and a book-entry transfer, pursuant to a transaction executed on the Mexican Stock Exchange, of the appreciation warrants into the Mexican dealer manager's Indeval third-party account;

(2) *in the case of a tender of ADWs in book-entry form*, when the U.S. tender agent receives both a duly completed agents' message through the facilities of DTC at the U.S. tender agent's DTC account stating the price(s) at which you are tendering ADWs through your broker and confirmation of book-entry transfer of the ADWs into the U.S. tender agent's applicable DTC account; or

(3) *in the case of a tender of ADWs held in certificated form*, when the U.S. tender agent receives a properly completed and duly executed letter of transmittal or a manually executed facsimile of it stating the price at which you are tendering each ADW certificate representing ADWs, together with the applicable signature guarantees from an eligible institution, and the certificate evidencing the ADWs specified in the accompanying letter of transmittal, in each case, on or prior to the expiration date. If you hold less ADW certificates than the number of prices you wish to select for your ADWs to be purchased by us, you may contact Citibank, N.A., as the ADW depository for instruction on how to receive (i) book-entry ADWs or (ii) the appropriate number of ADW certificates equal to the number of prices you wish to select for the sale of your ADWs. Your ADWs will not be validly tendered if (i) more than one box is checked and you are not tendering an ADW certificate evidencing the same number of ADWs opposite such box or (ii) no box is checked.

We reserve full discretion to resolve all questions as to tenders, including whether the documentation is complete, the date and time of receipt of a tender, the propriety of execution and delivery of any document or instruction, and other questions as to validity, form, eligibility or acceptability of any tender. We reserve the right to reject any tender not in proper form or otherwise not valid or the acceptance of which may, in the opinion of our counsel, be unlawful or to waive any irregularities. Our interpretation of the terms and conditions of the tender offer will be final and binding. We shall not be obligated to give any notice of any defects or irregularities in tenders and shall not incur any liability for failure to give that notice. The U.S. tender agent and the Mexican dealer manager may, but shall not be obligated to, give notice to the tendering holders of any irregularities or defects in tenders, and shall not incur any liability for any failure to give that notice. Appreciation warrants and ADWs will not be deemed to have been duly or validly tendered unless and until all defects and irregularities have been cured or waived. All improperly tendered securities will be returned without cost to the tendering holder promptly after the expiration date, unless the irregularities and defects of that tender are timely cured or waived, as follows:

- *in the case of book-entry securities*, by book-entry delivery through Indeval, in the case of appreciation warrants, or DTC, in the case of ADWs, to the accounts of the applicable Mexican broker-dealer Indeval participants or DTC participants; or
- *in the case of ADWs held in certificated form*, by mail to the addresses of those holders registered on the books of the U.S. tender agent for the ADWs.

Securities being tendered must be delivered to the Mexican dealer manager or the U.S. tender agent, as applicable, in accordance with the procedures described in this document on or before the expiration date. **There will be no guaranteed delivery procedures associated with this offer permitting delivery after the expiration date.**

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Tenders of Securities Prior to Receipt of Revised Terms of Offer

If you tendered your appreciation warrants or ADWs prior to your receipt of this document describing the revised terms of the offer and you do not wish to tender your appreciation warrants or ADWs under the revised terms of the offer or you wish to revise the terms of your tender, you need to withdraw the appreciation warrants or ADWs previously tendered by following the applicable withdrawal procedures prior to the expiration of the offer. All appreciation warrants and ADWs validly tendered and not properly withdrawn prior to the expiration of the offer will be deemed to have been tendered upon the revised terms of the offer described in this document. With respect to the odd lot provisions of the revised offer described in this document, if you tendered fewer than 100 appreciation warrants or 20 ADWs prior to your receipt of this document, you will be deemed to be an “odd lot” holder for purposes of the offer and you will not be required to withdraw and re-submit your existing tender to certify to that fact. If you wish to revise the terms of your tender, you will need to withdraw your existing tender and validly re-submit your revised tender, in each case prior to the expiration of the offer.

Terms and Conditions of a Tender of Securities

Securities being tendered in the tender offer and either the completed Indeval participant tender letter, the completed DTC participant’s agents’ message or the completed and duly executed letter of transmittal must be received by the U.S. tender agent or the Mexican dealer manager, as applicable, in accordance with the terms described in this document by 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on January 26, 2004, unless we choose to extend the tender offer, subject to applicable regulatory approvals.

Your Representation and Warranty; Our Acceptance Constitutes an Agreement

A tender of appreciation warrants or ADWs under any of the procedures described above will constitute your acceptance of the terms and conditions of the offer, as well as your representation and warranty to us that:

- you have a “net long position” in the appreciation warrants or ADWs at least equal to the appreciation warrants or ADWs tendered within the meaning of Rule 14e-4 promulgated by the SEC under the Exchange Act, and
- the tender of appreciation warrants or ADWs, as applicable, complies with Rule 14e-4.

It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender securities for that person’s own account unless, at the time of tender and at the end of the proration period, the person so tendering

- has a net long position equal to or greater than the amount tendered in the subject securities or securities immediately convertible into, or exchangeable or exercisable for, the subject securities, and
- will deliver or cause to be delivered the securities in accordance with the terms of the tender offer.

Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

Our acceptance for payment of appreciation warrants or ADWs tendered under the offer will constitute a binding agreement between you and us upon the terms and conditions of the offer described in this and related documents.

In addition, by signing and delivering a letter of transmittal or by instructing your agent to tender your securities in the tender offer, you are representing, warranting and agreeing that:

- you have received and read a copy of this document and understand and agree to be bound by all the terms and conditions of the tender offer;
- you have full power and authority to tender your securities;

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- you have assigned and transferred the securities to the U.S. tender agent or Mexican dealer manager, and irrevocably constitute and appoint the U.S. tender agent or Mexican dealer manager, as applicable, as your true and lawful agent and attorney-in-fact to cause your securities to be tendered in the tender offer, that power of attorney being irrevocable and coupled with an interest, subject only to the right of withdrawal described in this document;
- your securities are being tendered, and will, when accepted by the U.S. tender agent or Mexican dealer manager, as applicable, be free and clear of all charges, liens, restrictions, claims, equitable interests and encumbrances, other than the claims of a holder under the express terms of the tender offer; and
- you will, upon our request or the request of the U.S. tender agent or Mexican dealer manager, as applicable, execute and deliver any additional documents necessary or desirable to complete the tender of the securities.

Your agent, by delivering, or causing to be delivered, those securities and the completed agents' message or the completed Indeval participant tender letter, to the U.S. tender agent or Mexican dealer manager, respectively, is representing and warranting that you, as owner of the securities, have represented, warranted and agreed to each of the above.

Return of Unpurchased Appreciation Warrants and ADWs

If any tendered appreciation warrants or ADWs are not purchased, such unpurchased appreciation warrants or ADWs will be returned without cost to the tendering holder promptly after the expiration date as follows:

- *in the case of book-entry securities*, by book-entry delivery through Indeval, in the case of appreciation warrants, or DTC, in the case of ADWs, to the accounts of the applicable Mexican broker-dealer Indeval participants or DTC participants; or
- *in the case of ADWs held in certificated form*, by mail to the corresponding addresses of those holders registered on the books of the U.S. tender agent for the ADWs.

Backup Withholding and Information Reporting

A U.S. Holder whose appreciation warrants or ADWs are sold pursuant to the offer may be subject to information reporting. In addition, a U.S. Holder of appreciation warrants or ADWs may be subject to backup withholding on the proceeds from the sale of the appreciation warrants or ADWs pursuant to the offer unless such holder is an exempt recipient (such as a corporation) or provides to the paying agent such holder's correct taxpayer identification number and certifies that such holder is exempt from or otherwise is not subject to backup withholding. Backup withholding is not an additional tax. Any amount withheld under these rules will be creditable against the U.S. Holder's federal income tax liability.

For a discussion of U.S. federal income tax consequences to tendering holders, see "Special Factors—8. Income Tax Consequences."

3. Withdrawal Rights

Appreciation warrants and ADWs tendered may be withdrawn at any time before the expiration of the offer and, unless accepted for payment by us after the expiration of the offer, may also be withdrawn at any time after 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on February 23, 2004. Except as otherwise provided in this Section 3, tenders of appreciation warrants and ADWs are irrevocable.

For a withdrawal of appreciation warrants to be effective, a written notice of withdrawal must be timely received by the Mexican broker-dealer acting on your behalf in the offer, and such Mexican broker-dealer must deliver a notice of withdrawal to the Mexican dealer manager at its address appearing on the back page of this document. For a withdrawal of ADWs to be effective, a written notice of withdrawal must be timely received by

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the U.S. tender agent at its address appearing on the back page of this document. Any notice of withdrawal must specify the name of the tendering holder, the number of appreciation warrants or ADWs to be withdrawn and the name of the registered holder of the appreciation warrants or ADWs. If you tendered your appreciation warrants or ADWs through an agent and wish to withdraw your appreciation warrants or ADWs, you will need to make arrangements for withdrawal with your agent. Your ability to withdraw the tender of your appreciation warrants or ADWs will depend upon the terms of the arrangements you have made with your agent and, if your agent is not the Mexican broker-dealer Indeval participant tendering those appreciation warrants or the DTC participant tendering those ADWs, the arrangements between your agent and such Mexican broker-dealer Indeval participant or DTC participant, including any arrangements involving intermediaries between your agent and such Mexican broker-dealer Indeval participant or DTC participant.

The withdrawal of appreciation warrants can only be made through your agent; therefore, you should notify your agent of your intent in time for your agent to notify the Mexican broker-dealer acting on your behalf in the offer in writing.

If you tendered your ADWs in certificated form and wish to withdraw your ADWs, you will need to deliver to the U.S. tender agent a signed notice of withdrawal specifying the name of the registered holder and the serial numbers shown on the particular certificates evidencing the ADWs to be withdrawn. The U.S. tender agent will require that your signature on a notice of withdrawal be guaranteed by an eligible guarantor institution. If you tendered your ADWs pursuant to the procedure for book-entry transfer, the notice of withdrawal also must specify the name and the number of the account at DTC to be credited with the withdrawn appreciation warrants and must otherwise comply with DTC procedures.

The Mexican dealer manager or the U.S. tender agent, as applicable, will return to tendering holders all appreciation warrants and ADWs in respect of which it has received valid withdrawal instructions as soon as practicable after it receives of such instructions.

All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by us, and our determination will be final and binding. Neither we, nor any of the U.S. tender agent, the U.S. dealer manager, the Mexican dealer manager, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

Withdrawals may not be rescinded, and any appreciation warrants or ADWs properly withdrawn will thereafter be deemed not validly tendered for purposes of the offer unless the withdrawn securities are properly re-tendered before the expiration date by following one of the procedures described under “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs.”

If we extend the offer, if we are delayed in our acceptance for payment of appreciation warrants and ADWs or we are unable to accept for payment appreciation warrants and ADWs under the offer for any reason, then, without prejudice to our rights under the offer, the Mexican dealer manager and the U.S. tender agent, as applicable, may, subject to applicable law, retain tendered appreciation warrants or ADWs on our behalf, and such appreciation warrants or ADWs may not be withdrawn except to the extent tendering holders are entitled to withdrawal rights as described in this Section 3.

4. Purchase of Appreciation Warrants and ADWs; Payment of Purchase Price

Upon the terms and conditions of the offer, as soon as practicable following the expiration date, we will:

- determine the purchase price we will pay for appreciation warrants and ADWs validly tendered and not properly withdrawn, taking into account the number of appreciation warrants and ADWs so tendered and the prices specified by tendering holders; and

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- accept for payment and pay for, and thereby purchase, appreciation warrants and ADWs validly tendered at prices equal to or below the selected purchase price and not properly withdrawn.

For purposes of the offer, we will be deemed to have accepted for payment and therefore purchased appreciation warrants and ADWs that are validly tendered at or below the selected purchase price and not properly withdrawn, subject to the odd lot priority and proration provisions of the offer, only when, as and if we give notice to the Mexican dealer manager or the U.S. tender agent, as applicable, of our acceptance of the appreciation warrants or ADWs for payment.

Upon the terms and conditions of the offer, as soon as practicable after the expiration date, we will accept for payment and pay a single per appreciation warrant purchase price for 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), subject to increase or decrease as provided under “The Offer—1. Number of Shares; Price; Proration,” and “—12. Extension of the Offer; Termination; Amendment,” if validly tendered and not properly withdrawn, or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs) as are validly tendered and not properly withdrawn, at prices between Ps5.10 and Ps8.10 per appreciation warrant (between the U.S.\$ equivalents of Ps25.50 and Ps40.50 per ADW).

We will pay for appreciation warrants purchased pursuant to the offer by paying to each Mexican broker-dealer tendering appreciation warrants the aggregate purchase price for the appreciation warrants purchased from such Mexican broker-dealer, which will act as agent for the holders on whose behalf it tendered such appreciation warrants for the purpose of receiving payment from us and transmitting payment to such holders. We will pay for ADWs purchased pursuant to the offer by paying the aggregate purchase price for the ADWs to the U.S. tender agent, which will act as agent for tendering holders for the purpose of receiving payment from us and transmitting payment to the tendering holders. The U.S. tender agent will arrange for the conversion of the purchase price paid in Mexican Pesos in respect of appreciation warrants underlying ADWs purchased in the offer into U.S. Dollars at an exchange rate available to it on the payment date for subsequent delivery to you. Neither we nor the U.S. tender agent are responsible for the U.S. tender agent in fact being able to convert Mexican Pesos received for U.S. Dollars as a result of exchange controls or otherwise, or for the exchange rate at which such conversion ultimately occurs. Although Mexico has had no exchange control system in place since 1991, if an exchange control system were to be in effect on the payment date and as a result the U.S. tender agent were to be unable to convert Mexican Pesos into U.S. Dollars, the U.S. tender agent would deliver the purchase price to you in Mexican Pesos. In this case, you may be required to designate an account to take delivery of the purchase price in Mexican Pesos.

In the event of proration, we will determine the proration percentage and pay for those tendered appreciation warrants and ADWs accepted for payment as soon as practicable after the expiration date. However, we do not expect to be able to announce the final results of any proration or to be able to commence payment for any appreciation warrants or ADWs purchased under the offer until approximately three to five business days after the expiration date.

We will not pay interest on the purchase price regardless of any delay in making such payment. In addition, if certain events occur, we may not be obligated to purchase appreciation warrants or ADWs in the offer. See the conditions to the offer under “The Offer—5. Conditions of the Offer.”

We will pay all stock transfer taxes, if any, payable on the transfer to us of appreciation warrants and ADWs purchased under the offer. If, however, (a) payment of the purchase price is to be made to any person other than the registered holder, (b) appreciation warrants or ADWs not tendered or rejected for purchase are to be registered in the name of any person other than the registered holder, or (c) certificates representing tendered ADWs are registered in the name of any person other than the person signing the letter of transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder, the other person or otherwise), payable on account of the transfer to the other person, will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted.

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Any tendering U.S. holder or other payee who fails to complete fully, sign and return to the U.S. tender agent the substitute form W-9 included with the letter of transmittal may be subject to federal income backup withholding at the applicable rate on the gross proceeds paid to the holder or other payee under the offer. See “The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs.” Also see “Special Factors—8. Income Tax Consequences” regarding additional U.S. federal income tax consequences.

For accounting purposes, under generally accepted accounting principles in Mexico, the purchase price we pay for any appreciation warrants and ADWs we purchase in the offer will be recorded on our balance sheet as a decrease in stockholders’ equity and as a corresponding decrease in cash and temporary investments.

5. Conditions of the Offer

Notwithstanding any other provision of the offer, we will not be required to accept for payment, purchase or pay for any appreciation warrants tendered, and may terminate or amend the offer or may postpone the acceptance for payment of, or the purchase of and the payment for appreciation warrants and ADWs tendered, subject to applicable regulatory approvals, if, at any time on or after December 23, 2003 and before the expiration of the offer, including any extension of the expiration of the offer, any of the following events have occurred:

- there has been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly challenges the making of the offer, the acquisition of some or all the appreciation warrants and ADWs under the offer or otherwise relates in any manner to the offer, including the other conditions to the offer or which, in our reasonable judgment, would or might impair a contemplated purpose of the offer;
- there has been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the offer or to us or any of our subsidiaries, by any court or any authority, agency or tribunal that, in our reasonable judgment, would or might directly or indirectly
 - (i) make the acceptance for payment of, or payment for, some or all the appreciation warrants and ADWs illegal or otherwise restrict or prohibit completion of the offer or impair a contemplated purpose of the offer; or
 - (ii) delay or restrict our ability, or render us unable, to accept for payment or pay for some or all the appreciation warrants and ADWs;
- there has occurred any of the following:
 - (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States or on the Mexican Stock Exchange;
 - (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Mexico;
 - (iii) the commencement or material escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or Mexico;
 - (iv) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any disruption or adverse change in the financial or capital markets generally or the market for loan syndications in particular, that, in our reasonable judgment, might affect, the extension of credit by banks or other lending institutions in the United States or Mexico; or

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(v) a decrease of 15% or more in the market price of our ADSs.

The conditions to the offer are for our sole benefit and may be asserted by us regardless of the circumstances (including any action or inaction by us) giving rise to any such condition and, where permissible, may be waived by us, in whole or in part at any time up until the expiration of the offer in our sole discretion. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any right, and each right shall be deemed an ongoing right which may be asserted at any time up until the expiration of the offer. Any determination or judgment by us concerning the events described above will be final and binding on all parties.

6. Price Range of Appreciation Warrants and ADWs

Our appreciation warrants are listed on the Mexican Stock Exchange under the symbol “CMX412E-DC062.” Our ADWs, each of which represents five appreciation warrants, are listed on the New York Stock Exchange under the symbol “CX.WSB.” The following table sets forth, for the periods indicated, the reported highest and lowest market quotations in nominal Pesos for appreciation warrants on the Mexican Stock Exchange and the high and low sales prices in Dollars for ADWs on the New York Stock Exchange.

Calendar Period	Appreciation Warrants(1)		ADWs(2)	
	High	Low	High	Low
Quarterly				
2001				
Fourth quarter	Ps 4.50	Ps 4.00	—	—
2002				
First quarter	7.60	3.80	U.S.\$4.40	U.S.\$2.35
Second quarter	8.50	6.50	4.60	3.30
Third quarter	6.50	3.00	3.30	1.35
Fourth quarter	4.20	3.00	2.05	1.22
2003				
First quarter	4.00	2.50	1.80	0.95
Second quarter	3.80	2.50	1.65	1.00
Third quarter	5.30	3.10	2.25	1.35
Monthly				
2003				
May	3.80	2.80	1.60	1.70
June	3.50	2.80	1.65	1.30
July	4.20	3.10	1.80	1.35
August	4.80	4.00	2.15	1.25
September	5.30	4.35	2.25	2.10
October	6.00	4.90	2.30	2.20
November	6.90	5.10	2.70	2.05
December (through December 19, 2003)	7.00	6.50	3.20	2.65

Source: Based on data of the Mexican Stock Exchange and the New York Stock Exchange.

(1) The appreciation warrants began trading on the Mexican Stock Exchange on December 24, 2001.

(2) The ADWs, each of which represents five appreciation warrants, were initially listed for trading on the New York Stock Exchange on December 24, 2001, but were not actually traded until January 4, 2002.

On December 19, 2003, the last reported closing price for appreciation warrants on the Mexican Stock Exchange was Ps6.88 per appreciation warrant and the last reported closing price for ADWs on the New York Stock Exchange was U.S.\$3.20 per ADW. **We urge you to obtain more current market price information for our appreciation warrants and ADWs.**

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7. Mexican Peso Exchange Rates

Mexico has had no exchange control system in place since the dual exchange control system was abolished on November 11, 1991. The Mexican Peso has floated freely in foreign exchange markets since December 1994, when the Mexican Central Bank (Banco de Mexico) abandoned its prior policy of having an official devaluation band. Since then, the Peso has been subject to substantial fluctuations in value. The Peso depreciated against the Dollar by 22.7% in 1998, appreciated against the Dollar by 3.9% in 1999, depreciated against the Dollar by 1.16% in 2000, appreciated against the Dollar by 4.68% in 2001, depreciated against the Dollar by 13% in 2002 and depreciated against the Dollar by 5.99% in the first nine months of 2003. These percentages are based on the exchange rate that we use for accounting purposes, or the CEMEX accounting rate. The CEMEX accounting rate represents the average of three different exchange rates that are provided to us by Banco Nacional de México, S.A., or Banamex. For any given date, the CEMEX accounting rate may differ from the noon buying rate for Pesos in New York City published by the U.S. Federal Reserve Bank of New York. We cannot predict the value of the Peso or assure you that the Mexican government will not establish new exchange controls in the future.

The following table sets forth, for the periods and dates indicated, the end-of-period, average and high and low points of the CEMEX accounting rate as well as the noon buying rate for Pesos, expressed in Pesos per U.S.\$1.00.

	CEMEX Accounting Rate				Noon Buying Rate			
	End of Period	Average(1)	High	Low	End of Period	Average(1)	High	Low
Year ended December 31,								
1998	9.900	9.180	10.653	8.073	9.901	9.245	10.630	8.040
1999	9.510	9.547	10.607	9.263	9.480	9.562	10.600	9.240
2000	9.620	9.461	10.098	9.189	9.618	9.459	10.087	9.183
2001	9.170	9.332	9.988	8.954	9.156	9.337	9.972	8.946
2002	10.380	9.755	10.350	9.016	10.425	9.664	10.425	9.000
2003 (through								
November 30, 2003)	11.385	10.800	11.325	10.101	11.395	10.810	11.395	10.113
2003								
May	10.320	—	10.396	10.101	10.340	—	10.424	10.113
June	10.460	—	10.805	10.243	10.455	—	10.739	10.244
July	10.610	—	10.591	10.338	10.585	—	10.585	10.339
August	11.070	—	11.045	10.586	11.060	—	11.060	10.590
September	11.002	—	11.057	10.773	11.003	—	11.040	10.771
October	11.002	—	11.310	11.022	11.055	—	11.318	10.969
November	11.385	—	11.385	10.951	11.395	—	11.395	10.979
December (through December 19, 2003)	11.235	—	11.370	11.142	11.233	—	11.406	11.173

(1) The average of the CEMEX accounting rate or the noon buying rate for Pesos, as applicable, on the last day of each full month during the relevant period.

The noon buying rate for Pesos on December 19, 2003 was Ps11.233 to U.S.\$1.00 and the CEMEX accounting rate was Ps11.235 to U.S.\$1.00.

The Mexican government does not currently restrict the ability of Mexicans or others to convert Pesos to Dollars, or vice versa. The Mexican Central Bank has consistently made foreign currency available to Mexican private sector entities, such as CEMEX, to meet their foreign currency obligations. Nevertheless, if renewed shortages of foreign currency occur, the Mexican Central Bank may not continue its practice of making foreign currency available to private sector companies and we may not be able to purchase the foreign currency we need to service our foreign currency obligations without substantial additional cost.

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8. Source and Amount of Funds

We would need a maximum of Ps729.1 million (U.S.\$65.4 million) to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) at the maximum price of Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW). We will use cash on hand from the proceeds of our October 2003 public equity offering to pay for all appreciation warrants and ADWs we purchase in the offer.

9. Information About Us and CEMEX, Inc.

References in this Item 9 to "CEMEX," "we," "us" or "our" refer to CEMEX, S.A. de C.V., a Mexican corporation, and its consolidated subsidiaries. See Note 1 to our consolidated financial statements included in our current report on Form 6-K furnished to the SEC on October 2, 2003, which is incorporated by reference in this document. Unless otherwise indicated, references in this Item 9 to "Ps" are to constant Mexican Pesos as of September 30, 2003.

