

Edgar Filing: CEMEX SA DE CV - Form 11-K

CEMEX SA DE CV
Form 11-K
June 30, 2003

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

/X/ Annual report pursuant to Section 15(d) of the Securities
Exchange Act of 1934
(No fee required, effective October 7, 1996)

For the fiscal year ended December 30, 2002

Or

/ / Transition report pursuant to Section 15(d) of the Securities
Exchange Act of 1934
(No fee required)

For the transition period from _____ to _____

Commission file number 1-14946

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

CEMEX, Inc. Savings Plan
c/o CEMEX, Inc.
1200 Smith Street
Suite 2400
Houston, Texas 77002

B. Name of issuer of the securities held pursuant to the plan and
the address of its principal executive office:

CEMEX, S.A. de C.V.
Av. Ricardo Margain Zozaya #325
Colonia del Valle Campestre
Garza Garcia, Nuevo Leon
Mexico 66220

=====

CEMEX, INC. SAVINGS PLAN

Financial Statements and
Supplemental Schedules

Edgar Filing: CEMEX SA DE CV - Form 11-K

December 30, 2002 and 2001
(With Independent Auditors' Report Thereon)

CEMEX, INC. SAVINGS PLAN

Table of Contents

	Page

Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits - December 30, 2002 and 2001	2
Statement of Changes in Net Assets Available for Benefits - Year Ended December 30, 2002	3
Notes to Financial Statements	4
Supplemental Schedules:	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) - December 30, 2002	9
Schedule H, Line 4(j) - Schedule of Reportable Transactions - Year Ended December 30, 2002	10

The following schedules required by the Department of Labor's Rules and Regulations are omitted because of the absence of conditions under which they are required:

- Schedule H, Line 4(i) - Schedule of Assets (Acquired and Disposed of Within the Plan Year)
- Schedule G, Part I - Schedule of Loans on Fixed Income Obligations in Default or Classified as Uncollectible
- Schedule G, Part II - Schedule of Leases in Default or Classified as Uncollectible
- Schedule G, Part III - Nonexempt Transactions

INDEPENDENT AUDITORS' REPORT

Participants and Administrator of
CEMEX, Inc. Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the CEMEX, Inc. Savings Plan (the Plan) as of December 30, 2002 and 2001, and the related statement of changes in net assets available for benefits for the year ended December 30, 2002. These financial statements are

Edgar Filing: CEMEX SA DE CV - Form 11-K

the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 30, 2002 and 2001, and the changes in net assets available for benefits for the year ended December 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for 2002 and, in our opinion, are fairly stated in all material respects in relation to the 2002 financial statements taken as a whole.

/s/ Mir Fox & Rodriguez

Houston, Texas
June 23, 2003

1

CEMEX, INC. SAVINGS PLAN

Statements of Net Assets Available for Benefits December 30, 2002 and 2001

Assets	2002	2001
Investments, at fair value:		
Mutual funds	\$ 113,675,481	35,810,851
Common collective trust fund	50,009,886	6,239,873
Common stock	7,826,770	
Participant loans	12,092,122	3,019,785
	-----	-----
Total investments	183,604,259	45,070,509

Edgar Filing: CEMEX SA DE CV - Form 11-K

Cash and cash equivalents	637,115	45,248
Accounts receivable	205,692	9,743
	-----	-----
Total assets	184,447,066	45,125,500
	-----	-----
Liabilities		
Trades payable	755,509	
Accounts payable	41,180	4,574
	-----	-----
Total liabilities	796,689	4,574
	-----	-----
Net assets available for benefits	\$ 183,650,377	45,120,926
	=====	=====

See accompanying notes to financial statements.

2

CEMEX, INC. SAVINGS PLAN

Statement of Changes in Net Assets Available for Benefits
Year Ended December 30, 2002

Additions to net assets:		
Participant contributions	\$	12,439,943
Employer contributions		6,509,568
Transfer in from qualified plan		155,054,504
Rollover contributions		441,619
Investment income		6,880,607

Total additions to net assets		181,326,241

Deductions from net assets:		
Net depreciation in fair value of mutual funds		20,327,899
Net depreciation in fair value of common stock		1,480,571
Benefits paid to participants		20,906,206
Administrative fees and expenses		82,114

Total deductions from net assets		42,796,790

Net increase in net assets available for benefits		138,529,451
Net assets available for benefits:		
Beginning of year		45,120,926

End of year

\$ 183,650,377

=====

See accompanying notes to financial statements.