CEMEX

General

Incorporated in 1920, CEMEX is the third largest cement company in the world, based on installed capacity as of June 30, 2003 of approximately 80.9 million tons. We are one of the world's largest traders of cement and clinker, having traded over 10.2 million tons of cement and clinker in 2002. We are a holding company engaged, through our operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix concrete and clinker. We are a global cement manufacturer with operations in North, Central and South America, Europe, the Caribbean, Asia and Africa. As of June 30, 2003, we had worldwide assets of Ps174.7 billion (U.S.\$16.7 billion). On December 19, 2003, we had an equity market capitalization of approximately Ps92.5 billion (U.S.\$8.3 billion).

We believe that we are one of the most efficient cement producers in the world. We believe we have achieved this competitive advantage through our significant utilization of technology throughout our entire organization, our superior operating practices, our turnaround expertise in newly acquired operations and our size as one of the largest cement companies in the world.

As of June 30, 2003, our main cement production facilities were located in Mexico, Spain, Venezuela, Colombia, the United States, Egypt, the Philippines, Thailand, Costa Rica, the Dominican Republic, Panama, Nicaragua and Puerto Rico. As of June 30, 2003, our assets, cement plants and installed capacity, on an unconsolidated basis, were as set forth below. Installed capacity, which refers to theoretical annual production capacity, represents gray cement equivalent capacity, which counts each ton of white cement capacity as approximately two tons of gray cement capacity. It also includes our proportional interest in the installed capacity of companies in which we hold a minority interest.

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	As of June 30, 2003		
	Assets (in billions of constant Pesos)	Number of Cement Plants	Installed Capacity (millions of tons per annum)
North America			
Mexico	Ps 15.7	15	27.2
United States	42.8	12	13.6
Europe, Asia and Africa			
Spain	25.2	8	10.8
Asia	12.4	4	10.9
Egypt	4.0	1	4.7
South America, Central America and the Caribbean			
Venezuela	8.0	3	4.6
Colombia	5.2	5	4.8
Central America and the Caribbean	11.1	5	4.1
Cement and Clinker Trading Assets and Other Operations	76.5	—	—

In the above table, “Asia” includes our Asian subsidiaries, and, for purposes of the columns labeled “Assets” and “Installed Capacity,” includes our 25.5% interest, as of June 30, 2003, in PT Semen Gresik, or Gresik, an Indonesian cement producer. In addition to the three cement plants owned by our Asian subsidiaries, Gresik operated four cement plants with an installed capacity of 17.2 million tons, as of June 30, 2003. In the above table, “Central America and the Caribbean” includes our subsidiaries in Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico and other assets in the Caribbean region. In the above table, “Cement and Clinker Trading Assets and Other Operations” includes in the column labeled “Assets” our 11.9% interest in Cementos Bio Bio, a Chilean cement producer having three cement plants with an installed capacity of approximately 2.2 million tons at June 30, 2003, and intercompany accounts receivable of CEMEX (the parent company only) in the amount of Ps38.4 billion, which would be eliminated if these assets were calculated on a consolidated basis.

During the last decade, we embarked on a major geographic expansion program to diversify our cash flows and enter markets whose economic cycles within the cement industry largely operate independently from that of Mexico and which offer long-term growth potential. We have built an extensive network of marine and land-based distribution centers and terminals that give us marketing access around the world.

We are a Mexican corporation with our principal executive offices located at Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265. Our main phone number is +011-5281-8888-8888.

We have not been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors), and we have not been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining us from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Selected Consolidated Financial Information

The financial data set forth below as of December 31, 2001 and 2002 and for each of the three years ended December 31, 2002, have been derived from, and should be read in conjunction with and are qualified in their entirety by reference to, the consolidated financial statements and the notes thereto included in our annual report on Form 20-F filed with the SEC on April 8, 2003, as amended, which is incorporated by reference in this document.

The financial data set forth below for the six months ended June 30, 2002 and 2003 have been derived from, and should be read in conjunction with and are qualified in their entirety by reference to, the unaudited

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consolidated financial statements included in our current report on Form 6-K furnished to the SEC on October 2, 2003, which is incorporated by reference in this document. In the opinion of management, the unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring items) which are necessary to present a fair statement of the results for the interim periods. The interim results of operations for the six-month period ended June 30, 2003 are not necessarily indicative of operating results to be expected for the entire fiscal year.

Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Mexico, or Mexican GAAP, which differs in significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. We are required, pursuant to Mexican GAAP, to present our financial statements in constant Pesos representing the same purchasing power for each period presented. Accordingly, all financial data presented below and, unless otherwise indicated, elsewhere in this document are stated in constant Pesos as of September 30, 2003. See Note 23 to our consolidated financial statements included in our annual report on Form 20-F, which is incorporated by reference in this document, for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to us.

Non-Peso amounts included in the financial statements are first translated into Dollar amounts, in each case at a commercially available or an official government exchange rate for the relevant period or date, as applicable, and those Dollar amounts are then translated into Peso amounts at the CEMEX accounting rate, described under "Mexican Peso Exchange Rates," as of the relevant period or date, as applicable.

Under Bulletin B-15 of the Mexican Institute of Public Accountants, each time we report results for the most recently completed period, the Pesos previously reported in prior periods should be adjusted to Pesos of constant purchasing power as of the most recent balance sheet by multiplying the previously reported Pesos by a weighted average inflation index. This index is calculated based upon the inflation rates of the countries in which we operate and the changes in the exchange rates of each of these countries, weighted according to the proportion our assets in each country represent of our total assets. The following table reflects the factors that have been used to restate the originally reported Pesos to Pesos of constant purchasing power as of September 30, 2003:

	<u>Annual Weighted Average Factor</u>	<u>Cumulative Weighted Average Factor to September 30, 2003</u>
2000	1.0236	1.1493
2001	0.9900	1.1609
2002	1.0916	1.0634

The Dollar amounts provided below are translations of constant Peso amounts at an exchange rate of Ps10.46 to U.S.\$1.00, the CEMEX accounting rate as of June 30, 2003. However, in the case of transactions conducted in Dollars, we have presented the Dollar amount of the transaction and the corresponding Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. The noon buying rate for Pesos on June 30, 2003 was Ps10.455 to U.S.\$1.00 and on September 30, 2003 was Ps11.003 to U.S.\$1.00. From July 1, 2003 through September 30, 2003, the Peso depreciated by approximately 5.24% against the Dollar, based on the noon buying rate for Pesos.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Selected Consolidated Financial Information

	As of and for the year ended December 31,				As of and for the six months ended June 30, (unaudited)		
	2000	2001	2002	2002	2002	2003	2003
(in millions of constant Pesos as of September 30, 2003 and Dollars except ratios and share and per share amounts)							
Income Statement Information:							
Net sales	Ps62,140	Ps73,695	Ps72,223	U.S.\$ 6,958	Ps35,400	Ps37,991	U.S.\$ 3,632
Cost of sales(1)	34,723	41,452	40,349	3,887	(19,360)	(22,063)	(2,109)
Gross profit	27,417	32,243	31,873	3,071	16,040	15,928	1,523
Operating expenses	9,132	14,645	17,408	1,677	(8,300)	(8,334)	(797)
Operating income	18,285	17,598	14,465	1,394	7,739	7,595	726
Comprehensive financing income (cost), net(2)	(1,921)	2,816	(3,636)	(350)	(1,105)	(824)	(79)
Other income (expense), net	(2,591)	(4,439)	(4,297)	(414)	(2,278)	(1,907)	(182)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates	13,773	15,976	6,531	629	4,356	4,864	465
Minority interest	863	1,632	409	39	189	121	12
Majority interest net income	11,047	12,537	5,742	553	3,733	4,271	408
Earnings per share(3)(4)	2.67	2.94	1.28	0.12	2.01	1.37	0.13
Dividends per share(3)(5)(6)	0.69	0.75	0.76	0.07	—	—	—
Number of shares outstanding (3)(7)	4,169	4,379	4,562	4,846	4,563	4,846	4,846
Balance Sheet Information:							
Current assets	22,164	24,688	21,554	2,076	26,160	27,248	2,605
Long-term assets	152,058	148,074	154,331	14,868	148,871	154,571	14,777
Total assets	174,222	172,761	175,884	16,945	175,031	181,819	17,382
Current liabilities	43,339	24,978	32,606	3,141	26,812	38,157	3,648
Long-term liabilities	46,324	61,010	66,552	6,412	66,596	65,628	6,274
Total liabilities	89,663	85,988	99,158	9,553	93,408	103,785	9,922
Minority interest(8)	26,507	21,027	13,320	1,283	14,862	12,662	1,211
Stockholders' equity (excluding minority interest)(9)	58,052	65,747	63,406	6,108	66,761	65,372	6,250
Book value per share(3)(7)	13.92	15.02	13.89	1.34	14.63	13.49	1.29
Other Financial Information:							
Operating margin	29.4%	23.9%	20.0%	20.0%	21.9%	20.0%	20.0%
EBITDA(10)	22,439	24,010	21,161	2,039	10,997	11,032	1,055
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends	4.00	4.39	5.23	5.23	5.60	4.93	4.93
Investment in property, machinery and equipment, net	4,404	5,437	4,680	451	1,676	1,816	174
Depreciation and amortization	5,406	8,438	8,446	814	3,981	4,204	402
Net resources provided by operating activities(11)	19,239	25,124	18,364	1,769	7,732	5,926	567
Ratio of earnings to fixed charges Under Mexican GAAP(12)	3.67	4.65	2.78	2.78	3.51	3.34	3.34
Basic earnings per CPO(3)(4)	8.03	8.81	3.83	0.37	6.02	4.12	0.39

(footnotes on next page)

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	As of and for the year ended December 31,				As of and for the six months ended June 30, (unaudited)		
	2000	2001	2002	2002	2002	2003	2003
(in millions of constant Pesos as of September 30, 2003 and Dollars, except per share amounts)							
U.S. GAAP(13):							
Income Statement Information:							
Majority net sales	Ps 60,340	Ps 67,923	Ps 68,759	U.S.\$ 6,624	Ps 33,951	Ps 36,507	U.S.\$ 3,490
Operating income	14,686	10,857	11,113	1,071	6,402	6,480	620
Majority net income	9,371	10,867	5,772	556	2,363	3,989	381
Basic earnings per share	2.37	2.65	1.34	0.13	0.56	0.90	0.09
Diluted earnings per share	2.36	2.62	1.34	0.13	0.56	0.87	0.08
Ratio of earnings to fixed charges(12)	3.40	4.32	2.19	2.19	4.87	3.57	3.57
Balance Sheet Information:							
Current assets	21,296	22,545	20,372	1,963	24,998	25,594	2,447
Long-term assets	156,759	144,373	152,918	14,732	147,229	154,657	14,786
Total assets	178,055	166,918	173,290	16,695	172,216	180,251	17,232
Current liabilities	43,053	29,100	36,945	3,559	32,300	45,005	4,303
Long-term liabilities	55,541	62,026	64,822	6,246	66,790	63,085	6,030
Shares subject to mandatory redemption and equity forward obligations(14)	—	—	—	—	—	12,324	1,178
Total liabilities	98,594	91,126	101,767	9,805	99,089	120,414	11,511
Minority interest	7,292	8,199	5,309	511	6,737	4,696	449
Other mezzanine items(14)	25,082	17,376	13,379	1,289	14,052	—	—
Total majority stockholders' equity	47,087	50,217	52,834	5,090	52,338	55,141	5,272

- (1) Cost of sales includes depreciation.
- (2) Comprehensive financing income (cost), net, includes financial expenses, financial income, gain (loss) on marketable securities, foreign exchange result, net and monetary position result.
- (3) Our capital stock consists of Series A shares and Series B shares. Each of our CPOs represents two Series A shares and one Series B share. As of December 31, 2002, approximately 94.84% of our outstanding share capital was represented by CPOs.
- (4) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 20 to the consolidated financial statements included in our annual report on Form 20-F, which is incorporated by reference in this document. In accordance with Mexican GAAP, earnings per share as of June 30, 2002 and 2003 were calculated based on net income for the prior twelve-month periods, which amounted to Ps8,849 million and Ps6,281 million, respectively. Basic earnings per CPO is determined by multiplying the basic earnings per share for each period by three (the number of shares underlying each CPO). Basic earnings per CPO is presented solely for the convenience of the reader and does not represent a measure under Mexican GAAP.
- (5) Dividends declared at each year's annual shareholders' meeting are reflected as dividends of the preceding year.
- (6) In recent years, our board of directors has proposed, and our shareholders have approved, dividend proposals, whereby our shareholders have had a choice between stock dividends or cash dividends declared in respect of the prior year's results, with the stock issuable to shareholders who elect the stock dividend over the cash dividend being issued at a 20% discount from then current market prices. The dividends declared per share or per CPO in these years, expressed in constant Pesos as of September 30, 2003, were as follows: 2001, Ps2.08 per CPO (or Ps0.69 per share); 2002, Ps2.23 per CPO (or Ps0.75 per share); and 2003, Ps2.29 per CPO (or Ps0.76 per share). As a result of dividend elections made by shareholders, in 2001, Ps98 million in cash was paid and approximately 70 million additional CPOs were issued in respect of dividends declared for the 2000 fiscal year; in 2002, Ps248 million in cash was paid and approximately 64 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; and in 2003, Ps65 million in cash was paid and approximately 99 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year. For purposes of the table, dividends declared at each year's annual shareholders' meeting for each period are reflected as dividends for the preceding year.
- (7) Based upon the total number of shares outstanding at the end of each period, expressed in millions of shares, and includes shares subject to financial derivative transactions, but does not include shares held by our subsidiaries.
- (8) In connection with the preferred equity transaction relating to the financing of our acquisition of Southdown, Inc., now named CEMEX, Inc., the balance sheet item minority interest at December 31, 2002 and at June 30, 2003 includes a notional amount of U.S.\$650 million (Ps7,150 million) of preferred equity issued by our Dutch subsidiary. In October 2003, in connection with the establishment of a new U.S.\$1.15 billion senior unsecured term loan facility by our Dutch subsidiary, we redeemed all of the U.S.\$650 million of preferred equity outstanding. The balance sheet item minority interest at December 31, 2002 and at June 30, 2003 also includes an aggregate liquidation amount of U.S.\$66 million (Ps726 million) of 9.66% Putable Capital Securities, which were initially issued by one of our subsidiaries in May 1998 in an aggregate liquidation amount of U.S.\$250 million. In April 2002, approximately U.S.\$184 million in aggregate liquidation amount of these capital securities were tendered to, and accepted by, us in a tender offer. In addition, minority interest net income in 2002 and in the first six months of 2003 includes preferred dividends in the amount of approximately U.S.\$23.2 million (Ps255.2 million) and U.S.\$11.9 million (Ps130.9 million), respectively, and capital securities dividends in the amount of approximately U.S.\$ 11.9 million (Ps130.9 million) and U.S.\$3.3 million (Ps36.3 million), respectively.

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- (9) In December 1999, we entered into forward contracts with a number of banks covering 21,000,000 ADSs. In December 2002, we agreed with the banks to settle those forward contracts for cash and simultaneously entered into new forward contracts with the same banks on similar terms to the original forward transactions. Under the new forward contracts the banks retained the ADSs underlying the original forward contracts, which had increased to 24,008,313 ADSs as of the settlement date as a result of stock dividends and which further increased to 25,457,378 ADSs as of June 30, 2003 as a result of stock dividends through June 2003. As a result of this net settlement, we recognized in December 2002 a decrease of approximately U.S.\$98.3 million (Ps1,081 million) in our stockholders' equity, arising from changes in the valuation of the ADSs. In October 2003, in connection with the non-dilutive equity offering by the banks of all of the ADS underlying those forward contracts, we agreed with the banks to settle those forward contracts for cash. As a result of the final settlement in October 2003, we recognized an increase of approximately U.S.\$18.1 million (Ps199.1 million) in our stockholders' equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003. During the life of these forward contracts, the underlying ADSs were considered to have been owned by the banks and the forward contracts were treated as equity transactions, and, therefore, changes in the fair value of the ADSs were not recorded until settlement of the forward contracts.
- (10) EBITDA equals operating income before amortization expense and depreciation. Under Mexican GAAP, amortization of goodwill is not included in operating income, but instead is recorded in other income (expense). EBITDA and the ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends are presented herein because we believe that they are widely accepted as financial indicators of our ability to internally fund capital expenditures and service or incur debt and preferred equity. EBITDA and such ratios should not be considered as indicators of our 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 below to operating income, which we consider to be the most comparable measure as determined under Mexican GAAP. We are not required to prepare a statement of cash flows under Mexican GAAP and therefore do not have such Mexican GAAP cash flow measures to present as comparable to EBITDA.

	For the year ended December 31,				For the six months ended June 30, (unaudited)		
	2000	2001	2002	2002	2002	2003	2003
(in millions of constant Pesos as of September 30, 2003 and Dollars)							
Reconciliation of EBITDA to operating income							
EBITDA	Ps22,439	Ps24,010	Ps 1,161	U.S.\$2,039	Ps10,997	Ps11,032	U.S.\$1,055
Less:							
Depreciation and amortization expense	4,154	6,412	6,696	645	3,258	3,437	329
Operating Income	Ps18,285	Ps17,598	Ps14,465	U.S.\$1,394	Ps 7,739	Ps 7,595	U.S.\$ 726

- (11) Net resources provided by operating activities equals majority interest net income plus items not affecting cash flow plus investment in working capital excluding effects from acquisitions. In accordance with Mexican GAAP, operating activities include gain and loss from trading in marketable securities, including realized gain or loss from trading in our capital stock.
- (12) For purposes of determining the ratio of earnings to fixed charges, earnings are defined as income before income taxes plus fixed charges less capitalized interest. Fixed charges consist of interest expense (including the amortization of deferred debt issuance costs), capital securities dividends and the portion of rental expense that is representative of the interest factor.
- (13) We have restated the information at and for the years ended December 31, 2001 and 2002 under U.S. GAAP using the inflation factor derived from the national consumer price index, or NCPI, in Mexico. See note 23 to our consolidated financial statements included in our annual report on Form 20-F, which is incorporated by reference in this document, for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to CEMEX.
- (14) For financial reporting under U.S. GAAP, elements that do not meet either the definition of equity, or the definition of debt, are presented under a third group, commonly referred to as "mezzanine items." These elements, as they relate to us, have included our U.S.\$650 million of preferred equity described in note 8 above, our U.S.\$66 million of 9.66% Putable Capital Securities described in note 8 above and our U.S.\$450 million obligation under the forward contracts described in note 9 above, in each case as of June 30, 2003. For a more detailed description of these elements, see notes 14(E), 14(F) and 23(O) to our consolidated financial statements included in our annual report on Form 20-F, which is incorporated by reference in this document.

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Recent Developments

Summary Financial Information as of and for the Nine Months Ended September 30, 2003

For the nine months ended September 30, 2003, we had net sales of Ps58,171 million (U.S.\$5,288 million) compared to Ps54,334 million for the nine months ended September 30, 2002. Our cost of sales for the nine months ended September 30, 2003 were Ps33,540 million (U.S.\$3,049 million) compared to Ps29,916 million for the same period in 2002. Our gross profit for the nine months ended September 30, 2003 was Ps24,631 million (U.S.\$2,239 million) compared to Ps24,418 million for the same period in 2002. For the nine months ended September 30, 2003, we had majority interest net income of Ps5,814 million (U.S.\$529 million) compared to Ps3,915 million for the same period in 2002. For the nine months ended September 30, 2003, we had earnings per share of Ps1.64 (U.S.\$0.15) compared to Ps1.77 for the same period in 2002. For the nine months ended September 30, 2003, our ratio of earnings to fixed charges was 3.20 compared to 2.74 for the same period in 2002.

As of September 30, 2003, we had current assets of Ps23,062 million (U.S.\$2,097 million), long-term assets of Ps155,149 million (U.S.\$14,104 million), and total assets of Ps178,212 million (U.S.\$16,201 million) compared to current assets of Ps24,871 million, long term assets of Ps154,367 million, and total assets of Ps179,239 million as of September 30, 2002. As of September 30, 2003, we had current liabilities of Ps30,035 million (U.S.\$2,730 million), long-term liabilities of Ps67,092 million (U.S.\$6,099 million) and total liabilities of Ps97,127 million (U.S.\$8,830 million) compared to current liabilities of Ps39,157 million, long-term liabilities of Ps61,520 million and total liabilities of Ps100,677 million as of September 30, 2002. Our minority interest as of September 30, 2003 was Ps12,912 million (U.S.\$1,174 million) compared to Ps13,321 million as of September 30, 2002. Our book value per share as of September 30, 2003 was Ps14.04 (U.S.\$1.28) compared to Ps14.31 as of September 30, 2002.

For more complete financial information as of and for the nine months ended September 30, 2003, please see the report on our results of operations for the third quarter of 2003 included in our current report on Form 6-K furnished to the SEC on October 15, 2003, which is incorporated by reference in this document.

Other Developments since June 30, 2003

On August 8, 2003, in connection with an increase in the amount available under our U.S. commercial paper program from U.S.\$275 million to U.S.\$400 million, we entered into a First Amended and Restated Reimbursement and Credit Agreement and a related Depositary Agreement with several lenders. Under the First Amended and Restated Reimbursement and Credit Agreement, the issuing bank agreed to issue an irrevocable direct-pay letter of credit in the amount of U.S.\$400 million to provide credit support for the commercial paper program, and the lenders committed to make loans to us in the event of certain market disruptions of up to the same amount. In addition, under the First Amended and Restated Reimbursement and Credit Agreement we obtained a U.S.\$200 million standby letter of credit facility for the issuance of standby letters of credit in support of certain of our and any of our subsidiaries' obligations, including in support of contingent liabilities arising in connection with forward sale contracts, leases, insurance contracts and arrangements, service contracts, equipment contracts, financing transactions and other payment obligations. The total amount available under the U.S. commercial paper program, the letters of credit and any loans under the First Amended and Restated Reimbursement and Credit Agreement cannot exceed U.S.\$400 million. CEMEX México and Empresas Tolteca de México, two of our Mexican subsidiaries, are guarantors of our obligations under the First Amended and Restated Reimbursement and Credit Agreement.

On September 25, 2003, a subsidiary of CEMEX, Inc. acquired the cement assets of Dixon-Marquette Cement for a total purchase price of approximately U.S.\$84 million, subject to adjustments. Located in Dixon, Illinois, the single cement facility has an annual production capacity of 560,000 metric tons.

On October 21, 2003, our Dutch subsidiary, New Sunward Holdings B.V., established a U.S.\$1.15 billion senior unsecured term loan facility. We used a portion of the proceeds of loans issued under the new facility to repay short term debt incurred on October 15, 2003 to redeem the U.S.\$650 million outstanding of the preferred equity transaction relating to the financing of our acquisition in 2000 of Southdown, Inc., now named CEMEX,

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Inc., that was included in our balance sheet in the item minority interest. We used the remaining proceeds of loans issued under the new facility to repay U.S.\$400 million outstanding under our Credit Agreement dated June 11, 2001 and to repay other senior debt.

As described above under “Special Factors—1. Background of the Offer,” in October 2002, we and several selling ADS holders, who were banks and other financial institutions holding ADSs pursuant to forward transactions we had entered into with them in order to hedge our obligations under our appreciation warrants and ADWs, completed a non-dilutive equity offering of a total of 29.325 million ADSs, including the initial 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 29.325 million ADSs were sold in the form of both ADSs and CPOs, with 23.325 million ADSs sold globally and 30 million CPOs sold in Mexico, at \$23.15 per ADS and Ps52.07 per CPO. The aggregate proceeds of the equity offering, including proceeds from the exercise of the over-allotment option, were approximately U.S.\$660 million, after underwriting discounts and commissions. Approximately U.S.\$538 million of these proceeds were used to terminate and settle several forward transactions we had entered into with respect to our ADSs and CPOs, including the forward transactions with the selling ADS holders. We received the remaining proceeds of the equity offering, which amounted to approximately U.S.\$122 million.

On October 21, 2003, in connection with the sale by the selling ADS holders of the ADSs underlying the forward transactions that hedged our obligations under our appreciation warrants and ADWs in the equity offering described above, we agreed with the selling ADS holders to terminate these forward transactions and net settle the aggregate final forward purchase price we owed under these forward contracts, which was approximately U.S.\$452.6 million, using the proceeds of the equity offering. As a result of this net settlement, we recognized an increase of approximately U.S.\$18.1 million (Ps199.5 million) in our stockholders’ equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003.

Additional Information

We are subject to the informational requirements of the Exchange Act and, in accordance with these requirements, file reports and information statements and other information with the SEC. We have also filed a combined statement on Schedules TO and 13E-3 with the SEC under cover of Schedule TO, which includes additional information relating to the offer. These reports and information statements and other information filed by us with the SEC can be inspected and copied at the Public Reference Section of the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549.

Incorporation by Reference

The SEC allows us to “incorporate by reference” information into this document. This means that we can disclose important information to you by referring you to another document filed by us with the SEC. Any information referenced this way is considered part of this document. We incorporate by reference into this document the following documents:

- Our annual report on Form 20-F for the year ended December 31, 2002, filed with the SEC on April 8, 2003, as amended by Amendment No. 1 thereto on Form 20-F/A, filed with the SEC on April 25, 2003; and
- Our current reports on Form 6-K furnished to the SEC on August 25, 2003, October 2, 2003, October 15, 2003, October 16, 2003 and December 15, 2003.

We will provide without charge upon written or oral request, a copy of any and all the information that has been incorporated by reference in this document. Requests should be directed to Abraham Rodríguez, Investor Relations, CEMEX, S.A. de C.V., Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265, Tel: +011-5281-8888-4262 or toll-free: 1-800-317-6000.

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CEMEX, Inc.

CEMEX, Inc., our wholly-owned U.S. subsidiary, is principally engaged in the business of cement production and distribution.

In November 2000, through a tender offer and subsequent merger, we acquired 100% of the outstanding shares of common stock of Southdown, Inc., a U.S. cement producer. In March 2001, through a corporate restructuring, we integrated the Southdown, Inc. operations with our other U.S. operations and Southdown, Inc. changed its legal name to CEMEX, Inc.

CEMEX, Inc. is a Louisiana Corporation with its principal executive offices located at 840 Gessner Road, Suite 1400, Houston, Texas 77024. CEMEX, Inc.'s main telephone number is (713) 650-6200.

CEMEX, Inc., has not been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors), and CEMEX, Inc. has not been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining CEMEX, Inc. from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

10. Effects of the Offer on the Market for Our Appreciation Warrants and ADWs; Registration Under the Exchange Act

Our purchase of appreciation warrants and ADWs in the offer will reduce the number of appreciation warrants and ADWs that might otherwise be traded publicly and may reduce the number of holders of our appreciation warrants and ADWs. The appreciation warrants are currently traded on the Mexican Stock Exchange and the ADWs are currently traded on the New York Stock Exchange. There can be no assurance that holders of appreciation warrants and ADWs will be able to find willing buyers for their securities after the offer.

At the completion of the offer, depending on the number of appreciation warrants and ADWs tendered and accepted in the offer, the appreciation warrants and the ADWs may be held by fewer than 300 persons. Consequently, the appreciation warrants and the ADWs may be subject to delisting from the New York Stock Exchange. In the event the appreciation warrants and ADWs are delisted from the New York Stock Exchange, the appreciation warrants and ADWs outstanding after the offer may not be admitted to trading or quotation on any U.S. national securities exchange or association, and there will be limited trading information and market liquidity regarding the ADWs; however, the appreciation warrants will continue to be listed and traded on the Mexican Stock Exchange. In addition, if the appreciation warrants and ADWs are held by fewer than 300 persons following the completion of the offer, the ADWs and appreciation warrants may be eligible for deregistration under the Exchange Act at our option. However, we do not intend to take any action to terminate the registration of our ADWs and appreciation warrants under the Exchange Act. Furthermore, although under New York Stock Exchange rules, continued listing of the appreciation warrants and the ADWs is a decision for the New York Stock Exchange, not CEMEX, we would seek to maintain a New York Stock Exchange listing for the appreciation warrants and the ADWs following the completion of the offer. We also do not intend to take any action to terminate the ADW deposit agreement under which the ADWs are issued, even if appreciation warrants and ADWs are delisted from the New York Stock Exchange following completion of the offer. See "Special Factors—6. Effects of the Offer" above.

11. Legal Matters; Regulatory Approvals

We are subject to the informational requirements of the Exchange Act in the United States and the Mexican Securities Market Law (*Ley de Mercado de Valores*) and, in accordance with these requirements, file reports and information statements and other information with the SEC and the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), or the CNBV, respectively. We have also filed a

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combined statement on Schedules TO and 13E-3 with the SEC under cover of Schedule TO and applicable tender offer documents with the CNBV, which includes additional information relating to the offer. In addition, we have filed the necessary documents and obtained the approval of the CNBV to conduct the offer as a public offer.

Except as otherwise described in this document, we are not aware of any license or regulatory permit material to our business that would be adversely affected by our acquisition of appreciation warrants and ADWs as contemplated by the offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for our acquisition or ownership of appreciation warrants and ADWs as contemplated by the offer. Should any such approval or other action be required, we presently contemplate that we will seek that approval or other action. We are unable to predict whether we will be required to delay the acceptance for payment of or payment for appreciation warrants and ADWs tendered in response to the offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to our business and financial condition.

12. Extension of the Offer; Termination; Amendment

We reserve the right, in our sole discretion, at any time and from time to time, to extend the period of time during which the offer is open for up to three months, subject to applicable regulatory approvals, and to delay acceptance for payment of, and payment for, any appreciation warrants and ADWs by giving notice of such extension to the Mexican dealer manager and the U.S. tender agent and making a public announcement of such extension. We also reserve the right, in our sole discretion, to terminate the offer and not accept for payment or pay for any appreciation warrants and ADWs not previously accepted for payment or paid for, subject to applicable law, to postpone payment for appreciation warrants and ADWs if any conditions to the offer fail to be satisfied by giving notice of such termination or postponement to the Mexican and U.S. tender agents and making a public announcement of such termination or postponement. Our reservation of the right to delay acceptance for payment or to delay payment for appreciation warrants and ADWs which we have accepted for purchase is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that we must pay the consideration offered or return appreciation warrants and ADWs tendered promptly after termination or withdrawal of the offer.

Subject to compliance with applicable law, we further reserve the right, in our sole discretion, and regardless of whether or not any of the events or conditions described under “The Offer—5. Conditions of the Offer” have occurred or are deemed by us to have occurred, to amend the offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the offer to holders of appreciation warrants and ADWs or by decreasing or increasing the number of appreciation warrants and ADWs being sought in the offer. Amendments to the offer may be made at any time and from time to time by public announcement, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time which is 8:00 a.m., Mexico City time, on the next business day after the last previously scheduled or announced expiration date.

Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through Business Wire, Dow Jones News Service or another comparable news service.

If we materially change the terms of the offer or the information concerning the offer, we will extend the offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities

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sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If we undertake any of the following actions:

- increase or decrease the range of prices to be paid for the appreciation warrants and ADWs,
- increase the number of appreciation warrants being sought in the offer by more than 2% of our outstanding appreciation warrants, or
- decrease the number of appreciation warrants and ADWs being sought in the offer, and

the offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to holders of our appreciation warrants and ADWs in the manner specified in this Section 12, then the offer will be extended until the expiration of such period of ten business days.

13. Fees and Expenses

We have retained Global Bondholder Services Corporation to act as our information agent in connection with the offer. Global Bondholder Services Corporation as information agent, may contact holders of our appreciation warrants and ADWs by mail, telephone, facsimile, telex, telegraph, other electronic means and personal interviews, and may request brokers, dealers, commercial banks, trust companies and other nominee holders of appreciation warrants and ADWs to forward materials relating to the offer to beneficial owners. Global Bondholder Services Corporation will receive reasonable and customary compensation in connection with the offer.

We have retained Citibank, N.A. as the U.S. tender agent for the offer. We will reimburse the U.S. tender agent for some of its expenses incurred in connection with the offer. Citibank, N.A. is also the depositary for the ADWs under the ADW deposit agreement.

We have retained Citigroup Global Markets Inc. as the dealer manager in connection with the offer outside Mexico, and we have retained Acciones y Valores de México, S.A. de C.V., Casa de Bolsa, Integrante del Grupo Financiero Banamex as the Mexican dealer manager in connection with the Mexican offer.

No fees or commissions will be payable by us to brokers, dealers, commercial banks or trust companies (other than fees to the parties described above) for soliciting tenders of appreciation warrants and ADWs under the offer. Holders of appreciation warrants or ADWs through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if holders of appreciation warrants and ADWs tender appreciation warrants or ADWs through such brokers or banks and not directly to the Mexican dealer manager or the U.S. tender agent, as applicable. We, however, upon request, will reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the offer and related materials to the beneficial owners of appreciation warrants and ADWs held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent or as an agent of the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent for purposes of the offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of appreciation warrants except as otherwise provided in this document.

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The estimated costs and fees to be paid by us in connection with the offer and the Mexican offer are as follows:

Legal fees	U.S.\$ 350,000
Filing fees	7,400
Printing and mailing expenses	140,000
Tender/Transfer Agent fees	20,000
Dealer Managers fees	450,000
Information agent fees	7,500
Mexican advertisement	30,000
Mexican tax advisor fees	10,000
Out-of-pocket and miscellaneous	40,000
	<hr/>
Total	U.S.\$1,054,900

14. Miscellaneous

This document and the related letter of transmittal will be mailed to record holders of our appreciation warrants and ADWs and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on our list of holders of appreciation warrants and ADWs or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of appreciation warrants and ADWs.

We are not aware of any jurisdiction where the making of the offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the offer or the acceptance of appreciation warrants and ADWs pursuant thereto is not in compliance with applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with the applicable law, the offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of appreciation warrants and ADWs in such jurisdiction.

Pursuant to Rule 13e-4 promulgated under the Exchange Act, we have filed a combined statement on Schedules TO and 13E-3 with the SEC under cover of Schedule TO, which contains additional information with respect to the offer. The Schedule TO, including the exhibits and any amendments and supplements to that document, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth under "The Offer—9. Information About Us and CEMEX, Inc." with respect to information concerning us.

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or not tender your appreciation warrants in the offer. We have not authorized any person to give any information or to make any representation in connection with the offer other than those contained in this document or in the letter of transmittal. Any recommendation or any such information or representation made by anyone else must not be relied upon as having been authorized by us, the U.S. dealer manager, the Mexican dealer manager, the U.S. tender agent or the information agent.

CEMEX, S.A. de C.V.

December 23, 2003

SCHEDULE I

CEMEX

1. Beneficial Ownership of Appreciation Warrants and ADWs

The following table sets forth information with respect to the beneficial ownership of our appreciation warrants (including appreciation warrants represented by ADWs) as of November 5, 2003 by (i) each of our directors, (ii) each of our executive officers, (iii) all directors and executive officers as a group, (iv) each of our majority-owned subsidiaries that holds appreciation warrants and (v) each of our employee pension funds that holds appreciation warrants.

Name	Number of Appreciation Warrants (Including Appreciation Warrants in the Form of ADWs) Beneficially Owned ⁽¹⁾	Percent of Class
<i>Directors</i>		
Lorenzo H. Zambrano	3,536,789	3.41%
Lorenzo Milmo Zambrano	1,211,000	1.17%
Armando J. García Segovia	146,592	*
Rodolfo García Muriel	0	—
Rogelio Zambrano Lozano	2,235,000 ⁽²⁾	2.15%
Roberto Zambrano Villarreal	7,000	*
Bernardo Quintana Isaac	1,200,000	1.16%
Dionisio Garza Medina	0	—
Alfonso Romo Garza	0	—
Mauricio Zambrano Villarreal	0	—
Tomás Brittingham Longoria	0	—
José Manuel Rincón Gallardo	0	—
<i>Alternate Directors</i>		
Eduardo Brittingham Sumner	162,000	*
Tomás Milmo Santos	0	—
Jorge García Segovia	134,000	*
<i>Executive Officers</i>		
Héctor Medina	1,345,703	1.30%
Victor Romo	30,000	*
Francisco Garza	238,406	*
José Luis Sáenz de Miera	0	—
Fernando Gonzalez	57,000	*
Rodrigo Treviño	1,885,042	1.82%
Ramiro G. Villarreal	59,731	*
<i>All directors and executive officers as a group</i>	12,248,263	11.80%
<i>Majority-Owned Subsidiaries⁽³⁾</i>		
Petrocemex, S.A. de C.V.	1,464,270	1.41%
Empresas Tolteca de México, S.A. de C.V.	243,285	*
Centro Distribuidor de Cement, S.A. de C.V.	29,001,358	27.94%
<i>Total Subsidiaries</i>	30,708,913	29.59%
<i>Employee Pension Funds⁽⁴⁾</i>		
Fideicomiso No. 110974-8 CEMEX Central, S.A. de C.V. y Otros (Pensionados Fiscal)	1,866,346	1.80%
Fideicomiso No. 110974-8 Cementos Mexicanos, S.A. de C.V. y Otros (Estrategico)	2,351,170	2.26%
<i>Total Employee Pension Funds</i>	4,217,516	4.06%
Total	47,174,692	45.45%

* Less than 1%.

(1) Applicable percentage of ownership based upon 103,790,945 appreciation warrants (including appreciation warrants represented by ADWs). Includes appreciation warrants and ADWs held directly as well as by

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- spouses or minor children, in trust, and other indirect ownership, over which appreciation warrants and ADWs the individuals effectively exercise sole or shared power of disposition.
- (2) Includes 1,025,000 appreciation warrants held by Rogelio Zambrano Lozano's mother, with respect to which he has the power of disposition pursuant to a general power of attorney and therefore he may be deemed to beneficially own such appreciation warrants.
 - (3) The business address of each of these majority-owned subsidiaries is Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265.
 - (4) The business address of each of the employee pension funds is c/o Banamex, Isabel la Católica 44. Col. Centro Histórico. Del. Cuauhtémoc. C.P. 06000, México, Distrito Federal, México.

2. Executive Officers and Directors

Set forth below is a list of our executive officers and directors and for each, a description of current principal occupation or employment and the name of any corporation in which the employment or occupation is conducted; and material occupations, positions, offices or employment during the past five years. The address of each of the following persons is Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265.

Unless otherwise noted below, each of the individuals listed below is a Mexican citizen. None of the following persons has been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors), and none of the following persons has during the past five years been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Executive Officers

Set forth below is the name and position of each of our executive officers. The terms of office of the executive officers are indefinite.

Lorenzo H. Zambrano,
Chief Executive Officer

Joined CEMEX in 1968. During his career with CEMEX, Mr. Zambrano has been involved in all operational aspects of our business. He held several positions in CEMEX prior to his appointment as chief executive officer in 1985. Mr. Zambrano is a graduate of Instituto Tecnológico y de Estudios Superiores de Monterrey, A.C., or ITESM, with a degree in mechanical engineering and administration and holds an M.B.A. from Stanford University. Lorenzo H. Zambrano is a first cousin of Lorenzo Milmo Zambrano and Rogelio Zambrano Lozano, both members of our board of directors, as well as of Rodrigo Treviño, our chief financial officer. He is also the second cousin of Roberto Zambrano Villareal and Mauricio Zambrano Villareal, both members of our board of directors.

Mr. Zambrano has been a member of our board of directors since 1979 and chairman of our board of directors since 1995. He is also a member of the board of directors of Fomento Económico Mexicano, S.A. de C.V., Empresas ICA, S.A. de C.V., Alfa, S.A. de C.V., Grupo Financiero Banamex, Cydsa, S.A., Vitro, S.A. and Grupo Televisa, S.A. He is chairman of the board of directors of Consejo de Enseñanza e Investigación Superior, A.C., which manages ITESM. He is also a member of the Stanford Business School's advisory group and a member

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Héctor Medina,
Executive Vice President of
Planning and Finance

of the International Advisory Board of Salomon Smith Barney, Inc. and of the Chairman's Council of Daimler Chrysler AG. In addition, he is member of the board of directors of The Museum of Modern Art, Americas Society, Inc. and Museo de Arte Contemporáneo de Monterrey A.C.

Joined CEMEX in 1988. He has held several positions in CEMEX, including director of strategic planning from 1991 to 1994, president of CEMEX México from 1994 to 1996, and has served as executive vice president of planning and finance since 1996. He is a graduate of ITESM with a degree in chemical engineering and administration. He also received a Masters of Science degree in management studies from the management Center of the University of Bradford in England and a Masters of Science diploma in Operations Research from the Escuela de Organización Industrial in Spain in 1975. Among the positions he previously held are those of Project Director at Grupo Protexa, S.A. de C.V., Administrative Director at Grupo Xesa, S.A. de C.V., Commercial Director at Direcplan, S.A. and Industrial Relations Sub-Director at Hylsa, S.A. de C.V. Mr. Medina is a member of the board of Cementos Chihuahua, Cia Minera Autlán, Mexifrutas, S.A. de C.V. and Chocota Productos del Mar, S.A. de C.V. and member of the ("consejo de vigilancia") of Enseñanza e Investigación Superior A.C. and ITESM.

Armando J. García Segovia,
Executive Vice President of
Development

Initially joined CEMEX in 1975 and rejoined CEMEX in 1985. He has served as director of operational and strategic planning from 1985 to 1988, director of operations from 1988 to 1991, director of corporate services and affiliate companies from 1991 to 1994, director of development from 1994 to 1996, and executive vice president of development since 1996. He is a graduate of ITESM with a degree in mechanical engineering and administration and holds an M.B.A. from the University of Texas. He was employed at Conek, S.A. de C.V. from 1981 to 1985 and Cydsa, S.A. from 1979 to 1981. He is a brother of Jorge García Segovia, an alternate member of our board of directors, and a first cousin of Rodolfo García Muriel, a member of our board of directors.

Armando J. García Segovia has been a member of our board of directors since 1983. He also serves as a member of the board of directors of Materiales Industriales de Chihuahua, S.A. de C.V., Calhídra y Mortero de Chihuahua, S.A. de C.V., Cementos de Chihuahua, S.A. de C.V., Construcción de Chihuahua, S.A. de C.V., Control Administrativo Mexicano, S.A. de C.V., Compañía Industrial de Parras, S.A. de C.V., Fábrica La Estrella, S.A. de C.V., Prendas Textiles, S.A. de C.V., Telas de Parras, S.A. de C.V., Canacem, Confederación Patronal de la República Mexicana, Centro Patronal de Nuevo León, and Instituto Mexicano del Cemento y del Concreto. He is chairman of the board of Centro de Estudios del Sector Privado para el Desarrollo Sostenible and member of the board of the World Environmental Center.

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Victor Romo, Executive Vice President of Administration	Joined CEMEX in 1985 and has served as director of administration of CEMEX España from 1992 to 1994, general director of administration and finance of CEMEX España from 1994 to 1996, president of CEMEX Venezuela from 1996 to 1998, president of the South American and Caribbean region from 1998 to May 2003, and executive vice president of administration since May 2003. He is a graduate in public accounting and holds a master's degree in administration and finance from ITESM. Previously, he worked for Grupo Industrial Alfa, S.A. de C.V. from 1979 to 1985.
Francisco Garza, President of CEMEX North America Region and Trading	Joined CEMEX in 1988 and has served as director of trading from 1988 to 1992, president of CEMEX Corp. from 1992 to 1994, president of CEMEX Venezuela and Cemento Bayano from 1994 to 1996, president of CEMEX México and CEMEX Corp. from 1996 to 1998, when he was appointed president of the North American region and trading. He is a graduate in business administration of ITESM and holds an M.B.A. from the Johnson School of Management at Cornell University.
José Luis Sáenz de Miera, President of CEMEX Europe, Africa and Asia	Joined CEMEX España in 1993 as general manager of administration and finance, and in 1994 he was appointed president of CEMEX España. Mr. Sáenz de Miera has served as president of the Europe, Africa and Asia region since October 1998. He studied economic sciences in Universidad Complutense de Madrid and is a certified public accountant from Instituto de Censores Jurados de Cuentas in Spain. Previously, he was employed from 1973 to 1993 at KPMG Peat Marwick, since 1982 as partner and between 1988 and 1993 as deputy senior partner. Mr. Sáenz de Miera is a citizen of Spain.
Fernando Gonzalez, President of CEMEX South America and the Caribbean	Joined CEMEX in 1989 and has served as vice-president-human resources from 1992 to 1994, vice-president-strategic planning from 1994 to 1998, president of CEMEX Venezuela from 1998 to 2000, president of CEMEX Asia from 2000 to May 2003, and president of the South American and Caribbean region since May 2003. He is a graduate in business administration and holds a master's degree in administration from ITESM. Previously, he worked for Grupo Industrial Alfa, S.A. de C.V. from 1976 to 1989.
Rodrigo Treviño, Chief Financial Officer	Joined CEMEX in 1997 and has served as chief financial officer since then. He holds both bachelor and master of science degrees in industrial engineering from Stanford University. Prior to joining CEMEX, he served as the country corporate officer for Citicorp/Citibank Chile from 1995 to 1996, and prior to that, he worked at Citibank, N.A. from 1979 to 1994. Rodrigo Treviño is a first cousin of Lorenzo H. Zambrano, our chief executive officer and chairman of our board of directors.
Ramiro G. Villarreal, General Counsel	Joined CEMEX in 1987 and has served as general counsel since then, and also has served as secretary of our board of directors since 1995. He is a graduate of the Universidad

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Autónoma de Nuevo León with a degree in law. He also received a masters of science degree in finance from the University of Wisconsin. Prior to joining CEMEX, he served as assistant general director of Grupo Financiero Banpais from 1985 to 1987.

Board of Directors

Set forth below are the names of the members of the our board of directors. The members of our board of directors serve for one-year terms.

Lorenzo H. Zambrano,
Chairman

See “— Executive Officers.”

Lorenzo Milmo Zambrano

Has been a member of our board of directors since 1977. He also serves as general director of Inmobiliaria Erniza, S.A. de C.V. and as a member of the board of directors of Seguros La Comercial, S.A., Banco Santander Mexicano, S.A. (Regional), Nacional Financiera S.N.C. and Bancomer, S.A. (Regional). He is a first cousin of Lorenzo H. Zambrano, chairman of our board of directors and our chief executive officer, and a first cousin of Rogelio Zambrano Lozano, a member of our board of directors.

Armando J. García Segovia

See “— Executive Officers.”

Rodolfo García Muriel

Has been a member of our board of directors since 1985. He is also the chief executive officer of Compañía Industrial de Parras, S.A. de C.V. and Parras Cone de México, S.A. de C.V. He is member of the board of directors of Parras Williamson, S.A. de C.V., Telas de Parras, S.A. de C.V., Sinkro, S.A. de C.V., IUSA-GE, S. de R.L., Industrias Unidas, S.A., Apolo Operadora de Sociedades de Inversión, S.A. de C.V. and Cambridge Lee Industries, Inc. Mr. García Muriel is also vice president of Cámara Nacional de la Industria Textil. Rodolfo García Muriel is a first cousin of Armando J. García Segovia, executive vice president of development of CEMEX and a member of our board of directors, and Jorge García Segovia, an alternate member of our board of directors.