3

CEMEX, INC. SAVINGS PLAN

Notes to Financial Statements
December 30, 2002 and 2001

1. Plan Description

General

The Cemex USA Management, Inc. Savings Plan was adopted effective April 1, 1991 for the benefit of the employees of Cemex Management, Inc. (formerly known as Cemex USA Management, Inc.) and its affiliated companies. Effective January 1, 2001, CEMEX, Inc. (Employer) assumed sponsorship of Cemex USA Management, Inc. Savings Plan and changed the plan's name to CEMEX, Inc. Savings Plan (the Plan). Effective December 31, 2001, the Southdown, Inc. Retirement Savings Plan was merged into the Plan resulting in a transfer into the Plan of net assets of \$155,054,504.

The Plan is intended to qualify under section 401(a) of the Internal Revenue Code (IRC) as a profit sharing plan with a 401(k) feature. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Participants should refer to the amended and restated Plan Agreement for a complete description of the Plan's provisions.

Eligibility

Effective April 1, 2002, non-union employees of CEMEX, Inc. and its affiliated companies that have adopted the Plan (Non-Union Employees) are eligible to participate in the Plan beginning on the first day of the calendar quarter following the Employee's date of hire. Prior to April 1, 2002, entry dates into the Plan for Employees were the January 1 or July 1 which coincided with or next followed the date the Employee completed 500 hours of service during any two consecutive quarters.

Hourly paid employees of CEMEX Kosmos Cement Co. at its Louisville Cement Plant, who are covered under the Plan pursuant to the provisions of a collective bargaining agreement (Louisville Employees), are eligible to participate in the Plan on the first day of the month following completion of 90 days of employment.

Hourly paid employees of Sunbelt Cement, Inc. at its Balcones Cement Plant, who are covered under the Plan pursuant to the provisions of a collective bargaining agreement (Balcones Employees), are eligible to

Edgar Filing: CEMEX SA DE CV - Form 11-K

participate in the Plan beginning on the January 1 or July 1 which coincides with or next follows the date following completion of 500 hours of service during any two consecutive calendar quarters.

Contributions

Contributions into the Plan are as follows:

- o Non-Union Employees may make voluntary contributions of up to 18% of eligible compensation on a before-tax basis and an additional 18% of eligible compensation on an after-tax basis. The Employer makes matching contributions equal to 75% of the participant's before-tax contributions which do not exceed 6% of his or her eligible compensation.
- o Louisville Employees may make voluntary contributions of up to 16% of eligible compensation on a before-tax basis. After-tax contributions may be made as long as the total participant's contributions do not exceed 16% of his or her eligible compensation. Effective March 1, 2003, voluntary contributions can be up to 18% of eligible compensation. The Employer makes matching contributions equal to 50% of the participant's combined before-tax and after-tax contributions which do not exceed 6% of his or her eligible compensation.

4

- o Balcones Employees may make voluntary contributions of up to 15% of eligible compensation on a before-tax basis. Effective March 1, 2003, voluntary contributions can be up to 16% of eligible compensation. Balcones Employees are not allowed to make after-tax contributions. The Employer makes matching contributions equal to 55% of the participant's before-tax contributions which do not exceed 6% of the first \$65,000 of the participant's annual eligible compensation. Effective March 1, 2003, the Employer matching contribution was changed to 75% of the participant's before-tax contributions which do not exceed 6% of his or her eligible compensation.

The Employer contributions are in the form of American Depository Shares representing common stock of CEMEX, S.A. de C.V. (CEMEX stock). A participant may, at any time after the CEMEX stock is credited to his or her account, make a diversification election and exercise investment discretion with respect to the Employer matching contribution. The Employer may make additional minimum contributions in accordance with the provisions of the Plan Agreement.

Effective January 1, 2002, participants who are or will attain age 50 years old or older before the close of the Plan's year, are eligible to make a catch-up contribution in accordance with section 414(v) of the IRC. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their participant contributions in the investment options listed in note 3.

Participant accounts

Separate accounts are maintained for each participant. Participant accounts are credited with the participant's contribution and

Edgar Filing: CEMEX SA DE CV - Form 11-K

allocations of the Employer's contributions and Plan earnings. Allocations are based on each participant's earnings or account balance, as defined in the Plan Agreement. Each participant is entitled to the benefit that can be provided from the participant's vested account. Forfeitures are used to restore forfeited amounts for participants who have previously terminated but qualify for restoration under the terms of the Plan Agreement.