Rogelio Zambrano Lozano

Has been a member of our board of directors since 1987. He is also a member of the consultive board of Grupo Financiero Banamex Accival, S.A. de C.V. Zona Norte. Rogelio Zambrano Lozano is a first cousin of Lorenzo H. Zambrano, chairman of our board of directors and our chief executive officer, and of Lorenzo Milmo Zambrano, a member of our board of directors.

Roberto Zambrano Villarreal

Has been a member of our board of directors since 1987. He is chairman of the board of directors of Desarrollo Integrado, S.A. de C.V., Administración Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Villamonte, S.A. de C.V., Focos, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmobiliaria Sanni, S.A. de C.V., Inmuebles Trevisa, S.A. de

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C.V., Servicios Técnicos Hidráulicos, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., Execujet México, Pilatus PC-12 Center de México, S.A. de C.V., and Pronatura, A.C. He is a member of the board of directors of S.L.I. de México, S.A. de C.V., and Compañía de Vidrio Industrial, S.A. de C.V. He is a brother of Mauricio Zambrano Villarreal, a member of our board of directors.

Bernardo Quintana Isaac

Has been a member of our board of directors since 1990. He is chief executive officer and chairman of the board of directors of Empresas ICA Sociedad Controladora, S.A. de C.V., and a member of the board of directors of Teléfonos de México, S.A. de C.V., Grupo Financiero Banamex Accival, S.A. de C.V., Grupo Financiero Inbursa, S.A. de C.V., Grupo Carso, S.A. de C.V., and Grupo Maseca, S.A. de C.V. He is also a member of Consejo Mexicano de Hombres de Negocios, Fundación UNAM, Fundación ICA and Patronato UNAM. He is a founding associate of Fundación Octavio Paz.

Dionisio Garza Medina

Has been a member of our board of directors since 1995. He is also chairman of the board and chief executive officer of Alfa, S.A. de C.V. and chairman of the board of Hylsamex, S.A. de C.V. He is a member of the board of directors of Vitro, S.A., Cydsa, S.A., ING Mexico, and Autoliv. He is also a member of Consejo Mexicano de Hombres de Negocios, the consultive committee of the School of Business, the David Rockefeller Center for Latin American Studies of Harvard University and the consultive committee of the New York Stock Exchange. He is also chairman of the executive board of the Universidad de Monterrey, A.C.

Alfonso Romo Garza

Has been a member of our board of directors since 1995. He is chairman of the board and chief executive officer of Savia, S.A. de C.V. and Seminis, Inc., and chairman of the board of ING Mexico. He is also a member of the board of Nacional de Drogas, S.A. de C.V., Grupo Maseca, S.A. de C.V., and Grupo Comercial Chedraui, S.A. de C.V. He is an external advisor of the World Bank Board for Latin America and the Caribbean, and a member of the board of The Donald Danforth Plant Science Center.

Mauricio Zambrano Villarreal

Has been a member of our board of directors since 2001. Mr. Zambrano Villarreal served as an alternate member of our board of directors from 1995 to 2001. He is also general vice-president of Desarrollo Integrado, S.A. de C.V., chairman of the board of directors of Empresas Falcón, S.A. de C.V. and Trek Associates, Inc., secretary of the board of directors of Administración Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., Compañía de Vidrio Industrial, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmobiliaria Sanni, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., Praxis Accesorios, S.A. de C.V. and Servicios Técnicos Hidráulicos, S.A. de C.V., and a member of the board of directors of Sylvania Lighting International México, S.A. de C.V.,

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Invercap, S.A. de C.V. and Precision Auto Care, Inc. He is a brother of Roberto Zambrano Villarreal, a member of our board of directors.

Tomás Brittingham Longoria

Has been a member of our board of directors since 2002. Previously served as an alternate member of our board of directors from 1987 until 2002. He is also the chief executive officer of Laredo Autos, S.A. de C.V. He is a son of Eduardo Brittingham Sumner, an alternate member of our board of directors.

José Manuel Rincón Gallardo

Has been a member of our board of directors since 2003. He is also the board's "financial expert" and a member of our Audit Committee. He is president of the board of directors of Sonoco de México, S.A. de C.V., member of the board of directors and audit committee of Grupo Financiero Banamex, S.A. de C.V., Grupo Herdez, S.A. de C.V., and Grupo Celanese Mexicana, S.A. de C.V., and member of the board of directors of Grupo Transportación Ferroviaria Mexicana, S.A. de C.V., Grupo Cuervo, S.A. de C.V., Laboratorio Sanfer-Hormona, and Alexander Forbes México. Mr. Rincón Gallardo is a member of Pro-Dignidad, A.C., Organización Monte Fénix, A.C., Instituto Mexicano de Contadores Públicos, A.C., Instituto Mexicano de Ejecutivos de Finanzas, A.C., and member of the board of Consejo Mexicano de Normas de Información Financiera. Mr. Rincón Gallardo was managing partner of KPMG Mexico, and was a member of the board of directors of KPMG United States and KPMG International.

Alternate Directors

Set forth below are the names of the alternate members of our board of directors. The alternate members of our board serve for one-year terms.

Eduardo Brittingham Sumner

Has been an alternate member of our board of directors since 2002. Previously served as a regular member of our board of directors from 1967 until 2002. He is also general director of Laredo Autos, S.A. de C.V., Auto Express Rapido Nuevo Laredo, S.A. de C.V., Consorcio Industrial de Exportación, S.A. de C.V., and an alternate member of the board of directors of Vitro, S.A. He is father of Tomás Brittingham Longoria, a member of our board of directors.

Tomás Milmo Santos

Has been an alternate member of our board of directors since 2001. He is Chief Executive Officer and member of the board of directors of Axtel, S.A. de C.V., a telecommunications company that operates in the local, long distance and data transfer market. He is also a member of the board of directors of Coparmex, CEMEX México and the Universidad de Monterrey. Mr. Milmo Santos is nephew of Lorenzo H. Zambrano, our chief executive officer and chairman of our board of directors, and a nephew of Lorenzo Milmo Zambrano, a member of our board of directors.

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Jorge García Segovia

Has been an alternate member of our board of directors since 1985. He is also a member of the board of directors of Compañía Industrial de Parras, S.A. de C.V. and director of Vector Casa de Bolsa, S.A. de C.V. He is a brother of Armando J. García Segovia and a first cousin of Rodolfo García Muriel, both members of our board of directors.

3. Loans to Executive Officers and Directors

We have extended loans to our directors and executive officers in the past for various amounts at market rates. During the last two years the following of our directors and executive officers had loans from us outstanding in excess of U.S.\$60,000, as set forth below:

<u>Name</u>	<u>Maximum Amount Outstanding During Past Two Years</u>
Rodrigo Treviño	Ps 14,437,061
Francisco Garza	Ps 9,906,553
Héctor Medina	Ps 2,164,102
José Luis Sáenz de Miera	Euro 166,184

CEMEX, Inc.

1. Beneficial Ownership of Appreciation Warrants and ADWs.

The following table sets forth information with respect to the beneficial ownership of our appreciation warrants (including appreciation warrants represented by ADWs) as of December 8, 2003 by (i) each director of CEMEX, Inc., (ii) each executive officer of CEMEX, Inc. and (iii) all directors and executive officers of CEMEX, Inc. as a group.

<u>Name</u>	<u>Number of Appreciation Warrants (Including Appreciation Warrants in the Form of ADWs) Beneficially Owned(1)</u>	<u>Percent of Class</u>
<i>Directors</i>		
Francisco Garza	238,406	*
Gilberto Perez	219,557	*
Jill Simeone	0	—
Jeffrey H. Smith	0	—
Andrew H. Miller	57,000	*
<i>Executive Officers</i>		
Jesus Gonzalez	0	—
Leslie White	0	—
Guillermo Martinez	0	—
Philippe Gaston	0	—
Daniel Heintz	0	—
All directors and executive officers as a group	514,963	*

* Less than 1%.

- (1) Applicable percentage of ownership based upon 103,790,945 appreciation warrants (including appreciation warrants represented by ADWs). Includes appreciation warrants and ADWs held directly as well as by spouses or minor children, in trust, and other indirect ownership, over which appreciation warrants and ADWs the individuals effectively exercise sole or shared power of disposition.

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2. Executive Officers and Directors

Set forth below is a list of the executive officers and directors of CEMEX, Inc. and for each, a description of current principal occupation or employment and the name, principal business address of any corporation in which the employment or occupation is conducted; and material occupations, positions, offices or employment during the past five years. Unless otherwise noted below, the business address of each of the following persons is 840 Gessner Road, Suite 1400, Houston, Texas 77024.

None of the following persons has been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors), and none of the following persons has during the past five years been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Francisco Garza Director	See “CEMEX—2. Executive Officers and Directors.”
Gilberto Perez, Director, President	Director and President since November 2000. Mr. Perez has been President of CEMEX’s U.S. operations since 1998. Prior to that time, Mr. Perez was Vice President of Planning and Marketing for CEMEX Mexico, S.A. de C.V. and Vice President of Planning for CEMEX Venezuela. Mr. Perez has been employed with CEMEX since 1989. Mr. Perez is a citizen of Mexico.
Jill Simeone, Director, Assistant Secretary	Director and Assistant Secretary since November 2000. Ms. Simeone is General Counsel, North America Region and International Trading Group for CEMEX, since July 2001. From August 1999 to July 2001, Ms. Simeone was General Counsel of CEMEX USA, Inc. From September 1998 to July 1999, Ms. Simeone was a Fulbright Scholar at ITESM in Monterrey, Mexico and a visiting law professor at the Facultad Libre Derecho in Monterrey. From 1993 to 1998, she was an Assistant District Attorney in the Manhattan District Attorney’s office. Ms. Simeone is a citizen of the United States. Ms. Simeone’s business address is 590 Madison Avenue, 41st Floor, New York, New York 10022.
Jeffrey H. Smith, Director, Vice President	Director and Vice President since November 2000. Mr. Smith has been Executive Vice President of Integrated Areas of CEMEX, Inc. since January 2003. From March 2001 to December 2002, Mr. Smith was Vice President of Integrated Areas of CEMEX, Inc. From January 1999 to January 2000, Mr. Smith was Vice President of Administration of CEMEX USA, Inc. Mr. Smith is a citizen of the United States.
Andrew H. Miller, Director, Vice President	Director and Vice President since November 2000. Mr. Miller has been Executive Vice President of Human Resources of CEMEX, Inc. since November 2000. From December 1998 to

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	November 2000, Mr. Miller was Senior Vice President of Human Resources of CEMEX USA, Inc. Mr. Miller is a citizen of the United States.
Jesus Gonzalez, Vice President	Vice President since November 2000. Mr. Gonzalez has been Executive Vice President of Planning of CEMEX, Inc. since November 2001. From March 2001 to November 2001, Mr. Gonzalez was Vice President of Planning of CEMEX, Inc. From March 2000 to March 2001, Mr. Gonzalez was Senior Vice President of Planning of CEMEX USA Inc. From May 1998 to March 2000, Mr. Gonzalez was Director of Strategic Planning of CEMEX. Mr. Gonzalez is a citizen of Spain.
Leslie White, Vice President, General Counsel, Assistant Secretary	Vice President, General Counsel and Assistant Secretary since May 2001. Ms. White has been Executive Vice President and General Counsel of CEMEX, Inc. since January 2003. From November 1996 through April 2001, Ms. White was Assistant General Counsel of Southdown, Inc. Ms. White is a citizen of the United States.
Guillermo Martinez Vice President	Vice President since November 2000. Mr. Martinez has been Vice President of Planning of CEMEX España, S.A. de C.V. since August 2003. Mr. Martinez was Vice President of Strategic Planning for CEMEX, Inc. from October 2001 to August 2003. Mr. Martinez was a Post-Merger Integration Implementation Leader at CEMEX, Inc. from June 2001 to October 2001. From April 2000 to June 2001, Mr. Martinez was Director of Planning of Human Resources of CEMEX Central, S.A. de C.V. From December 1998 to April 2000, Mr. Martinez was a partner of Grupo Norgestión. Mr. Martinez is a citizen of Spain. Mr. Martinez's business address is Hernandez de Tejada, 28027 Madrid, Spain.
Phillippe Gastone Vice President	Vice President since November 2000. Mr. Gastone has been a Senior Vice President in the Business Development group of CEMEX since September 2000. From 1999 to 2000, Mr. Gastone was a Partner at Dome & CIE in Paris. Mr. Gastone was a Director of Investment Banking at Merrill Lynch in London, England from December 1997 to 1999 and an Executive Director of UBS from 1994 to 1997. Mr. Gastone is a citizen of France. Mr. Gastone's business address is 590 Madison Ave., 41st Floor, New York, NY 10022.
Daniel Heintz, Vice President	Vice President since November 2000. Mr. Heintz has been Vice President of Environmental Affairs of CEMEX, Inc. since March 2001. From March 1993 to November 2000, Mr. Heintz was Vice President of Environmental Affairs of Southdown, Inc. Mr. Heintz is a citizen of the United States.

ANNEX A

KEY TERMS OF APPRECIATION WARRANTS

The following table sets forth the key terms of the appreciation warrants. In both 2002 and 2003, following our annual meetings of our shareholders, the terms of the appreciation warrants were adjusted in accordance with the terms of the warrant deed and the regulations of the Mexican Stock Exchange to reflect anti-dilution adjustments resulting from stock dividends paid to holders of our CPOs and ADS since holders of appreciation warrants and ADWs do not receive any dividends or distributions we pay to our shareholders. As a result of these anti-dilution adjustments, each appreciation warrant is entitled to the Appreciation Value related to 1.101752 CPOs.

<i>Maturity Date</i>	December 21, 2004.
<i>Average Price</i>	On any trading day, the average of the closing prices of one CPO, as published by the Mexican Stock Exchange, translated into U.S. Dollars at the Peso-Dollar FIX exchange rate, for each of the five consecutive trading days ending on such date. The Peso-Dollar FIX exchange rate is made available on each foreign exchange trading day by the Mexican Stock Exchange and published by the Mexican Central Bank on the business day immediately following each foreign exchange trading day in the Official Gazette of the Federation (<i>Diario Oficial de la Federación</i>).
<i>Strike Price</i>	U.S.\$5.445873.
<i>Triggering Level</i>	U.S.\$7.261165.
<i>Appreciation Value</i>	Holders of appreciation warrants will be entitled to receive for each appreciation warrant the following Appreciation Value: <i>On the Maturity Date</i> , the Appreciation Value will equal the difference between the Average Price and the Strike Price multiplied by 1.101752 (to reflect the anti-dilution adjustments described above), if (1) a mandatory redemption has not occurred prior to the Maturity Date, and (2) the Average Price exceeds the Strike Price. <i>On an early redemption date</i> , the Appreciation Value will equal the difference between the Triggering Level and the Strike Price multiplied by 1.101752 (to reflect the anti-dilution adjustments described above), provided that the Average Price as of the early redemption date equals or exceeds the Triggering Level. The Appreciation Value for the appreciation warrants will therefore be U.S.\$2.00 per appreciation warrant on an early redemption date.
<i>Mandatory Early Redemption</i>	The appreciation warrants will be mandatorily redeemed by us prior to the Maturity Date if the Average Price on any trading day equals or exceeds the Triggering Level.
<i>Distribution of Appreciation Value on Appreciation Warrants</i>	On the Maturity Date or on any early redemption date, CPOs equal to the Appreciation Value will be distributed to holders of appreciation warrants, except that entitlements to fractional CPOs will be sold and the proceeds of such sale will be remitted in cash. The number of CPOs to be distributed will be determined by dividing the Appreciation Value by the closing price of one CPO on the Maturity Date or early redemption date, as the case may be, as published by the Mexican Stock Exchange, translated into Dollars at the Peso-Dollar FIX exchange rate.
<i>Distribution of Appreciation Value on ADWs</i>	On the Maturity Date or on any early redemption date, ADSs representing CPOs equal to the Appreciation Value will be distributed to holders of ADWs, except that entitlements to fractional ADSs will be remitted in cash.

*The U.S. tender agent
for the offer is:*

Citibank, N.A.

111 Wall Street, 20th Floor
New York, NY 10005
Tel: (877) 245-4237

*The Mexican dealer manager
for the offer is:*

**Acciones y Valores de
Mexico, S.A. de C.V.**

Casa de Bolsa,
Integrante del Grupo Financiero Banamex
Paseo de la Reforma 398 (3rd floor)
Mexico, D.F. 06600
Mexico
Attn: Erubiel Manrique Silva
Tel: 011 52-55-5225-0677

The information agent for the offer is:

Global Bondholder Services Corporation

65 Broadway, Suite 704
New York, NY 10006
Attn: Corporate Actions
Banks and Brokers call collect: (212) 430-3774
All others call toll free: (866) 470-4100

Any questions or requests for assistance or additional copies of this document may be directed to the information agent or the U.S. and international dealer-manager at their telephone numbers and locations set forth on this page. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the offer.

*The U.S. dealer manager
for the offer is:*

Citigroup

388 Greenwich Street
New York, New York 10013
Attn: Rodrigo Nader
Tel: (212) 816-6849 (call collect)

WHEN THIS LETTER OF TRANSMITTAL SHOULD BE USED:

You should complete this letter of transmittal only if you are including with this letter certificates representing the ADWs that you are tendering.

If you hold your ADWs in certificated form, you will be able to tender those ADWs only if you tender your ADWs in the manner described below or arrange for an agent to hold your ADWs on your behalf in book-entry form. If you appoint an agent, your agent may arrange for ADWs to be held in book-entry form through any participant in DTC. ADWs are held in book-entry form through a DTC participant subject to some restrictions set forth in the ADW deposit agreement. You and your agent should contact the information agent or the dealer manager at the numbers set forth on the back cover of the Revised Offer to Purchase enclosed herewith if you have questions in this regard. You may tender the ADWs registered in your name on the books of the U.S. tender agent by delivering to the U.S. tender agent a properly completed and duly executed letter of transmittal, together with the applicable signature guarantees from an eligible guarantor institution, and the certificate evidencing the ADWs specified in the accompanying letter of transmittal, in each case, on or prior to the expiration date.

ADDITIONAL INFORMATION REGARDING TENDERED ADWs

- Check here if any certificate evidencing the ADWs you are tendering with this letter of transmittal has been lost, stolen, destroyed or mutilated. If so, you must complete an Affidavit of Loss and return it with your letter of transmittal. A bond may be required to be posted by you to secure against the risk that the certificates may be recirculated. Please call Citibank, N.A., as the transfer agent for the ADWs, between 8:30 a.m. and 6:00 p.m. (New York City time) at 1 (800) 308-7887 to get an Affidavit of Loss, for further instructions and for a determination as to whether you will need to post a bond. See Instruction 13.

PRICE AT WHICH YOU ARE TENDERING
(SEE INSTRUCTION 5)

You may only select one price at which you agree to tender your ADWs to CEMEX Inc., per ADW certificate tendered. If you hold less ADW certificates than the number of prices you wish to select for your ADWs to be purchased by CEMEX, Inc., you may contact Citibank, N.A., as the ADW depository for instruction on how to receive (i) book-entry ADWs or (ii) the appropriate number of ADW certificates equal to the number of prices you wish to select for the sale of your ADWs. Your ADWs will not be validly tendered if (i) more than one box is checked and you are not tendering an ADW certificate evidencing the same number of ADWs opposite such box or (ii) no box is checked.

ADWS TENDERED AT A PRICE DETERMINED BY YOU:

By checking one of the following boxes below you are tendering ADWs at the price checked. This action could result in none of your ADWs being purchased if the purchase price selected by CEMEX for the ADWs (the "Selected Purchase Price") is less than the price checked below. If you check only one box and do not indicate the number of ADWs you wish to tender at that price, all of the ADWs, described above in the box entitled, "Description of ADW(s) Enclosed," will be deemed tendered at the Selected Purchase Price. If you want to tender different portions of your ADWs at more than one price, you must indicate beside each box, the number of ADWs you wish to tender at those specific prices. The same ADWs cannot be tendered at more than one price.

PRICE (IN PESOS) PER ADW AT WHICH ADWs ARE BEING TENDERED

Price	Number	ADW Certificate Number
<input type="checkbox"/> U.S.\$ equivalent of Ps25.50		
<input type="checkbox"/> U.S.\$ equivalent of Ps27.00		
<input type="checkbox"/> U.S.\$ equivalent of Ps28.50		
<input type="checkbox"/> U.S.\$ equivalent of Ps30.00		
<input type="checkbox"/> U.S.\$ equivalent of Ps31.50		
<input type="checkbox"/> U.S.\$ equivalent of Ps33.00		
<input type="checkbox"/> U.S.\$ equivalent of Ps34.50		
<input type="checkbox"/> U.S.\$ equivalent of Ps36.00		
<input type="checkbox"/> U.S.\$ equivalent of Ps37.50		
<input type="checkbox"/> U.S.\$ equivalent of Ps39.00		
<input type="checkbox"/> U.S.\$ equivalent of Ps40.50		

If you wish to ensure that your ADWs will be purchased, subject to the proration provisions of the Offer, you should check the box next to the minimum purchase price of the U.S.\$ equivalent of Ps25.50 per ADW above. This means that you will accept the minimum purchase price or a higher purchase price selected by CEMEX in accordance with the terms of the Revised Offer to Purchase and the related letter of transmittal.

**SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 6, 7 AND 9)**

Complete this box only if you want certificates for ADWs not tendered or not purchased and/or the check for the purchase price to be issued in the name of someone other than you.

Issue: Check Certificate(s) to:

Name _____

(Please print)

Address _____

(Include Zip Code)

(Tax Identification or Social Security No.)
(See Substitute Form W-9)

**SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 6, 7 AND 9)**

Complete this box only if you want certificates for ADWs not tendered or not purchased and/or the check for the purchase price to be mailed to someone other than you, or to you at an address other than that designated earlier.

Mail: Check Certificate(s) to:

Name _____

(Please print)

Address _____

(Include Zip Code)

CEMEX has no obligation, pursuant to the "Special Payment Instructions", to transfer any certificate for ADWs from the name of its registered holder(s) if CEMEX, Inc. does not purchase any of the ADWs represented by such certificate.

ODD LOTS
(SEE INSTRUCTION 8)

Complete this section ONLY if you own, or are tendering on behalf of a person who owns, beneficially or of record, an aggregate of fewer than 100 appreciation warrants or 20 ADWs.

On the date hereof, you either (check one box):

- are the beneficial or record owner of an aggregate of fewer than 100 appreciation warrants or 20 ADWs, and are tendering all of such appreciation warrants or ADWs, or
- are a broker, dealer, commercial bank, trust company or other nominee which:
- (a) is tendering, for the beneficial owners thereof, appreciation warrants or ADWs with respect to which it is the record owner, and
 - (b) believes, based upon representations made to it by such beneficial owners, that each such person was the beneficial owner of an aggregate of fewer than 100 appreciation warrants or 20 ADWs and is tendering all of such appreciation warrants or ADWs.

PAYMENT OF PURCHASE PRICE FOR ADWs

All appreciation warrants purchased in the offer will be purchased by CEMEX, and all ADWs purchased in the offer will be purchased by CEMEX, Inc., a wholly-owned U.S. subsidiary of CEMEX.

Upon the terms and conditions of the offer, as soon as practicable following the expiration date, CEMEX will:

- determine the purchase price CEMEX and CEMEX, Inc. will pay for appreciation warrants and ADWs, respectively, validly tendered and not properly withdrawn, taking into account the number of appreciation warrants and ADWs so tendered and the prices specified by tendering holders; and
- cause to be accepted for payment and cause to be paid for, and thereby purchased, appreciation warrants and ADWs validly tendered at prices equal to or below the Selected Purchase Price and not properly withdrawn.

For purposes of the offer, CEMEX and CEMEX, Inc. will be deemed to have accepted or caused to be accepted for payment and therefore purchased or caused to have been purchased appreciation warrants and ADWs, respectively, that are validly tendered at or below the Selected Purchase Price and not properly withdrawn, subject to the odd lot priority and proration provisions of the offer, only when, as and if CEMEX gives notice to the Mexican dealer manager or the U.S. tender agent, as applicable, of its acceptance of the appreciation warrants or ADWs for payment.

Upon the terms and conditions of the offer, as soon as practicable after the expiration date, CEMEX will accept for payment and purchase at the Selected Purchase Price 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs, which ADWs will be accepted for payment by CEMEX, Inc.), if validly tendered and not properly withdrawn, or such lesser number of appreciation warrants (including appreciation warrants represented by ADWs, which ADWs will be accepted for payment by CEMEX, Inc.) as are validly tendered, and not properly withdrawn, at or below the Selected Purchase Price, which will be a single price in Mexican Pesos not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW).

CEMEX will pay or cause to be paid for appreciation warrants purchased pursuant to the offer by paying to each Mexican broker-dealer tendering appreciation warrants the aggregate purchase price for the appreciation warrants purchased from such Mexican broker-dealer, which will act as agent for the holders on whose behalf it tendered such appreciation warrants for the purpose of receiving payment from us and transmitting payment to such holders. CEMEX, Inc. will pay for ADWs purchased pursuant to the offer by paying the aggregate purchase price for the ADWs to the U.S. tender agent, which will act as agent for tendering holders for the purpose of receiving payment from CEMEX, Inc. and transmitting payment to the tendering holders. Citibank, N.A., as the U.S.

tender agent, will arrange for the conversion of the purchase price paid in Mexican Pesos in respect of appreciation warrants underlying ADWs purchased in the offer into U.S. Dollars at an exchange rate available to it on the payment date for subsequent delivery to you.

Neither CEMEX, CEMEX, Inc. nor Citibank, N.A. are responsible for the U.S. tender agent in fact being able to convert Mexican Pesos received for U.S. Dollars as a result of exchange controls or otherwise, or for the exchange rate at which such conversion ultimately occurs. Although Mexico has had no exchange control system in place since 1991, if an exchange control system were to be in effect on the payment date and as a result the U.S. tender agent were to be unable to convert Mexican Pesos into U.S. Dollars, the U.S. tender agent would deliver the purchase price to you in Mexican Pesos. In this case, you may be required to designate an account to take delivery of the purchase price in Mexican Pesos.

**NOTE: IF YOU WANT TO TENDER YOUR ADWs,
SIGNATURES MUST BE PROVIDED ON PAGE 7**

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

To Citibank, N.A., as U.S. tender agent:

The undersigned hereby tenders to CEMEX, Inc., a Louisiana Corporation, the above-described ADWs of CEMEX, at the price per ADW indicated in this letter of transmittal, upon the terms and subject to the conditions set forth in the Revised Offer to Purchase, dated December 23, 2003, receipt of which is hereby acknowledged, and in this letter of transmittal which, as amended or supplemented from time to time, together constitute the offer.

Subject to, and effective upon, acceptance for payment of the ADWs tendered in accordance with the terms and subject to the conditions of the offer, including, if the offer is extended or amended, the terms and conditions of the extension or amendment, the undersigned agrees to sell, assign and transfer to, or upon the order of, CEMEX, Inc. all right, title and interest in and to all ADWs tendered and irrevocably constitutes and appoints the U.S. tender agent as the true and lawful agent and attorney-in-fact of the undersigned with respect to the ADWs with full knowledge that the U.S. tender agent also acts as the agent of CEMEX and CEMEX, Inc. with full power of substitution (the power of attorney being deemed to be an irrevocable power coupled with an interest), to:

1. deliver certificate(s) representing the ADWs, together with all accompanying evidences of transfer and authenticity, to or upon the order of CEMEX, Inc. upon receipt by the U.S. tender agent, as the undersigned's agent, of the purchase price with respect to the ADWs;
2. present certificates for the ADWs for cancellation and transfer on CEMEX's books; and
3. receive all benefits and otherwise exercise all rights of beneficial ownership of the ADWs, subject to the next paragraph, all in accordance with the terms and subject to the conditions of the offer.

The undersigned covenants, represents and warrants to CEMEX and CEMEX, Inc. that:

1. the undersigned has full power and authority to tender, sell, assign and transfer the ADWs tendered hereby and when and to the extent accepted for payment, CEMEX, Inc. will acquire good, marketable and unencumbered title to the tendered ADWs, free and clear of all security interests, liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer of the ADWs, and not subject to any adverse claims;
2. the undersigned understands that tenders of ADWs pursuant to any one of the procedures described in the section captioned "The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs" of the Revised Offer to Purchase and in the instructions to this letter of transmittal will constitute the undersigned's acceptance of the terms and conditions of the offer, including the undersigned's representation and warranty that (a) the undersigned has a "net long position," within the meaning of Rule 14e-4 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, in the ADWs or equivalent securities at least equal to the ADWs being tendered, and (b) the tender of ADWs complies with Rule 14e-4;
3. the undersigned will, upon request, execute and deliver any additional documents deemed by the U.S. tender agent or CEMEX, Inc. to be necessary or desirable to complete the sale, tender, assignment and transfer of the ADWs tendered; and
4. the undersigned has read, understands and agrees to all of the terms of the offer.

The undersigned understands that CEMEX's acceptance of ADWs tendered pursuant to any one of the procedures described in the section captioned "The Offer—2. Procedures for Tendering Appreciation Warrants and ADWs" of the Revised Offer to Purchase and in the instructions to this letter of transmittal will constitute a binding agreement between the undersigned and CEMEX and CEMEX, Inc. upon the terms and subject to the conditions of the offer. The undersigned acknowledges that under no circumstances will CEMEX, Inc. pay interest on the purchase price, including without limitation, by reason of any delay in making payment.

The name(s) and address(es) of the registered holder(s) should be printed, if they are not already printed above, exactly as they appear on the certificates evidencing ADWs tendered. The certificate numbers, the number of ADWs evidenced by the certificates, the number of ADWs that the undersigned wishes to tender, and the price at which the ADWs are being tendered (one price per ADW certificate tendered) should be set forth in the appropriate boxes above.

The undersigned understands that CEMEX will determine the Selected Purchase Price, which will be a single per appreciation warrant price, not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW) that it will pay for appreciation warrants and ADWs validly tendered, taking into account the number of appreciation warrants and ADWs tendered and the prices specified by tendering holders. CEMEX will select the lowest purchase price that will allow it to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or if a lesser number of appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered, all appreciation warrants (including appreciation warrants represented by ADWs) that are validly tendered and not properly withdrawn. All appreciation warrants and ADWs acquired in the offer will be acquired at the Selected Purchase Price. All appreciation warrants and ADWs validly tendered at prices equal to or below the Selected Purchase Price and not properly withdrawn will be purchased, subject to the conditions of the offer and the "odd lot" priority and proration provisions described in the Revised Offer to Purchase. Appreciation warrants and ADWs tendered at prices in excess of the Selected Purchase Price and appreciation warrants and ADWs not purchased because of proration will be returned without expense to the holder. All appreciation warrants purchased in the offer will be purchased by CEMEX, and all ADWs purchased in the offer will be purchased by CEMEX, Inc.

The undersigned recognizes that under the circumstances set forth in the Revised Offer to Purchase, CEMEX may terminate or amend the offer or may postpone the acceptance for payment of, or the payment for, ADWs tendered or may accept for payment fewer than all of the ADWs tendered. The undersigned understands that certificate(s) for any ADWs not tendered or not purchased will be returned to the undersigned at the address indicated above, unless otherwise indicated in the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" above. The undersigned acknowledges that CEMEX has no obligation, pursuant to the "Special Payment Instructions" box, to transfer any certificate for ADWs from the name of its registered holder(s), if CEMEX, Inc. does not purchase any of the ADWs represented by such certificate.

The check for the aggregate net purchase price for the ADWs tendered and purchased will be issued to the order of the undersigned and mailed to the address indicated above, unless otherwise indicated in the boxes entitled "Special Payment Instructions" or "Special Delivery Instructions" above.

All authority conferred or agreed to be conferred by this letter of transmittal will survive the death or incapacity of the undersigned, and any obligation of the undersigned will be binding on the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and legal representatives of the undersigned. Except as stated in the Revised Offer to Purchase, this tender is irrevocable.

IMPORTANT—ADW HOLDERS SIGN HERE
(PLEASE COMPLETE AND RETURN WITH THE ATTACHED SUBSTITUTE FORM W-9.)

(This page must be signed by the registered holder(s) exactly as such holder(s) name(s) appear(s) on certificate(s) for ADWs or on a security position listing or by person(s) authorized to become the registered holder(s) thereof by certificates and documents transmitted with this letter of transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 6.)

Dated: _____, 200_

Name(s): _____
(Please Print)

(Signature(s) of Owner(s))

Capacity (full title): _____

Address: _____
(Include Zip Code)

Daytime Area Code and Telephone Number: _____

Tax Identification or Social Security Number: _____
(SEE SUBSTITUTE FORM W-9)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 1 AND 6 TO DETERMINE IF REQUIRED)

Authorized Signature: _____

Name: _____
(Please Print)

Title: _____

Name of Firm: _____

Address: _____
(Include Zip Code)

Area Code and Telephone Number: _____

Dated: _____, 200_

TO BE COMPLETED BY ALL TENDERING ADW HOLDERS
(SEE INSTRUCTION 12)

PAYER'S NAME _____

SUBSTITUTE
Form W-9

Department of the Treasury
Internal Revenue Service

**Payer's Request for Taxpayer
Identification Number (TIN)**

PART 1—PLEASE PROVIDE YOUR
TIN IN THE BOX AT THE RIGHT AND
CERTIFY BY SIGNING AND DATING BELOW.

TIN: _____
Social Security Number or
Taxpayer Identification Number

- (1) The number shown on this form is my correct Number (or I am waiting for a number to be issued to me); and
- (2) I am not subject to backup withholding because (i) I am exempt from backup withholding, (ii) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS—You must cross out item (2) in part 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of under-reporting interest or dividends on your tax return and you have not been notified by the IRS that you are no longer subject to backup withholding.

SIGNATURE: _____
DATE: _____
NAME (please print): _____

Part 3—
Awaiting TIN []

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING AT THE APPLICABLE BACKUP WITHHOLDING RATE ON ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE
BOX IN PART 3 OF SUBSTITUTE FORM W-9.**

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (i) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (ii) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 30% of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature _____

Date _____

Name (Please Print) _____

Address _____

**INSTRUCTIONS FORMING PART OF THE TERMS AND
CONDITIONS OF THE OFFER INSTRUCTIONS**

1. *Guarantee of Signatures.* Depending on how the certificates for your ADWs are registered and to whom you want payments or deliveries made, you may need to have the signatures on this letter of transmittal guaranteed by an eligible guarantor institution. No signature guarantee is required if either:

- this letter of transmittal is signed by the registered holder(s) of the ADWs tendered exactly as the name of the registered holder(s) appears on the certificate(s) for the ADWs and payment and delivery are to be made directly to the holder, unless the holder has completed either of the boxes entitled “Special Payment Instructions” or “Special Delivery Instructions” above; or
- the ADWs are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an “eligible guarantor institution,” as that term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended.

In all other cases an eligible guarantor institution must guarantee all signatures on this letter of transmittal. You may also need to have any certificates you deliver endorsed or accompanied by a stock power, and the signatures on these documents also may need to be guaranteed. See Instruction 6.

2. *Delivery of Letter of Transmittal and Certificates.* For your ADWs to be validly tendered the following must happen:

- The U.S. tender agent must receive all of the following at its address above in this letter of transmittal before or on the date CEMEX’s offer expires:
 - the certificates for the ADWs;
 - a properly completed and duly executed letter of transmittal or a manually executed facsimile of it, including any required signature guarantees; and
 - any other documents required by this letter of transmittal.

THE METHOD OF DELIVERING ALL DOCUMENTS, INCLUDING CERTIFICATES FOR ADWs, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT YOUR ELECTION AND RISK. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

All tendering ADW holders, by execution of this letter of transmittal or a manually signed facsimile of this letter of transmittal, waive any right to receive any notice of the acceptance of their tender.

3. *Inadequate Space.* If the space provided in the box entitled “Description of ADWs Tendered” above is inadequate, the certificate numbers and/or the number of ADWs should be listed on a separate signed schedule and attached to this letter of transmittal.

4. *Partial Tenders and Unpurchased ADWs.* If fewer than all of the ADWs evidenced by any certificate are to be tendered, fill in the number of ADWs that are to be tendered in the column entitled “Number of ADWs Tendered” in the box entitled “Description of ADWs Tendered” above. In that case, if any tendered ADWs are purchased, a new certificate for the remainder of the ADWs (including any ADWs not purchased) evidenced by the old certificate(s) will be issued and sent to the registered holder(s), unless otherwise specified in either the box entitled “Special Payment Instructions” or “Special Delivery Instructions” in this letter of transmittal, as soon as practicable after the expiration date. Unless otherwise indicated, all ADWs represented by the certificate(s) set forth above and delivered to the U.S. tender agent will be deemed to have been tendered.

If any tendered ADWs are not purchased or are properly withdrawn, or if less than all ADWs evidenced by an ADW holder's certificates are tendered, certificates for unpurchased ADWs will be returned as soon as practicable after the expiration or termination of the tender offer or the proper withdrawal of the ADWs, as applicable. In each case, ADWs will be returned or credited without expense to the ADW holder.

5. *Indication of Price at Which ADWs are Being Tendered.* If you want to tender your ADWs you must properly complete the pricing section of this letter of transmittal, which is called "Price At Which You Are Tendering". You must check at least one box in the pricing section. Your ADWs will not be validly tendered if (i) more than one box is checked and you are not delivering a separate ADW certificate evidencing the same number of ADWs opposite each such box or (ii) no box is checked. If you check only one box and do not indicate the number of ADWs you wish to tender at that price, all of the ADWs evidenced on all of your ADW certificates and described above in the box entitled, "Description of ADWs Enclosed", will be deemed tendered at the Selected Purchase Price. You may only select one price at which you agree to tender your ADWs to CEMEX, Inc. per ADW certificate tendered. To tender ADWs validly, **one and only one price box** must be checked in the pricing section on the letter of transmittal **for each certificate evidencing** your tendered ADWs.

6. *Signatures on Letter of Transmittal; Stock Powers and Endorsements.* **Exact Signature.** If this letter of transmittal is signed by the registered holder(s) of the ADWs tendered, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

Joint Holders. If the ADWs tendered are registered in the names of two or more joint holders, each holder must sign this letter of transmittal.

Different Names on Certificates. If any tendered ADWs are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate letters of transmittal (or manually signed facsimiles) as there are different registrations of certificates.

Endorsements. When this letter of transmittal is signed by the registered holder(s) of the ADWs tendered, no endorsements of certificates representing the ADWs or separate stock powers are required unless payment is to be made or the certificates for ADWs not tendered or not purchased are to be issued to a person other than the registered holder(s). Signature(s) on the certificate(s) must be guaranteed by an eligible institution.

If this letter of transmittal is signed by a person other than the registered holder(s) of the certificates listed, or if payment is to be made or certificates for ADWs not tendered or not purchased are to be issued to a person other than the registered holder(s), the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appears on the certificates, and the signatures on the certificates or stock powers must be guaranteed by an eligible institution. See Instruction 1.

Signatures of Fiduciaries. If this letter of transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, that person should so indicate when signing and must submit proper evidence satisfactory to CEMEX of his or her authority to so act.

7. *Stock Transfer Taxes.* Except as provided in this Instruction 7, no stock transfer tax stamps or funds to cover tax stamps need accompany this letter of transmittal. CEMEX, Inc. will pay any stock transfer taxes payable on the transfer to it of ADWs purchased pursuant to the offer. If, however, (a) payment of the purchase price is to be made to any person other than the registered holder(s); (b) ADWs not tendered or rejected for purchase are to be registered in the name(s) of any person(s) other than the registered holder(s); or (c) certificates representing tendered ADWs are registered in the name(s) of any person(s) other than the person(s) signing this letter of transmittal, then the U.S. tender agent will deduct from the purchase price the amount of any stock transfer taxes (whether imposed on the registered holder(s), other person(s) or otherwise) payable on account of the transfer to that person, unless satisfactory evidence of the payment of the taxes or any exemption therefrom is submitted.

8. *Odd Lots.* If CEMEX is to purchase fewer than all appreciation warrants and ADWs validly tendered and not properly withdrawn, the appreciation warrants and ADWs purchased first will consist of all appreciation warrants or ADWs validly tendered by any holder who owns, beneficially or of record, an aggregate of fewer than 100 appreciation warrants or 20 ADWs and who tenders all of the holder's appreciation warrants and ADWs at or below the Selected Purchase Price. This preference will not be available unless the section captioned "Odd Lots" is completed.

9. *Special Payment and Delivery Instructions.* If certificate(s) for ADWs not tendered or not purchased and/or check(s) are to be issued in the name of a person other than the signer of this letter of transmittal or if the certificates and/or checks are to be sent to someone other than the person signing this letter of transmittal or to the signer at a different address, the box entitled "Special Payment Instructions" and/or the box entitled "Special Delivery Instructions" on this letter of transmittal should be completed as applicable and signatures must be guaranteed as described in Instruction 1.

10. *Irregularities.* All questions as to the number of ADWs to be accepted, the price to be paid for ADWs to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of ADWs will be determined by CEMEX in its sole discretion and that determination will be final and binding on all parties. CEMEX reserves the absolute right to reject any or all tenders of any ADWs that it determines are not in proper form or the acceptance for payment of or payment for which it determines may be unlawful. CEMEX also reserves the absolute right to waive any of the conditions of the tender offer or any defect or irregularity in any tender with respect to any particular ADWs or any particular ADW holder, and CEMEX's interpretation of the terms of the tender offer (including these Instructions) will be final and binding on all parties. No tender of ADWs will be deemed to have been properly made until all defects or irregularities have been cured by the tendering ADW holder or waived by CEMEX. Unless waived, any defects and irregularities in connection with tenders must be cured within the time period, if any, CEMEX determines. Neither CEMEX, CEMEX, Inc., nor any of the U.S. tender agent, the information agent, the dealer manager or any other person will be under any duty to give notification of any defects or irregularities in any tender or incur any liability for failure to give any such notification.

11. *Questions and Requests for Assistance and Additional Copies.* Questions and requests for additional copies of the Offer to Purchase or the letter of transmittal may be directed to Global Bondholder Services Corporation, the information agent or Citigroup Global Markets Inc., the dealer manager at their respective telephone numbers and addresses set forth on the back page of the Offer to Purchase and set forth below.

12. *Tax Identification Number and Backup Withholding.* Federal income tax law generally requires that an ADW holder whose tendered ADWs are accepted for purchase, or the ADW holder's assignee (in either case, the "payee"), provide the U.S. tender agent with the payee's correct Taxpayer Identification Number ("TIN"), which, in the case of a payee who is an individual, is the payee's social security number. If the U.S. tender agent is not provided with the correct TIN or an adequate basis for an exemption, the payee may be subject to penalties imposed by the IRS and backup withholding at the applicable backup withholding rate on the gross proceeds received pursuant to the offer. If withholding results in an overpayment of taxes, a refund may be obtained. To prevent backup withholding, each payee must provide the payee's correct TIN by completing the Substitute Form W-9 set forth in this letter of transmittal, certifying that the TIN provided is correct (or that the payee is awaiting a TIN) and that

- the payee is exempt from backup withholding,
- the payee has not been notified by the Internal Revenue Service that the payee is subject to backup withholding as a result of a failure to report all interest or dividends, or
- the Internal Revenue Service has notified the payee that the payee is no longer subject to backup withholding.

If the payee lacks a TIN, the payee should

- consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for instructions on applying for a TIN,
- check “Awaiting TIN” in the box in Part 3 of the Substitute Form W-9, and
- sign and date the Substitute Form W-9 and the Certificate of Awaiting Taxpayer Identification Number set forth in this document.

If the payee does not provide the payee’s TIN to the U.S. tender agent within sixty (60) days, backup withholding will begin and continue until the payee furnishes the payee’s TIN to the U.S. tender agent. Note that checking the box in Part 3 on the Substitute Form W-9 means that the payee has already applied for a TIN or that the payee intends to apply for one in the near future.

If ADWs are held in more than one name or are not in the name of the actual owner, consult the W-9 guidelines for information on which TIN to report.

Exempt payees (including, among others, all corporations and certain foreign individuals) are not subject to backup withholding and reporting requirements. To prevent possible erroneous backup withholding, an exempt payee should write “Exempt” in Part 2 of the Substitute Form W-9. See the enclosed W-9 guidelines for additional instructions. In order for a nonresident alien or foreign entity to qualify as exempt, that person must submit a completed IRS Form W-8 Certificate of Foreign Status or a Substitute Form W-8, signed under penalty of perjury attesting to the exempt status. This form may be obtained from the U.S. tender agent.

Non-United States holders are urged to consult their tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure.

13. *Lost, Stolen, Destroyed or Mutilated Certificates.* If your certificate for part or all of your ADWs has been lost, stolen, misplaced or destroyed, you should contact Citibank, N.A., as the transfer agent for the ADWs, between 8:30 a.m. and 6:00 p.m. (New York City time) at 1 (800) 308-7887, for instructions as to obtaining an Affidavit of Loss. The Affidavit of Loss will then be required to be submitted together with this letter of transmittal in order to receive payment for ADWs that are tendered and accepted for payment. A bond may be required to be posted by you to secure against the risk that the certificates may be subsequently recirculated. You are urged to contact Citibank, N.A. immediately in order to receive further instructions, to permit timely processing of this documentation and for a determination as to whether you will need to post a bond.

The Information Agent for the Offer is:

Global Bondholder Services Corporation

65 Broadway, Suite 704

New York, NY 10006

Attn: Corporate Actions

Banks and Brokers call collect: (212) 430-3774

All others call toll free: (866) 470-4100

The U.S. Dealer Manager for the Offer is:

Citigroup

388 Greenwich Street

New York, New York 10013

Tel: (212) 816-6000

CEMEX, S.A. de C.V.

CEMEX, Inc.

**Revised Offer to Purchase for Cash
Up to 90,018,042 Appreciation Warrants
(Including Appreciation Warrants Represented by ADWs)
At a Purchase Price
Not Greater Than Ps8.10 Per Appreciation Warrant (U.S.\$ Equivalent of Ps40.50 Per ADW)
nor
Less Than Ps5.10 Per Appreciation Warrant (U.S.\$ Equivalent of Ps25.50 Per ADW)**

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 4:15 P.M., NEW YORK CITY TIME, WHICH IS 3:15 P.M., MEXICO CITY TIME, ON JANUARY 26, 2004, UNLESS THE OFFER IS EXTENDED. CEMEX, S.A. de C.V. MAY EXTEND THE OFFER PERIOD AT ANY TIME FOR UP TO THREE MONTHS, SUBJECT TO APPLICABLE REGULATORY APPROVALS.

December 23, 2003

To Securities Dealers, Commercial Banks, Trust Companies and
Other Nominees which are holders of American Depositary Warrants of
CEMEX, S.A. de C.V. (CUSIP No. 151290863)

CEMEX, S.A. de C.V., a corporation organized under the laws of the United Mexican States ("CEMEX"), has appointed us to act in connection with the offer by CEMEX to purchase for cash (the "Offer"), upon the terms and subject to the conditions set forth in the Revised Offer to Purchase dated December 23, 2003 (the "Offer to Purchase") and the related letter of transmittal, up to 90,018,042 of its appreciation warrants (including appreciation warrants represented by American Depositary Warrants ("ADWs"), each ADW representing five appreciation warrants) at a single price in Mexican Pesos not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), as specified by tendering holders. All appreciation warrants purchased in the offer will be purchased by CEMEX, and all ADWs purchased in the offer will be purchased by CEMEX, Inc., a wholly-owned U.S. subsidiary of CEMEX. You are being requested to contact clients for whom you hold ADWs registered in your name, or in the name of your nominee, to obtain instructions with respect to the tender of their ADWs. Citibank, N.A. has been appointed as the U.S. tender agent by CEMEX, and CEMEX has made arrangements with Citibank, N.A. to provide for the tender of ADWs upon the terms set forth in the Offer to Purchase and the related letter of transmittal. **Your prompt attention is requested, as the Offer expires at 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on January 26, 2004 (the "ADW tender offer expiration date").**

Enclosed you will find copies of the Offer to Purchase along with the related letter of transmittal, and a form letter you can send to your clients who are beneficial owners of ADWs registered in your name, or in the name of your nominee. CEMEX requests that you send the Offer to Purchase and the related letter of transmittal, along with the client letter, to your clients who own ADWs.

CEMEX will determine a single per appreciation warrant price, not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), in cash (the "Selected Purchase Price") that it will pay for appreciation warrants and ADWs validly tendered and not properly withdrawn in the Offer, taking into account the number of

appreciation warrants and ADWs tendered and the prices specified by tendering holders. CEMEX will select the lowest purchase price that will allow it to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or if a lesser number of appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered, all appreciation warrants (including appreciation warrants represented by ADWs) that are validly tendered and not properly withdrawn. All appreciation warrants and ADWs acquired in the offer will be acquired at the Selected Purchase Price.

CEMEX's offer is being made upon the terms and subject to the conditions set forth in its Offer to Purchase enclosed herewith and in the related letter of transmittal which, as each may be amended and supplemented from time to time, together constitute the Offer.

Only ADWs validly tendered at prices equal to or below the Selected Purchase Price and not properly withdrawn will be purchased. However, because of the proration provisions described in the Offer to Purchase, all of the ADWs tendered at or below the Selected Purchase Price may not be purchased if more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered. All ADWs tendered and not purchased, including ADWs tendered at prices above the Selected Purchase Price and ADWs not purchased because of proration, will be returned at CEMEX's expense as promptly as practicable after the Offer is completed or terminated.

The Offer is not conditioned on any minimum number of ADWs being tendered. The Offer is, however, subject to other conditions described in the Offer to Purchase and the related letter of transmittal.

Upon the terms and conditions of the Offer, if more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered at prices equal to or below the Selected Purchase Price and not properly withdrawn, CEMEX and CEMEX, Inc. will purchase validly tendered appreciation warrants and ADWs, respectively, in the following order:

- First, all appreciation warrants and ADWs validly tendered and not properly withdrawn by any "odd lot holder" (as defined in the Offer to Purchase) who:
 - (i) tenders all appreciation warrants or ADWs owned (beneficially or of record) by the odd lot holder at a price equal to or below the Selected Purchase Price (tenders of less than all the appreciation warrants or ADWs owned will not qualify for this preference); and
 - (ii) completes the section entitled "Odd Lots" in the letter of transmittal; and
- Second, after the purchase of all the appreciation warrants and ADWs validly tendered by odd lot holders, all other appreciation warrants and ADWs validly tendered at prices equal to or below the selected purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional appreciation warrants.

For your information and for forwarding to your clients for whom you hold ADWs registered in your name or in the name of your nominee, we are enclosing the following documents:

- The Revised Offer to Purchase, dated December 23, 2003, along with the related letter of transmittal;
- A letter that you may send to your clients for whose accounts you hold ADWs registered in your name or in the name of your nominee, with an instruction form for obtaining such clients' instructions with regard to the Offer;
- The letter of transmittal for your use and for the information of your clients (together with accompanying instructions and Substitute Form W-9); and
- Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.

Your prompt action is requested. We urge you to contact your clients as promptly as possible to obtain their instructions. The Offer, proration period and withdrawal rights will expire at 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on Monday, January 26, 2004, unless the Offer is extended.

No fees or commissions will be payable to brokers, dealers, commercial banks, trust companies or any person for soliciting tenders of ADWs under the Offer. CEMEX will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to the beneficial owners of ADWs held by you as a nominee or in a fiduciary capacity. CEMEX will pay or cause to be paid any stock transfer taxes applicable to its purchase of ADWs, except as otherwise provided in the Offer to Purchase and the related letter of transmittal.

The board of directors of CEMEX has approved the Offer. However, neither CEMEX, its board of directors, CEMEX, Inc., the information agent, the U.S. tender agent, the U.S. dealer manager nor the Mexican dealer manager makes any recommendation to owners of ADWs as to whether they should tender or not tender their ADWs or as to the price or prices at which owners of ADWs may choose to tender their ADWs. Owners of ADWs must each make their own decision as to whether to tender their ADWs and, if so, how many ADWs to tender and the price or prices at which such ADWs should be tendered.

Any inquiries you may have with respect to the Offer should be addressed to Global Bondholder Services Corporation, the information agent, or Citigroup Global Markets Inc., the U.S. dealer manager, at their respective telephone numbers and addresses set forth on the back page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from the information agent or the dealer manager by calling them at the numbers set forth on the back page of the Offer to Purchase.

Very truly yours,

Citigroup Global Markets Inc.

(Enclosures)

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF CEMEX, S.A. de C.V., CEMEX, INC., THE INFORMATION AGENT OR THE U.S. TENDER AGENT OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

CEMEX, S.A. de C.V.

CEMEX, Inc.

**Revised Offer to Purchase for Cash
Up to 90,018,042 Appreciation Warrants
(Including Appreciation Warrants Represented by ADWs)**

At a Purchase Price

**Not Greater Than Ps8.10 Per Appreciation Warrant
(U.S.\$ Equivalent of Ps40.50 Per ADW)**

nor

Less Than Ps5.10 Per Appreciation Warrant (U.S.\$ Equivalent of Ps25.50 Per ADW)

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 4:15 P.M., NEW YORK CITY TIME, WHICH IS 3:15 P.M., MEXICO CITY TIME, ON JANUARY 26, 2004, UNLESS THE OFFER IS EXTENDED. CEMEX, S.A. de C.V. MAY EXTEND THE OFFER PERIOD AT ANY TIME FOR UP TO THREE MONTHS, SUBJECT TO APPLICABLE REGULATORY APPROVALS.

December 23, 2003

To Our Clients who are Beneficial Owners of American
Depository Warrants of CEMEX, S.A. de C.V.:

In connection with the offer by CEMEX, S.A. de C.V. ("CEMEX") to purchase for cash (the "Offer"), upon the terms and subject to the conditions set forth in the Revised Offer to Purchase, dated December 23, 2003 (the "Offer to Purchase"), and the related letter of transmittal, up to 90,018,042 of its appreciation warrants (including appreciation warrants represented by American Depository Warrants ("ADWs"), each ADW representing five appreciation warrants) at a single price in Mexican Pesos not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), as specified by tendering holders, please find enclosed the Offer to Purchase. Citibank, N.A. has been appointed as the U.S. tender agent by CEMEX. All appreciation warrants purchased in the offer will be purchased by CEMEX, and all ADWs purchased in the offer will be purchased by CEMEX, Inc., a wholly-owned U.S. subsidiary of CEMEX. The Offer to Purchase is being furnished to you as the beneficial owner of ADWs held by us for your account. In addition, please find the attached Instructions for Tender of ADWs (the "Instruction Form"), which must be completed by you in order to direct the tender of your ADWs. CEMEX has made arrangements with Citibank, N.A., as U.S. tender agent for the ADWs, to make available the ability to tender ADWs upon the terms set forth in the Offer to Purchase and the related letter of transmittal. **Your prompt attention is requested, as the Offer expires at 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on January 26, 2004 (the "ADW tender offer expiration date").**

CEMEX will determine a single per appreciation warrant price, not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), in cash (the "Selected Purchase Price") that it will pay for appreciation warrants and ADWs validly tendered and not properly withdrawn in the Offer, taking into account the number of appreciation warrants and ADWs tendered and the prices specified by tendering holders. CEMEX will select the lowest purchase price that will allow it to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or if a lesser number of appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered, all appreciation warrants (including appreciation warrants represented by ADWs) that are validly tendered and not properly withdrawn. All appreciation warrants and ADWs acquired in the offer will be acquired at the Selected Purchase Price.

CEMEX's offer is being made upon the terms and subject to the conditions set forth in its Offer to Purchase enclosed herewith and in the related letter of transmittal which, as each may be amended and supplemented from time to time, together constitute the Offer.

Only ADWs validly tendered at prices equal to or below the Selected Purchase Price and not properly withdrawn will be purchased. However, because of the proration provisions described in the Offer to Purchase, all of the ADWs tendered at or below the Selected Purchase Price may not be purchased if more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered. All ADWs tendered and not purchased, including ADWs tendered at prices above the Selected Purchase Price and ADWs not purchased because of proration, will be returned at CEMEX's expense as promptly as practicable after the Offer is completed or terminated.

Upon the terms and conditions of the Offer, if more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are validly tendered at prices equal to or below the Selected Purchase Price and not properly withdrawn, CEMEX and CEMEX, Inc. will purchase validly tendered appreciation warrants and ADWs, respectively, in the following order:

- First, all appreciation warrants and ADWs validly tendered and not properly withdrawn by any "odd lot holder" (as defined in the Offer to Purchase) who:
 - (i) tenders all appreciation warrants or ADWs owned (beneficially or of record) by the odd lot holder at a price equal to or below the Selected Purchase Price (tenders of less than all the appreciation warrants or ADWs owned will not qualify for this preference); and
 - (ii) completes the section entitled "Odd Lots" in the letter of transmittal; and
- Second, after the purchase of all the appreciation warrants and ADWs validly tendered by odd lot holders, all other appreciation warrants and ADWs validly tendered at prices equal to or below the selected purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional appreciation warrants.

A TENDER OF YOUR ADWs CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER YOUR ADWs HELD BY US FOR YOUR ACCOUNT.

Accordingly, please use the attached Instruction Form to instruct us as to whether you wish us to tender any or all of the ADWs we hold for your account on the terms and subject to the conditions of the Offer.

WE CALL YOUR ATTENTION TO THE FOLLOWING:

1. You may tender ADWs at prices not greater than the U.S.\$ equivalent of Ps40.50 nor less than the U.S.\$ equivalent of Ps25.50 per ADW as indicated in the attached Instruction Form, net to you in cash, without interest.
2. The Offer is not conditioned upon any minimum number of ADWs being tendered. The Offer is, however, subject to certain other conditions described in the Offer to Purchase and the related letter of transmittal.
3. The Offer, proration period and withdrawal rights will expire at 4:15 p.m., New York City time, which is 3:15 p.m., Mexico City time, on Monday, January 26, 2004, unless CEMEX extends the Offer.
4. The Offer is for up to 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), constituting approximately 86.73% of the total appreciation warrants (including appreciation warrants represented by ADWs) outstanding as of December 19, 2003.

5. Tendering owners of ADWs who are registered ADW holders or who tender their ADWs directly to Citibank, N.A., as the U.S. tender agent, will not be obligated to pay any brokerage commissions or fees, solicitation fees, or, except as set forth in the Offer to Purchase and the related letter of transmittal, stock transfer taxes on CEMEX's purchase of ADWs under the Offer.

6. If you are an odd lot holder, meaning that you own beneficially or of record an aggregate of fewer than 100 appreciation warrants or 20 ADWs, and you instruct us to tender on your behalf all such appreciation warrants or ADWs at or below the Selected Purchase Price before the expiration date and check the box captioned "Odd Lots" in the attached Instruction Form, CEMEX and CEMEX, Inc., upon the terms and subject to the conditions of the Offer, will accept all such appreciation warrants and ADWs, respectively, for purchase before proration, if any, of the purchase of other appreciation warrants and ADWs validly tendered at or below the Selected Purchase Price and not properly withdrawn.

7. If you wish to tender portions of your ADWs at different prices, you must complete and submit only one Instruction Form setting forth the different prices at which you agree to have CEMEX purchase your ADWs.

8. The board of directors of CEMEX has approved the Offer. However, neither CEMEX, its board of directors, CEMEX, Inc., the information agent, the U.S. tender agent, the U.S. dealer manager nor the Mexican dealer manager makes any recommendation to owners of ADWs as to whether they should tender or not tender their ADWs or as to the price or prices at which owners of ADWs may choose to tender their ADWs. Owners of ADWs must each make their own decision as to whether to tender their ADWs and, if so, how many ADWs to tender and the price or prices at which such ADWs should be tendered.

9. If you wish to have us tender any or all of your ADWs, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to tender your ADWs, we will tender all such ADWs unless you specify otherwise on the attached Instruction Form.

10. There will be no guaranteed delivery procedures permitting delivery after the ADW tender offer expiration date.

Please forward your Instruction Form to us as soon as possible to allow us ample time to tender your ADWs on your behalf prior to the expiration of the Offer.

The Offer is being made solely under the Offer to Purchase and the related letter of transmittal and is being made to all record holders of appreciation warrants (including appreciation warrants represented by ADWs). The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of ADWs residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

INSTRUCTION FORM
INSTRUCTIONS FOR TENDER OF ADWs OF
CEMEX, S.A. de C.V.

By signing this instruction form you acknowledge receipt of our letter and the enclosed Revised Offer to Purchase, dated December 23, 2003 (the "Offer to Purchase"), and the related letter of transmittal in connection with the offer by CEMEX, S.A. de C.V., a corporation organized under the laws of the United Mexican States ("CEMEX"), to purchase a portion of its appreciation warrants (including appreciation warrants represented by ADWs). CEMEX is offering to purchase for cash (the "Offer") up to 90,018,042 of its appreciation warrants (including appreciation warrants represented by ADWs), at a price not greater than Ps8.10 per appreciation warrant (U.S.\$ equivalent of Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (U.S.\$ equivalent of Ps25.50 per ADW), in cash, without interest, as specified by tendering holders. CEMEX's Offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related letter of transmittal, which, as each may be amended or supplemented from time to time, together constitute the Offer.

This will instruct us to tender to CEMEX, on your behalf, the number of ADWs indicated below (or if no number is indicated below, all ADWs) which are beneficially owned by you but registered in our name, upon the terms and subject to the conditions of the Offer.

Number of ADWs to be tendered:

_____ ADWs. (Unless otherwise indicated, it will be assumed that all ADWs held by us for your account are to be tendered.)

PRICE AT WHICH YOU ARE TENDERING
(SEE INSTRUCTION 5 TO THE LETTER OF TRANSMITTAL)

You must check one box and only one box if you want to tender all of your ADWs at only one price. Your ADWs will not be validly tendered if (i) more than one box is checked and you are not tendering portions of your ADWs at more than one price or (ii) no box is checked.

ADWs TENDERED AT A PRICE DETERMINED BY YOU:

By checking one or more of the following boxes below you are tendering ADWs at the price(s) checked. This action could result in none of your ADWs being purchased if the purchase price selected by CEMEX for the ADWs is less than the price(s) checked below. If you check only one box and do not indicate the number of ADWs you wish to tender at that price, all of the ADWs tendered by you will be deemed tendered at the Selected Purchase Price. If you want to tender different portions of your ADWs at more than one price, you must indicate besides each box the number of ADWs you wish to tender at those specific prices. The same ADWs cannot be tendered at more than one price.

PRICE (IN PESOS) PER ADW AT WHICH ADWs ARE BEING TENDERED

	Price	Number
<input type="checkbox"/>	U.S.\$ equivalent of Ps25.50	
<input type="checkbox"/>	U.S.\$ equivalent of Ps27.00	
<input type="checkbox"/>	U.S.\$ equivalent of Ps28.50	
<input type="checkbox"/>	U.S.\$ equivalent of Ps30.00	
<input type="checkbox"/>	U.S.\$ equivalent of Ps31.50	
<input type="checkbox"/>	U.S.\$ equivalent of Ps33.00	
<input type="checkbox"/>	U.S.\$ equivalent of Ps34.50	
<input type="checkbox"/>	U.S.\$ equivalent of Ps36.00	
<input type="checkbox"/>	U.S.\$ equivalent of Ps37.50	
<input type="checkbox"/>	U.S.\$ equivalent of Ps39.00	
<input type="checkbox"/>	U.S.\$ equivalent of Ps40.50	

If you wish to ensure that your ADWs will be purchased, subject to the proration provisions of the Offer, you should check the box next to the minimum purchase price of the U.S.\$ equivalent of Ps25.50 per ADW above. This means that you will accept the minimum purchase price or a higher purchase price selected by CEMEX in accordance with the terms of the Offer to Purchase and the related letter of transmittal.

ODD LOTS

(SEE INSTRUCTION 8 TO THE LETTER OF TRANSMITTAL)

Complete this section ONLY if you own, or are tendering on behalf of a person who owns, beneficially or of record, an aggregate of fewer than 100 appreciation warrants or 20 ADWs.

On the date hereof, you either (check one box):

- are the beneficial or record owner of an aggregate of fewer than 100 appreciation warrants or 20 ADWs, and are tendering all of such appreciation warrants or ADWs, or
- are a broker, dealer, commercial bank, trust company or other nominee which:
 - (a) is tendering, for the beneficial owners thereof, appreciation warrants or ADWs with respect to which it is the record owner, and
 - (b) believes, based upon representations made to it by such beneficial owners, that each such person was the beneficial owner of an aggregate of fewer than 100 appreciation warrants or 20 ADWs and is tendering all of such appreciation warrants or ADWs.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE OPTION AND RISK OF THE TENDERING OWNER OF ADWs. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY.

SIGN HERE:

Name: _____

Signature: _____

Address: _____

Printed name (if signatory is not the beneficial owner):

Telephone Number:

Title or Capacity (if signatory is not the beneficial owner):

Tax ID or Social Security Number:

Date Executed:

THIS FORM MUST BE RETURNED TO THE BENEFICIAL OWNER'S BANK OR BROKER AND NOT TO CITIBANK, N.A. WITH SUFFICIENT TIME FOR THE BENEFICIAL OWNER'S BANK OR BROKER TO INSTRUCT THE U.S. TENDER AGENT TO EXECUTE THE ABOVE TRANSACTIONS PRIOR TO THE ADW TENDER OFFER EXPIRATION DATE.

[TRANSLATION FOR INFORMATION PURPOSES ONLY]

DEFINITIVE SUPPLEMENT. *These Securities have been registered with the National Registry of Securities (RNV) maintained by the CNBV.*



SUPPLEMENT TO THE INFORMATION MEMORANDUM DATED NOVEMBER 17, 2003, RELATED TO THE OFFER TO PURCHASE (THE “OFFER”) APPRECIATION WARRANTS PAYABLE IN CASH, WITH EUROPEAN EXERCISE AND THE OPTION OF EARLY TERMINATION, LINKED TO NON-REDEEMABLE ORDINARY PARTICIPATION CERTIFICATES, ISSUED BY BANCO NACIONAL DE MEXICO, S.A., IN ITS CAPACITY AS TRUSTEE PURSUANT TO THE TRUST NUMBER 111033-9, IN RESPECT OF SHARES ISSUED BY CEMEX, S.A. DE C.V. (THE “APPRECIATION WARRANTS”), UNDERTAKEN BY CEMEX, S.A. DE C.V. (“CEMEX”).

Background to the Amendment of the Offer.

As a result of comments received from the Securities and Exchange Commission, CEMEX made certain changes to the terms pursuant to which the International Offer is being conducted. Because the offer is a Global Offer, the Information Memorandum dated November 17, 2003 (the “Information Memorandum”) is amended as set forth in this Supplement, so that the terms of the Offer are identical to the terms of the International Offer.

Furthermore, CEMEX extends the International Offer and the Offer for a period ending on January 26, 2004 (such date, the “Maturity Date”).

Purposes of this Supplement.

This Supplement describes the amendments to the Offer initially made by CEMEX pursuant to the Information Memorandum; as a consequence, as of the date hereof, when a reference is made to the Offer, it shall be understood as the Offer described in the Information Memorandum, as modified by the terms of this Supplement. Except for the amendments to the Offer, and for the additional information, specified in this Supplement, the terms and conditions of the Offer described in the Information Memorandum remain in effect. The Maturity Date, the Registration Date and the Settlement Date shall change from the dates set forth in the Information Memorandum. The new Maturity Date is January 26, 2004, the new Registration Date is January 27, 2004 and the new Settlement Date is January 28, 2004. In the event of an inconsistency between the terms of this Supplement and the terms of the Information Memorandum, the terms of this Supplement shall prevail. Except as otherwise defined herein, terms used with initial capital letters in this Supplement shall have the meanings ascribed to them in the Information Memorandum.

Tenders Made Before the Date of this Amendment.

If any holder of Appreciation Warrants has made a tender to participate in the Offer before the date hereof, it will be considered that such tenders were made considering the amendment provided for in this Supplement, unless they are withdrawn before the new Maturity Date, as provided for in the section “The Offer – Withdrawal Rights” of the Information Memorandum. Tenders presented from the date hereof will be considered to be made pursuant to the terms hereof. For purposes of the purchase of Appreciation Warrants owned by Holders of Odd Lots of less than 100 Appreciation Warrants (as such term is defined below) described below, holders that had presented tenders with respect to less than 100 Appreciation Warrants before the date hereof shall be considered as Holders of Odd Lots of less than 100 Appreciation Warrants (as such term is defined below) and shall have the rights referred to in this Supplement. Holders of Appreciation Warrants that wish to amend the terms of their tenders shall instruct their broker, bank or custodian for the respective Participant Broker to deliver the new Letter of Acceptance, which, as a consequence of the amendment of the Offer, is available from the date hereof, at the offices of Acciones y Valores de México, S.A. de C.V., Casa de Bolsa, Integrante del Grupo Financiero Banamex (the “Dealer”), located at Paseo de la Reforma 398, Piso 1, Col. Juárez, C.P. 06600, México, D.F. CEMEX, through the Dealer, shall distribute copies of the Information Memorandum and this Supplement to the holders of Appreciation Warrants, as well as to the Participant Brokers. As soon as such persons receive those copies, it will be deemed that the terms of the Offer (as amended by this Supplement) are known to them, and each of them shall act taking into account the terms of the Offer.

Amendments to the Information Memorandum.

The new Maturity Date is January 26, 2004, the new Registration Date is January 27, 2004, and the new Settlement Date is January 28, 2004. In case of any inconsistency between the terms of this Supplement and the terms of the Information Memorandum, the terms of this Supplement shall prevail. Furthermore, the Purchase Price and Procedure for the Price Determination described in the Information Memorandum is amended for purposes of the Offer, as of the date of this Supplement, as follows:

Mechanics for Determining the Purchase Price.

For determining the Purchase Price of the Appreciation Warrants, all tenders validly submitted by all holders of Appreciation Warrants shall be taken into account, including tenders submitted by executives, directors, statutory auditors, subsidiaries and affiliates of CEMEX, and by the two trusts created for the purpose of establishing pension or retirement funds for the employees of CEMEX and its subsidiaries, over which CEMEX exercises investment discretion.

The Purchase Price will be determined as follows:

(i) tenders ranging between of Ps5.10 and Ps8.10 for each Appreciation Warrant tendered by the Participant Brokers by means of Letter of Acceptances and the tendered by holders of ADWs or their brokers in the International Offer, will be ordered from the lowest tender price per Appreciation Warrant and upwards, up to a price which allows CEMEX to purchase up to 90,018,042 Appreciation Warrants (approximately, 86.73% of the outstanding Appreciation Warrants);

(ii) if, in the Global Offer, tenders are presented in respect of less than 90,018,042 Appreciation Warrants, the Purchase Price will be the highest tender price submitted by any holder through a valid tender.

If in the Global Offer more than 90,018,042 Appreciation Warrants are tendered at or below the Purchase Price, CEMEX will purchase Appreciation Warrants based on the following order of priority:

1. First, CEMEX will purchase Appreciation Warrants from all Holders of Odd Lots of less than 100 Appreciation Warrants (as such term is defined below), who properly tender all of their Appreciation Warrants, provided that, the Letter of Acceptance specifies the number of Appreciation Warrants that are owned by Holders of Odd Lots of less than 100 Appreciation Warrants; and

2. Second, after purchasing the Appreciation Warrants owned by Holders of Odd Lots of less than 100 Appreciation Warrants as set forth above, CEMEX will purchase Appreciation Warrants from all other holders who properly tender Appreciation Warrants at prices equal to or below the Purchase Price, on a pro rata basis, with the necessary adjustments to avoid the fractional purchase of Appreciation Warrants.

Once that, if applicable, the proration factor that is to be applied to the Appreciation Warrants to be purchased, all resulting amounts the decimals of which are below .50, shall be adjusted to the next lower whole number. Also, all resulting amounts the decimals of which are equal to or greater than .50, shall be adjusted to the next higher whole number. The resulting amounts shall be the amounts to be acquired by CEMEX from each Participant Broker. Each Participant Broker shall undertake its own adjustment with its clients.

For purposes of the Offer "Holders of Odd Lots of less than 100 Appreciation Warrants" means such holders who own less than 100 Appreciation Warrants and tendered less than 100 Appreciation Warrants before or after the date hereof and until the Maturity Date, not withdrawn before the Maturity Date. In order for the Holders of Odd Lots of less than 100 Appreciation Warrants to have the above-mentioned preference, each Participant Broker, in the respective Letter of Acceptance, shall include the number of Appreciation Warrants owned by the Holders of Odd Lots of less than 100 Appreciation Warrants. Owners of more than 100 Appreciation Warrants, notwithstanding their partial tender with respect to less than 100 Appreciation Warrants shall not be considered "Holders of Odd Lots of less than 100 Appreciation Warrants".

CEMEX shall acquire, at the Purchase Price, up to 90,018,042 Appreciation Warrants validly tendered by their holders as part of the Offer, subject to the provisions regarding proration set forth below. This shall be the maximum number of Appreciation Warrants that CEMEX shall be obligated to purchase, which number differs and is lower than the maximum number of Appreciation Warrants that CEMEX had indicated that it may acquire in the Offer initially described in the Information Memorandum (in the event that all Appreciation Warrants would have been submitted for sale at a price equal to or lower than the Purchase Price). All Appreciation Warrants that CEMEX acquires in the Offer as indicated above, shall be acquired at a single Purchase Price, including Appreciation Warrants that would have been tendered for sale at a price lower than the Purchase Price. However, CEMEX shall not acquire any Appreciation Warrant that has been tendered as part of the Offer at a price higher than the Purchase Price.

In the event that in the Global Offer valid tenders covering more than 90,018,042 Appreciation Warrants are

tendered, CEMEX, with the assistance of the Dealer and Citigroup, shall determine the proration factor, which shall be calculated by dividing the number of Appreciation Warrants that CEMEX shall acquire from holders of Appreciation Warrants (different from Holders of Odd Lots of less than 100 Appreciation Warrants, the Appreciation Warrants of which shall be acquired with priority), by the total number of Appreciation Warrants validly tendered at the Offer (different from Holders of Odd Lots of less than 100 Appreciation Warrants, the Appreciation Warrants of which shall be acquired with priority), at a price equal to or less than the Purchase Price. The proration factor shall only apply to holders of Appreciation Warrants (different from Holders of Odd Lots of less than 100 Appreciation Warrants), that shall have submitted valid tenders at a price equal to or less than the Purchase Price.

Procedure for Tendering Appreciation Warrants.

The terms of the Procedure for Tendering Appreciation Warrants set forth in the Information Memorandum shall remain in effect, except as set forth herein and that any matter related to the form and validity (including reception time) of any Letter of Acceptance shall be determined by CEMEX, at its discretion, and without any liability and such determination shall be conclusive and binding. CEMEX may but shall not be bound to notify, as early as possible, any defect or irregularity in the Letter of Acceptance. Holders of Appreciation Warrants and their respective custodians or Participant Brokers shall be responsible of the risks related with proceedings related to their participation in the Public Purchase Offer and neither CEMEX, nor Accival, nor their respective affiliates, agents, advisors or related persons shall have any liability in connection with such risks.

Conditions of the Offer

CEMEX is not required to purchase any Appreciation Warrants tendered, and may terminate or amend the Offer or may extend the Offer Period, if, at any time before the Maturity Date, any of the following events has occurred:

- (a) there has been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly challenges the Offer, the purchase of some or all of the Appreciation Warrants under the Offer or otherwise relates in any manner to the Offer (including the other conditions to the Offer) or which, in the reasonable judgment of CEMEX, would or might impair a contemplated purpose of the Offer;
- (b) there has been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Offer or to CEMEX or any of its subsidiaries, by any court or any authority, agency or tribunal that, in the reasonable judgment of CEMEX, would or might directly or indirectly:
 - (i) make the acceptance for payment of, or payment for, some or all the Appreciation Warrants illegal or otherwise restrict or prohibit completion of the Offer or impair a contemplated purpose of the Offer; or
 - (ii) delay or restrict our ability, or render CEMEX unable, to accept for payment or pay for some or all the Appreciation Warrants;
- (c) there has occurred any of the following:
 - (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States or on the BMV;
 - (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Mexico;
 - (iii) the commencement or material escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or Mexico;
 - (iv) any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any disruption or adverse change in the financial or capital markets generally or the market for loan syndications in particular, that, in the reasonable judgment of CEMEX, might affect, the extension of credit by banks or other lending institutions in the United States or Mexico; or
 - (v) a decrease of 15% or more in the market price of the ADSs of CEMEX.

The conditions to the Offer are for the sole benefit of CEMEX and may be asserted by CEMEX at any time until the Maturity Date, in its sole discretion. The failure at any time of CEMEX to exercise any of the foregoing rights shall not be deemed a waiver of any right, and each right shall be deemed an ongoing right which may be asserted at any time up until the Maturity Date. Any determination or judgment by CEMEX concerning the events described above will be final and binding on all parties.

Additional Information regarding the Amendments of the Offer.

The directors and executive officers of CEMEX are entitled to participate in the Offer on the same basis as

all other holders of Appreciation Warrants. As of November 5, 2003, the executive officers and directors of CEMEX, as a group, beneficially owned an aggregate of 12,248,263 Appreciation Warrants, which represent approximately 11.80% of the outstanding Appreciation Warrants. No executive officer or director of CEMEX has informed whether or not such executive or director will participate in the Offer.

CEMEX intends for its subsidiaries and the two (2) employee pension funds over which it exercises investment discretion to tender all 34,926,429 of their Appreciation Warrants at the minimum purchase price of Ps5.10 per Appreciation Warrant.

As a result of the mechanics for the purchase of the Appreciation Warrants pursuant to the Offer (including the pro-ration), CEMEX may not be able to purchase all the Appreciation Warrants tendered by their holders in the Offer, including the Appreciation Warrants tendered at the same price or less than the Purchase Price. In this case, as described in the Information Memorandum, the liquidity of the outstanding Appreciation Warrants may be affected.

The public announcement CEMEX will make in the Registration Date as provided for in the Information Memorandum shall announce the pro-ration factor calculated as set forth in this Supplement.

The amount CEMEX will need to purchase 90,018,042 Appreciation Warrants, considering a price of Ps8.10 per Appreciation Warrant, if Ps729,146,140.20 (seven hundred twenty nine million one hundred forty six thousand one hundred forty Pesos 20/100).

On December 8, 2003, the last reported sales price of the Appreciation Warrants on the BMV, was Ps6.90 per Appreciation Warrant.

Not later than 8:30 AM, Mexico City time, on the Registration Date, CEMEX shall inform, through a notice published through the Information System EMISNET of the Bolsa Mexicana de Valores, S.A. de C.V., the result of the auction, which notice shall indicate, among other things, the Purchase Price, the number of Appreciation Warrants to be purchased by CEMEX and the pro-ration factor used for such purposes. Accival shall inform each Participant Broker, not later than such time on the Registration Date, by means of notice delivered to the fax number that each Participant Broker has indicated in the Letter of Acceptance, the number of Appreciation Warrants to be purchased by CEMEX from such Participant Broker, as well as the Purchase Price for which they will be purchased.

Any holder of Appreciation Warrants that is a "US person" for purposes of the securities laws of the United States of America must contact the brokerage house, custodian, or agent through which he or she holds Appreciation Warrants, or the Intermediary, to request a copy of the document named "Offer to Purchase", which is used in connection with the International Offer. Such document has not been reviewed or approved by the CNBV.

Additional Information regarding the Background and Purposes of the Global Offer.

On September 25, 2003, the management of CEMEX presented the Board of Directors with a proposal to unwind several forward transactions in ADSs, including those that hedged its obligations under the Appreciation Warrants and ADWs, among others, and to place the ADSs and CPOs underlying those forward transactions in the market through a non-dilutive equity offering. In addition, the management of CEMEX recommended to the Board of Directors that, subject to the successful completion of the equity offering referred to above and depending on market conditions, CEMEX use a portion of the proceeds of said equity offering to conduct the Global Offer.

On such date, the Board of Directors reviewed and approved the form of preliminary prospectus to be used in the global equity offering of CPOs and ADSs (the "Equity Offering"), which stated that, subject to market conditions, CEMEX intended to use a portion of the proceeds it received in the Equity Offering to conduct the Global Offer at a price range between the market price of the Appreciation Warrants prior to the announcement of the Equity Offering and of the intention of CEMEX to conduct the Global Offer, and the theoretical value of the Appreciation Warrants calculated using the Black-Scholes pricing model. As of September 25, 2003, the specific structure of the tender offer, the number of Appreciation Warrants to be repurchased and the specific pricing mechanics had not yet been analyzed by, nor discussed with the Board of Directors.

On October 1, 2003, CEMEX issued a press release announcing its intention to commence the Equity Offering, subject to market conditions, and its intention to use a portion of the proceeds of the Equity Offering to conduct the Global Offer, subject to market conditions.

Immediately after pricing the Equity Offering on October 16, 2003, CEMEX scheduled meetings with representatives of Citigroup in order to analyze alternatives for the Global Offer. On October 17, 2003, CEMEX's management met with representatives of Citigroup to discuss the structure of the Global Offer and the possible structures thereof, including the possibility of conducting it through a modified Dutch auction. CEMEX's management adopted a modified Dutch auction mechanism, taking into account that a significant portion of the Appreciation Warrants are held by executives and directors of CEMEX, and CEMEX's management wanted to avoid the possibility of the market perceiving a conflict of interest in determining the Purchase Price.

From October 17 to October 30, 2003, several teleconferences were held between CEMEX's management and Citigroup in connection with the structure of the Offer, the proposed pricing for the Offer and the mechanics for announcing and disseminating information related to the tender offer. During these teleconferences, CEMEX's management and Citigroup discussed the number of Appreciation Warrants that CEMEX would seek to purchase in the Global Offer and the possibility of purchasing all the outstanding Appreciation Warrants. CEMEX's management determined that, in order to repurchase as many Appreciation Warrants as possible while preserving the functionality of the modified Dutch auction structure, the Global Offer would be for all Appreciation Warrants that are tendered at or below the Purchase Price selected using a price determination formula. CEMEX's management and Citigroup did not discuss any alternative structures for the offer during these teleconferences since CEMEX's management had already decided to use the modified Dutch auction structure at the October 17, 2003 meeting, as described above.

During these teleconferences, CEMEX's management and Citigroup also discussed, at Citigroup's suggestion, the possibility of excluding from the price determination mechanism the prices at which CEMEX's executive officers, directors, subsidiaries and employee pension funds controlled by CEMEX tender their securities in the Offer. Following this discussion, CEMEX's management decided to incorporate this exclusion into the terms of the Global Offer because it believed that this exclusion would further distance CEMEX's management from the price determination mechanism and thereby further diminish any market perception of a conflict of interest.

As a result of these meetings and taking into account the financial information and advice provided by Citigroup, CEMEX set a price range for the tender offer of Ps5.10 per Appreciation Warrant to Ps8.10 per Appreciation Warrant. The minimum price of Ps5.10 per Appreciation Warrant represents the closing price of the Appreciation Warrants on the BMV on September 30, 2003, the date immediately prior to the date CEMEX announced its intention to conduct the Global Offer. The maximum price of Ps8.10 per Appreciation Warrant represents the theoretical value of an appreciation warrant on November 15, 2003, calculated using the Black-Scholes pricing model, assuming a volatility of 35%, a risk-free rate of 1.3%, a dividend yield of 0% and the highest per ADS sales price of the ADSs on the NYSE during September 2003, which was U.S.\$26.20, translated into Pesos at an exchange rate of Ps11.13 to U.S.\$1.00, which was the Peso/Dollar spot exchange rate reported by Bloomberg L.P. on November 12, 2003.

On October 30, 2003, the management of CEMEX presented the Board of Directors with a proposal to conduct a cash tender offer for Appreciation Warrants using a modified Dutch auction structure and a price range of Ps5.10 per Appreciation Warrant to Ps8.10 per Appreciation Warrant. No alternative structures for the tender offer were presented to or discussed with the Board of Directors by the management of CEMEX. On such date, the Board of Directors unanimously approved the Global Offer, subject to any changes that may be required as a result of comments from the SEC or the CNBV.

From October 31, 2003 through November 17, 2003, CEMEX worked with U.S. and Mexican counsel to finalize materials for the Global Offer containing the terms described above. On November 17, 2003, CEMEX filed new documents related to the Global Offer with the SEC and this Supplement to the Information Memorandum with the CNBV and CEMEX distributed materials related to the Global Offer to holders of the Appreciation Warrants and the ADWs.

As a result of discussions between CEMEX's U.S. counsel and the SEC on November 21, 2003 and November 24, 2003, CEMEX's management held several teleconferences with Citigroup on November 24, 2003 and November 25, 2003 to discuss revising the terms of the Global Offer based on the discussions with the SEC. During these teleconferences, CEMEX's management and Citigroup discussed revising the terms of the Global Offer to eliminate the exclusion of the prices submitted by our executive officers, directors, subsidiaries and employee pension funds controlled by CEMEX from the determination of the purchase price. In connection with the discussions regarding the elimination of such exclusion, CEMEX's management determined that a modified Dutch auction structure was still preferable to an offer with a set price because in a modified Dutch auction structure, although the prices at which members of our management and our board of directors tender their Appreciation Warrants will influence the determination of the purchase price, the actual purchase price paid in the offer would ultimately be decided by the market as a whole, including the members of CEMEX's management and CEMEX's board of directors who hold Appreciation Warrants, whereas in an offer with a set price, the purchase price would be determined solely by CEMEX's management, which could create an implication of a conflict of interest.

During these teleconferences, CEMEX's management and Citigroup also discussed revising the terms of the offer to make it an offer to purchase up to an exact number of Appreciation Warrants using the modified Dutch auction structure and to make such purchases on a pro rata basis in the event more than that number of Appreciation Warrants are tendered at or below the Purchase Price.

Following these teleconferences, CEMEX's management concluded that these revisions were necessary as a result of the discussions with the SEC and, in accordance with the resolutions adopted by CEMEX's board of directors at the October 30, 2003 board meeting, decided to revise the terms of the Global Offer accordingly. The revision of the terms of the Global Offer did not require approval by our board of directors, and, therefore, no additional board meeting was held to approve the revised terms.

From November 26, 2003 through December 10, 2003, CEMEX's management worked with U.S. and Mexican counsel to finalize tender offer materials containing the revised terms described above. On December 11, 2003, we filed an amendment with the SEC and a supplement to the Mexican tender offer documents with the CNBV. CEMEX did not distribute these revised tender offer materials to holders of Appreciation Warrants because they remained subject to further comments from the SEC and the CNBV.

On December 16, 2003, CEMEX received comments from the SEC on the revised Global Offer materials, and on December 22, 2003, CEMEX filed an additional amendment with the SEC and a revised supplement to the Offer documents with the CNBV.

Additional Information regarding the Fairness of the Global Offer.

CEMEX determined that its financial situation and the expected operational results will give to it the financial flexibility necessary to complete the Global Offer and that the aggregate maximum purchase price that CEMEX may be required to pay in the Global Offer (approximately Ps729.1 million) would not have a significant effect in its financial situation or total capital and, as a result, the Global Offer would not affect negatively the market price of the CPOs and the potential appreciation value of the Appreciation Warrants that are not acquired in the Global Offer.

CEMEX considers that the calculation of the maximum price for the Global Offer based on the theoretical value of an Appreciation Warrant and the use of a widely accepted pricing model, such as the Black-Scholes model, to determine that theoretical value, would provide a reasonable incentive for holders to tender their Appreciation Warrants at prices within the price range provided in the Offer.

CEMEX considered the trading prices for the Appreciation Warrants and the percentage by which the per Appreciation Warrant price to be paid in the Offer exceeds these trading prices. CEMEX also considered the trading prices for the Appreciation Warrants from the beginning of 2003 until October 2003, date on which CEMEX initially announced its intention to conduct the Offer, and determined that the minimum offer price of Ps5.10 per Appreciation Warrant, which was the closing price of the Appreciation Warrants on September 30, 2003, was among the highest trading prices for the Appreciation Warrants during that period. CEMEX did not consider the trading prices for the Appreciation Warrants during October 2003 because it believed such trading prices reflected market expectations of the results of the Offer.

CEMEX considered that, based on the closing price of Ps52.65 for its CPOs on October 30, 2003, the date the Board of Directors approved the Global Offer, and without giving effect to any future anti-dilution adjustments which could be made in respect of the Appreciation Warrants, in order for holders of Appreciation Warrants to receive an appreciation value at maturity in an amount equal to the minimum Offer price, the market price for the CPOs would need to appreciate by approximately 23%; in order for holders of Appreciation Warrants to receive an appreciation value at maturity in an amount equal to the maximum Offer price, the market price for the CPOs would need to appreciate by approximately 28%; and in order for holders of Appreciation Warrants to be mandatorily redeemed prior to maturity, the market price for the CPOs would need to appreciate by approximately 52%.

CEMEX also considered Citigroup's belief that the Global Offer's modified Dutch auction procedure facilitates a price determination for the offer that reflects the views of Appreciation Warrant holders regarding the appropriate value of the Appreciation Warrants and that the maximum price of Ps8.10 proposed by CEMEX was a reasonable attempt to provide a financial incentive for holders to tender Appreciation Warrants.

CEMEX believes the Offer is fair to holders of Appreciation Warrants who tender Appreciation Warrants at prices above the Purchase Price and will not have their Appreciation Warrants purchased in the Offer because the formula for determining the Purchase Price in the Offer is clearly stated and these holders had the opportunity to participate in the Offer on the same basis as all other holders and to select a price at which they were willing to sell their Appreciation Warrants. CEMEX also believes the Offer is fair to holders who tender all their Appreciation Warrants and have only a portion purchased as a result of pro-ration because the pro-ration provisions of the Offer apply to all holders equally. In either case, any Appreciation Warrant that is held following the completion of the Offer will continue to be entitled receive any appreciation value that may be paid on the Appreciation Warrants.

CEMEX believes the Offer is procedurally fair to holders of Appreciation Warrants in light of the following factors:

- Each holder can determine individually whether to tender all or a portion of its Appreciation Warrants in the Offer;
- Each holder can determine the price at which it is willing to sell its Appreciation Warrants in the Offer; and
- The Offer allows each holder to sell its Appreciation Warrants without the usual transaction costs associated with open market sales.

CEMEX considered these procedural factors as a whole and did not find it practicable to, and did not, quantify or otherwise assign relative weight to these factors.

CEMEX did not consider its net book value in making its determination that the Offer is fair to all holders of Appreciation Warrants, because CEMEX believes that net book value is not an appropriate measure for establishing the fair value of the Appreciation Warrants since net book value is an accounting methodology based on the historical cost of CEMEX's assets and, therefore, does not reflect the current market value of CEMEX's CPOs, which determine the value of the Appreciation Warrants. Net book value also does not consider the volatility of the current market value of CEMEX's CPOs, which CEMEX believes is a key factor in determining the fair value of the Appreciation Warrants. CEMEX did not consider CEMEX's going concern value in making the fairness determination because CEMEX believes that its going concern value is not directly relevant to the value of the Appreciation Warrants, since their value is determined by the market price of such CPOs, and not by the theoretical going concern value of a CPO. Due to the short period of time remaining until the maturity of the Appreciation Warrants (approximately one year), CEMEX did not think it was necessary to consider the impact of CEMEX's going concern value on the market price of CEMEX's CPOs. CEMEX believes that the Black-Scholes pricing model, applied as described above, is the most appropriate method of determining the value of the Appreciation Warrants. CEMEX did not consider its liquidation value because we consider CEMEX to be a viable business concern and CEMEX does not intend to liquidate itself following the completion of the Global Offer. CEMEX also did not consider purchase prices paid in previous purchases of Appreciation Warrants within the past two years because the market prices at the time of those purchases were lower than current market prices. Finally, CEMEX did not consider firm offers made by unaffiliated persons during the past two years for a merger, consolidation, sale of all or substantially all of CEMEX's assets or purchase of CEMEX's securities in a transaction that would give the purchaser control because CEMEX has not received any such offers and because CEMEX believes that these factors are relevant only to a change of control and the premium that might be paid to security holders to acquire control.

Additional Information regarding the View of the Financial Advisor.

In October 2003, CEMEX retained Citigroup, an investment banking firm, as U.S. dealer manager for the International Offer and as financial advisor to provide CEMEX financial advice with respect to certain issues related to the proposed pricing and structure of the Global Offer. In this regard, Citigroup provided CEMEX financial information with respect to the historical trading price of the Appreciation Warrants, ADWs, CPOs and ADSs.

Citigroup reviewed the initial proposed structure and pricing for the Global Offer for the Appreciation Warrants, which initially would have excluded Appreciation Warrants held by subsidiaries, pension plans, executive officers and directors of CEMEX from the Purchase Price determination. Citigroup also reviewed the structure and mechanics of several recent modified Dutch auction tender offers conducted by other issuers and other publicly available information. Based on that and Citigroup's experience in transactions of this type, on October 17, 2003, Citigroup orally advised CEMEX that it believed that the Offer's modified Dutch auction procedure as initially proposed facilitated a price determination for the offer that reflected the views of holders of regarding the appropriate value of the Appreciation Warrants. In particular, Citigroup noted that the transaction is a voluntary transaction that will result in sales of Appreciation Warrants by a holder only at a price at or above the price the holder is willing to sell its Appreciation Warrants as indicated by the holder pursuant to its tender.

Citigroup subsequently reviewed the structure and terms of the Global Offer as revised. Specifically, Citigroup considered the number of Appreciation Warrants held by CEMEX's subsidiaries and employee pension funds that will be tendered in the offer at the minimum purchase price of Ps5.10, the number of Appreciation Warrants held by CEMEX's executive officers and directors that will be allowed to participate in the Purchase Price determination on the same basis as unaffiliated holders and the total number of Appreciation Warrants that CEMEX is offering to purchase pursuant to the Global Offer. Citigroup orally advised CEMEX that it believes that the offer as so revised still facilitates the determination of the Purchase Price and that reflects the views of Appreciation Warrant holders regarding the appropriate value of the Appreciation Warrants. In particular, Citigroup noted that the revised Global Offer continues to be a voluntary transaction that only results in sales of Appreciation Warrants by a holder at a price

at or above the price the holder is willing to sell its Appreciation Warrants, as indicated by the holder pursuant to its tender of Appreciation Warrants.

Citigroup commented that the minimum Appreciation Warrant price proposed by CEMEX in the offer of Ps5.10 reflected recent market prices for the Appreciation Warrants. In particular, Citigroup commented that between January 1, 2003 and October 30, 2003, the Appreciation Warrants traded at prices ranging between Ps2.50 and Ps5.10 per Appreciation Warrant on the BMV.

In connection with the proposed maximum Appreciation Warrant price in the Offer of Ps8.10, Citigroup commented that it was determined by CEMEX pursuant to the Black-Scholes pricing model based on a price per ADS of \$26.20 and the assumption of a 35% volatility in the market prices for the ADSs. Based on recent market conditions, Citigroup informed CEMEX that it believed that the maximum price of Ps8.10 proposed by it was a reasonable attempt to provide a financial incentive for holders to tender Appreciation Warrants in the Global Offer.

CEMEX did not ask Citigroup to render an opinion regarding the fairness of the Global Offer. CEMEX concluded, based on an analysis of the terms of the Global Offer and the information provided by Citigroup, that the Global Offer is fair and equitable and in the best interests of CEMEX and all holders of Appreciation Warrants. Considering the foregoing factors, CEMEX did not believe it was necessary to engage Citigroup to render a fairness opinion or to provide any additional analysis in connection with the Global Offer other than as described in the Information Memorandum and in this Supplement.

Citigroup may, from time to time, engage in transactions with and perform services for CEMEX in the ordinary course of its business and may hold securities of CEMEX either for its own account or for the account of its customers.

Additional Information regarding the Transactions Prior the Offer.

Mr. Jorge García Segovia was present at the Board of Directors' meeting held on September 25, 2003, at which the Board of Directors approved the form of preliminary prospectus to be used in the Equity Offering, which stated that CEMEX intended to conduct the Global Offer, subject to the successful completion of the Equity Offering and depending on market conditions. However, as described above, as of the date of such meeting, the definitive terms and structure of the Offer had not yet been analyzed by the management of CEMEX and were not discussed with the Board of Directors at such meeting. Mr. García Segovia was not a party to any meetings or teleconferences relating to the Global Offer between September 25, 2003 and October 15, 2003. In addition, as described above, on October 1, 2003, CEMEX publicly announced its intention to use a portion of the proceeds of the Equity Offering to conduct the Global Offer, subject to market conditions.

Information about the Securities Market.

The Appreciation Warrants are listed on the BMV under the Mexican symbol "CMX412E-DC062." The ADWs are listed on the NYSE under the symbol "CX.WSB." The following table sets forth, for the periods indicated, the reported highest and lowest market quotations in nominal Pesos for Appreciation Warrants on the BMV and the high and low sales prices in Dollars for ADWs on the NYSE:

Calendar Period	Appreciation Warrants (1)		ADWs(2)	
	High	Low	High	Low
Quarterly				
2001				
Fourth quarter	Ps4.50	Ps4.00	—	—
2002				
First quarter	7.60	3.80	U.S.\$4.40	U.S.\$2.35
Second quarter	8.50	6.50	4.60	3.30
Third quarter	6.50	3.00	3.30	1.35
Fourth quarter	4.20	3.00	2.05	1.22
2003				
First quarter	4.00	2.50	1.80	0.95
Second quarter	3.80	2.50	1.65	1.00
Third quarter	5.30	3.10	2.25	1.35
Monthly				
2003				
May	3.50	2.50	1.54	1.00
June	3.80	2.80	1.60	1.30
July	3.50	2.80	1.65	1.30
August	4.20	3.10	1.80	1.35
September	4.80	4.00	2.15	1.75
October	5.30	4.35	2.25	2.10
November	6.00	4.90	2.30	2.20
December	6.90	5.10	2.70	2.05
December (through December 8, 2003)	7.00	6.70	3.00	2.65

Source: Based on data of the BMV and the NYSE.

- (1) The appreciation warrants began trading on the BMV on December 24, 2001.
- (2) The ADWs were initially listed for trading on the NYSE on December 24, 2001.

In addition, if the Appreciation Warrants are held by fewer than 300 persons following the completion of the Offer, the ADWs and Appreciation Warrants may be eligible for deregistration under the Exchange Act at CEMEX's option. However, CEMEX does not intend to take any action to terminate the registration of its ADWs and Appreciation Warrants under the Exchange Act. CEMEX also does not intend to take any action to terminate the ADW deposit agreement under which the ADWs are issued, even if Appreciation Warrants and ADWs are delisted from the NYSE following completion of the Offer.

Selected Consolidated Financial Information of CEMEX.

The financial information set forth below as of December 31, 2000, 2001 and 2002 and for each of the three years, derives from, and should be read in conjunction with and are qualified in their entirety by reference to, the consolidated financial statements (and the notes thereto) included in the Annual Report of CEMEX.

The financial information set forth below for the nine (9) months ended September 30, 2002 and 2003 derives from, and should be read in conjunction with and are qualified in their entirety by reference to, the unaudited consolidated financial statements of CEMEX. In the opinion of the management, the unaudited consolidated financial statements reflect all adjustments (consisting of normal recurring items), which are necessary to present a fair statement of the results for the interim periods. The interim results of operations for the nine (9) -month period ended September 30, 2003 are not necessarily indicative of operating results to be expected for the entire fiscal year.

The consolidated financial statements of CEMEX have been prepared in accordance with Mexican GAAP, which differs in significant respects from generally accepted accounting principles in the United States. CEMEX is required, pursuant to Mexican GAAP, to present its financial statements in constant Pesos representing the same purchasing power for each period presented. Accordingly, all financial information presented below is stated in constant Pesos as of September 30, 2003.

Under Bulletin B-15 of the Mexican Institute of Public Accountants, each time CEMEX reports results for the most recently completed period, the Pesos previously reported in prior periods should be adjusted to Pesos of constant purchasing power as of the most recent balance sheet by multiplying the previously reported Pesos by a weighted average inflation index. This index is calculated based upon the inflation rates of the countries in which we operate and the changes in the exchange rates of each of these countries, weighted according to the proportion our assets in each country represent of our total assets. The following table reflects the factors that have been used to restate the originally reported Pesos to Pesos of constant purchasing power as of September 30, 2003:

	<u>Annual Weighted Average Factor</u>	<u>Cumulative Weighted Average Factor to September 30, 2003</u>
2000	1.0236	1.1493
2001	0.9900	1.1609
2002	1.0916	1.0634

The Dollar amounts provided below are translations of constant Peso amounts at an exchange rate of Ps11.00 to U.S.\$1.00, the CEMEX accounting rate as of September 30, 2003. However, in the case of transactions conducted in Dollars, CEMEX has presented the Dollar amount of the transaction and the corresponding Peso amount that is presented in the consolidated financial statements of CEMEX. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. The noon buying rate for Pesos on September 30, 2003 was Ps11.0025 to U.S.\$1.00. From July 1, 2003 through September 30, 2003, the Peso depreciated by approximately 5.24% against the Dollar, based on the noon buying rate for Pesos.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES

Selected Consolidated Financial Information

Non Audited Financial Statements

	For the year ended December 31,			For the nine months period ended September 30,		
	2000	2001	2002	2002	2003	2003
(in millions of constant Pesos as of September 30, 2003 and Dollars except ratios and share and per share amounts)						
Income Statement Information:						
Net sales	Ps 62,140	Ps 73,695	Ps 72,223	Ps 54,334	Ps 58,171	U.S.\$ 5,288
Cost of sales(1)	(34,723)	(41,452)	(40,349)	(29,916)	(33,540)	(3,049)
Gross profit	27,417	32,243	31,873	24,418	24,631	2,239
Operating expenses	(9,132)	(14,645)	(17,408)	(12,784)	(12,548)	(1,144)
Operating income	18,285	17,598	14,465	11,634	12,047	1,095
Comprehensive financing income (cost), net(2)	(1,921)	2,816	(3,636)	(3,838)	(2,303)	(209)
Other income (expense), net	(2,591)	(4,439)	(4,297)	(3,092)	(2,911)	(265)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates	13,773	15,976	6,531	4,704	6,833	621
Minority interest	863	1,632	409	378	297	27
Majority interest net income	11,047	12,537	5,742	3,915	5,814	529
Earnings per share(3)(4)	2.67	2.94	1.28	1.77	1.64	0.15
Dividends per share(3)(5)(6)	0.69	0.75	0.76	—	—	—
Number of shares outstanding (3)(7)	4,169	4,379	4,562	4,559	4,857	4,857
Balance Sheet Information:						
Current assets	22,164	24,688	21,554	24,871	23,062	2,097
Long-term assets	152,058	148,074	154,331	154,367	155,149	14,104
Total assets	174,222	172,761	175,884	179,239	178,212	16,201
Current liabilities	43,339	24,978	32,606	39,157	30,035	2,730
Long-term liabilities	46,324	61,010	66,552	61,520	67,092	6,099
Total liabilities	89,663	85,988	99,158	100,677	97,127	8,830
Minority interest(8)	26,507	21,027	13,320	13,321	12,912	1,174
Stockholders' equity (excluding minority interest)(9)	58,052	65,747	63,406	65,241	68,173	6,198
Book value per share(3)(7)	13.92	15.02	13.89	14.31	14.04	1.28
Other Financial Information:						
Operating margin	29.4%	23.9%	20.0%	21.4%	20.7%	20.7%
EBITDA(10)	22,439	20,010	21,161	16,553	17,303	1,573
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends	4.00	4.39	5.23	5.49	5.19	5.19
Investment in property, machinery and equipment, net	4,404	5,437	4,680	3,098	2,874	261
Depreciation and amortization	5,406	8,438	8,446	6,095	6,474	589
Net resources provided by operating activities(11)	19,239	25,124	18,364	13,298	11,132	1,012
Ratio of earnings to fixed charges Under Mexican GAAP(12)	3.67	4.65	2.78	2.74	3.20	3.20
Basic earnings per CPO(3)(4)	8.03	8.81	3.83	5.31	4.92	0.45

(1) Cost of sales includes depreciation.

(2) Comprehensive financing income (cost), net, includes financial expenses, financial income, gain (loss) on marketable securities, foreign exchange result, net and monetary position result.

(3) The capital stock consists of Series A shares and Series B shares. Each of our CPOs represents two Series A shares and one Series B share. As of December 31, 2002, approximately 94.84% of our outstanding share capital was represented by CPOs.

(4) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year. Earnings per share as of September 30, 2002 and 2003 (unaudited) were calculated based on net income for the prior twelve-month periods, which amounted to Ps7,878 million and Ps7,642 million, respectively. Basic earnings per CPO is determined by multiplying the basic earnings per share for each period by three (the number of shares underlying each CPO). Basic earnings per CPO is presented solely for the convenience of the reader and does not represent a measure under Mexican GAAP.

(5) Dividends declared at each year's annual shareholders' meeting are reflected as dividends of the preceding year.

(6) In recent years, the board of directors has proposed, and the shareholders of CEMEX have approved, dividend proposals, whereby the shareholders have had a choice between stock dividends or cash dividends declared in respect of the prior year's results, with the stock issuable to shareholders who elect the stock dividend over the cash dividend being issued at a 20% discount from then current market prices. The dividends declared per share or per CPO in these years, expressed in constant Pesos as of September 30, 2003, were as follows: 2001, Ps2.08 per CPO (or Ps0.69 per share); 2002, Ps2.23 per CPO (or Ps0.75 per share); and 2003, Ps2.29 per CPO (or Ps0.76 per share). As a result of dividend elections made by shareholders, in 2001, Ps98 million in cash was paid and approximately 70 million additional CPOs were issued in respect of dividends declared for the 2000 fiscal year; in 2002, Ps248 million in cash was paid and approximately 64 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; and in 2003, Ps65 million in cash was paid and approximately 99 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year. For purposes of the table, dividends declared at each year's annual shareholders' meeting for each period are reflected as dividends for the preceding year.

(7) Based upon the total number of shares outstanding at the end of each period, expressed in millions of shares, and includes shares subject to financial derivative transactions, but does not include shares held by our subsidiaries.

(8) In connection with the preferred equity transaction relating to the financing of our acquisition of Southdown, Inc., now named CEMEX, Inc., the balance sheet item minority interest at December 31, 2002 and at September 30, 2003 includes a notional amount of U.S.\$650 million (Ps7,150 million) of preferred equity issued by CEMEX's Dutch subsidiary. In October 2003, in connection with the establishment of a new U.S.\$1.15 billion senior unsecured term loan facility by CEMEX's Dutch subsidiary, CEMEX redeemed all of the U.S.\$650 million of preferred equity outstanding. The balance sheet item minority interest at December 31, 2002 and at September 30, 2003 also includes an aggregate liquidation amount of U.S.\$66 million (Ps726 million) of 9.66% Puttable Capital Securities, which were initially issued by one of our subsidiaries in May 1998 in an aggregate liquidation amount of U.S.\$250 million. In April 2002, approximately U.S.\$184 million in aggregate liquidation amount of these capital securities were tendered to, and accepted by, us in a tender offer. In addition, minority interest net income in 2002 and in the first nine months of 2003 includes preferred dividends in the amount of approximately U.S.\$23.2 million (Ps255.2 million) and U.S.\$16.0 million (Ps176.0 million), respectively, and capital securities dividends in the amount of approximately U.S.\$ 11.9 million (Ps130.9 million) and U.S.\$4.8 million (Ps52.8 million), respectively.

(9) In December 1999, CEMEX entered into forward contracts with a number of banks covering 21,000,000 ADSs. In December 2002, CEMEX agreed with the banks to settle those forward contracts for cash and simultaneously entered into new forward contracts with the same banks on similar terms to the original forward transactions. Under the new forward contracts the banks retained the ADSs underlying the original forward contracts, which had increased to 24,008,313 ADSs as of the settlement date as a result of stock dividends and which further increased to 25,457,378 ADSs as of June 30, 2003 as a result of stock dividends through June 2003. As a result of this net settlement, CEMEX recognized in December 2002 a decrease of approximately U.S.\$98.3 million (Ps1,081 million) in our stockholders' equity, arising from changes in the valuation of the ADSs. In October 2003, in connection with the non-dilutive equity offering by the banks of all of the ADS underlying those forward contracts, CEMEX agreed with the banks to settle those forward contracts for cash. As a result of the final settlement in October 2003, CEMEX recognized an increase of approximately U.S.\$18.1 million (Ps199.1 million) in our stockholders' equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003. During the life of these forward contracts, the underlying ADSs were considered to have been owned by the banks and the forward contracts were treated as equity transactions, and, therefore, changes in the fair value of the ADSs were not recorded until settlement of the forward contracts.

(10) EBITDA equals operating income before amortization expense and depreciation. Under Mexican GAAP, amortization of goodwill is not included in operating income, but instead is recorded in other income (expense). EBITDA and the ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends are presented herein because CEMEX believes that they are widely accepted as financial indicators of the our ability to internally fund capital expenditures and service or incur debt and preferred equity. EBITDA and such ratios should not be considered as indicators of our 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 below to operating income, which CEMEX considers to be the most comparable measure as determined under Mexican GAAP. CEMEX is not required to prepare a statement of cash flows under Mexican GAAP and therefore do not have such Mexican GAAP cash flow measures to present as comparable to EBITDA.

	For the year ended December 31,			For the nine months ended September 30,		
	(in millions of constant Pesos as of September 30, 2003 and Dollars)					
	2000	2001	2002	2002	2003	2003
Reconciliation of EBITDA to operating income						
EBITDA	Ps22,439	Ps24,010	Ps21,161	Ps16,553	Ps17,303	U.S.\$1,573
Less:						
Depreciation and amortization expense	4,154	6,412	6,696	Ps4,919	Ps5,256	U.S.\$ 478
Operating Income	Ps18,285	Ps17,598	Ps14,465	Ps11,634	Ps12,047	U.S.\$1,095

(11) Net resources provided by operating activities equals majority interest net income plus items not affecting cash flow plus investment in working capital excluding effects from acquisitions. In accordance with Mexican GAAP, operating activities include gain and loss from trading in marketable securities, including realized gain or loss from trading in our capital stock.

(12) For purposes of determining the ratio of earnings to fixed charges, earnings are defined as income before income taxes plus fixed charges less capitalized interest. Fixed charges consist of interest expense (including the amortization of deferred debt issuance costs), capital securities dividends and the portion of rental expense that is representative of the interest factor.

Financial Information as of and for the Nine Months Ended September 30, 2003

For the nine months ended September 30, 2003, CEMEX had net sales of Ps58,171 million compared to Ps54,334 million for the nine months ended September 30, 2002. The cost of sales of CEMEX for the nine months ended September 30, 2003 were Ps33,540 million compared to Ps29,916 million for the same period in 2002. The gross profit of CEMEX for the nine months ended September 30, 2003 was Ps24,631 million compared to Ps24,418 million for the same period in 2002. For the nine months ended September 30, 2003, CEMEX had majority interest net income of Ps5,814 million compared to Ps3,915 million for the same period in 2002. For the nine months ended September 30, 2003, CEMEX had earnings per share of Ps1.64 compared to Ps1.77 for the same period in 2002. For the nine months ended September 30, 2003, the ratio of earnings to fixed charges of CEMEX was 3.20 compared to 2.74 for the same period in 2002.

As of September 30, 2003, CEMEX had current assets of Ps23,062 million, long-term assets of Ps155,149 million, and total assets of Ps178,212 million compared to current assets of Ps24,871 million, long term assets of Ps154,367 million, and total assets of Ps179,239 million as of September 30, 2002. As of September 30, 2003, CEMEX had current liabilities of Ps30,035 million, long-term liabilities of Ps67,092 million and total liabilities of Ps97,127 million compared to current liabilities of Ps39,157 million, long-term liabilities of Ps61,520 million and total liabilities of Ps100,677 million as of September 30, 2002. The minority interest of CEMEX as of September 30, 2003 was Ps12,912 million compared to Ps13,321 million as of September 30, 2002. The book value per share of CEMEX as of September 30, 2003 was Ps14.04 compared to Ps14.31 as of September 30, 2002.

CEMEX has extended loans to its directors and officers in the past for various amounts at market rates. During the last two years the following directors and executive officers had loans from CEMEX outstanding in excess of U.S.\$60,000, as set forth below:

Name	Maximum Amount Outstanding During Past Two Years
Rodrigo Treviño	Ps14,437,061
Francisco Garza	Ps 9,906,553
Héctor Medina	Ps 2,164,102
José Luis Sáenz de Miera	Euro 166,184



**Acciones y Valores de México,
S.A. de C.V., Casa de Bolsa,
Integrante del Grupo Financiero Banamex**

The Appreciation Warrants have been registered in the Securities Section (*Sección de Valores*) and the Special Section (*Sección Especial*) of the National Securities Registry (*Registro Nacional de Valores*) maintained by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*)

The registration with the National Securities Registry does not imply any certification as to the investment quality of the securities or the solvency of the issuer.

The Information Memorandum and this Supplement are available for the investors with the Dealer and may be reviewed at the following internet address www.bmv.com.mx

Mexico City, December 23, 2003.

CNBV Authorization No. DGE [_____-_____] dated December 23, 2003.

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**CEMEX REVISES AND EXTENDS OFFER TO PURCHASE
 APPRECIATION WARRANTS**

MONTERREY, MEXICO, December 23, 2003 – CEMEX, S.A. de C.V. (NYSE: CX) announced today that it has revised and extended its offer to purchase appreciation warrants and American Depositary Warrants (ADWs) for cash. The revised offer and withdrawal rights will now expire at 4:15 p.m., New York City time, on January 26, 2004, unless CEMEX extends the offer further. CEMEX today commenced distributing the revised tender offer materials to holders of appreciation warrants and ADWs.

As previously announced, the revised offer is an offer to purchase up to 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), which represent approximately 86.73% of the outstanding appreciation warrants (or the sum of 80% of the outstanding appreciation warrants not already owned by, or controlled by, CEMEX and its subsidiaries plus the approximately 34.9 million appreciation warrants owned or controlled by CEMEX and its subsidiaries). Holders of appreciation warrants and ADWs who wish to tender their securities are required to specify the price at which they wish to tender, which should be in Mexican Pesos and not greater than MXP 8.10 per appreciation warrant (US\$ equivalent of MXP 40.50 per ADW, since each ADW represents five appreciation warrants) and not less than MXP 5.10 per appreciation warrant (US\$ equivalent of MXP 25.50 per ADW).

When the offer expires, CEMEX will determine the lowest purchase price (the “selected purchase price”) that will allow it to purchase 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), or such lesser number as are validly tendered and not withdrawn at prices not greater than MXP 8.10 per appreciation warrant (US\$ equivalent of MXP 40.50 per ADW) and not less than MXP 5.10 per appreciation warrant (US\$ equivalent of MXP 25.50 per ADW). If more than 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) are tendered at or below the selected purchase price, purchases of those appreciation warrants and ADWs generally will be made on a pro rata basis.

CEMEX intends to tender all of the approximately 34.9 million appreciation warrants (including appreciation warrants represented by ADWs) owned or controlled by it and its subsidiaries at the minimum price of MXP 5.10 per appreciation warrant (US\$ equivalent of MXP 25.50 per ADW).

Based on preliminary counts, as of 5:00 p.m., New York City time, on December 22, 2003, no appreciation warrants and approximately 3,208,590 ADWs had been tendered in the offer.

All appreciation warrants and ADWs previously tendered in the offer will be deemed to have been tendered upon the revised terms of the offer. Holders of appreciation warrants and ADWs who previously tendered their securities in the offer and who do not wish to tender their securities under the revised terms of the offer will need to withdraw the securities previously tendered prior to the expiration date of the revised offer. Holders of appreciation warrants and ADWs who previously tendered their securities in the offer and who wish to revise the terms of their tender, will need to withdraw the securities previously tendered and re-submit their revised tender prior to the expiration date of the revised offer.

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any appreciation warrants or ADWs. The revised offer outside of Mexico is being made solely by the Revised Offer to Purchase dated December 23, 2003 and the related Letter of Transmittal that is being distributed to holders. Investors are urged to read the Tender Offer Statement on Schedule TO, as amended, that has been filed with the U.S. Securities and Exchange Commission (SEC) in connection with the revised offer, as well as any further amendments or supplements to the Statement when they become available, because they contain important information. Each of these documents will be filed with the SEC, and investors may obtain them for free from the SEC at the SEC’s website (www.sec.gov) or from Global Bondholder Services Corporation, the information agent for the offer outside of Mexico, by directing such request to: Global Bondholder Services Corporation, 65 Broadway, Suite 704, New York, NY, 10006, Attention: Corporate Actions, telephone (866) 470-4100. The revised offer in Mexico is being made solely by the Mexican information memorandum, a supplement thereto and the *Carta de Aceptación* contemplated therein. The information memorandum and the supplement are available at the website of the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) (www.bmv.com.mx).

Citigroup Global Markets Inc. is acting as dealer-manager for the U.S. and international portions of the offer. Additional information concerning the terms of the U.S. and international portions of the offer may be obtained by contacting the information agent or Citigroup Global Markets Inc. at (212) 816-6849. Acciones y Valores de Mexico, S.A. de C.V. is acting as dealer-manager of the offer in Mexico.

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