Vesting

Participants are immediately vested in their employee and rollover contributions plus actual earnings thereon. Vesting in the Employers' matching and discretionary minimum contribution portion of their accounts plus earnings thereon is based on years of continuous service as follows:

Completed Years of Active Service	Vesting %
-----	-----
Less than one year	0%
One year but less than two years	20%
Two years but less than three years	40%
Three years but less than four years	60%
Four years but less than five years	80%
Five years or more	100%

5

Each participant who was first employed by Southdown, Inc. prior to January 1, 2000 and all Louisville Employees are fully vested in their entire account balance. Each participant who was first employed by Southdown, Inc. on or after January 1, 2000 is fully vested in his or her "Prior Plan Matching Account" under the Southdown, Inc. Retirement Savings Plan. Each participant who was first employed by Southdown, Inc. between January 1, 2000 and December 31, 2001 and who also terminated employment during such period, will have his or her vested interest in the Employer matching and discretionary contributions determined as follows:

Completed Years of Active Service	Vesting %
-----	-----
Less than five years	0%
Five years or more	100%

Benefit payments

Benefits are payable from participant account balances, subject to certain restrictions, upon termination of employment, retirement, reaching the age of 59 1/2, or by incurring a disability or financial hardship, as defined in the Plan Agreement. Participants elect the method of distribution which may be either in the form of a direct rollover to an eligible retirement plan, lump sum payment or, if in excess of \$5,000, payment over a period of time not to exceed the shorter of 10 years or certain life expectancies as defined in the Plan Agreement. Participants may elect that their portion of account balances invested in full shares of CEMEX stock or Crane Company common stock be distributed in-kind. Benefits are recorded when paid.

Participant loans

Edgar Filing: CEMEX SA DE CV - Form 11-K

A participant may obtain a loan from his or her separate account balance. Each loan is evidenced by a promissory note and may not be less than \$1,000. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with commercial prevailing rates as determined by the Administrator. Provisions of the Plan require the aggregate of each loan outstanding not to exceed the lesser of \$50,000 or 50% of the participant's vested account balance. Repayment terms for loans are not to exceed five years and principal and interest is paid ratably through monthly payroll deductions.

Plan termination -----

Although no interest has been expressed, CEMEX, Inc. has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested in their accounts.

2. Significant Accounting Policies

Basis of presentation -----

The financial statements have been prepared on an accrual basis and present the net assets available for plan benefits and changes in those net assets in accordance with accounting principles generally accepted in the United States of America.

6

Use of estimates -----

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition -----

The mutual funds, common collective trust fund and common stock are stated at fair value based on quoted market prices as of the date of the financial statements. Participant loans are stated at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative expenses -----

Asset management fees are paid by the Plan, loan fees are paid by the borrowing participant, and all other administrative costs are paid by the Employer.

Reclassifications -----

Edgar Filing: CEMEX SA DE CV - Form 11-K

Certain amounts in 2001 have been reclassified to conform to current year presentation.

3. Investments

As of December 30, 2002 and 2001, the Plan's investments were as follows:

		2002 ----
Stable Value Fund	\$	50,009,886
Washington Mutual Investors Fund		28,584,245
Bond Fund of America		27,724,037
MFS Research Fund		15,382,673
Templeton Foreign Fund		12,097,655
Franklin Balance Sheet Investment Fund		9,617,994
CEMEX stock (only offered during 2002)		7,631,885
Franklin Real Estate Securities Fund		6,494,732
Putnam New Opportunities Fund		4,012,619
AIM Constellation Fund		3,535,507
Pilgrim International Small Cap Growth Fund		3,202,587
Franklin Small Mid-Cap Growth Fund		1,804,370
Templeton Developing Markets Fund		1,178,971
Crane Company common stock (only offered during 2002)		194,886
Alliance Capital Reserve Account (only offered during 2002)		40,090
Participant loans		12,092,122
	\$	183,604,259
		=====

Investments with a fair value that exceeds \$9,182,519 at December 30, 2002 and \$2,256,047 at December 30, 2001 represent 5 percent or more of Plan net assets.

7

4. Significant Concentrations of Credit Risk

The Plan's cash in bank operating and trust accounts in excess of the Federal Deposit Insurance Corporation insurance limit was \$1,614,827 and \$215,864 as of December 30, 2002 and 2001, respectively. The Plan's credit risk is mitigated by the financial strength of the banking institution in which the deposits are held.

5. Federal Income Tax Status

The Plan obtained its latest determination letter on November 20, 2002 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan's management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan's management believes that the related trust is tax-exempt and accordingly, no provision for Federal income taxes has been included in the Plan's financial statements.

6. Risks and Uncertainties

Edgar Filing: CEMEX SA DE CV - Form 11-K

The Plan provides for investment in various mutual funds, common collective trust funds and common stock. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

7. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2002	2001
Net assets available for benefits per the financial statements	\$ 183,650,377	45,120,926
Benefits payable	(8,867)	
Net assets available for benefits per the Form 5500	\$ 183,641,510	45,120,926

The following is a reconciliation of benefits paid to participants per the 2002 financial statements to the Form 5500:

Benefits paid to participants per the financial statements	\$	20,906,206
Add: Amounts payable at December 30, 2002		8,867
Less: Amounts payable at December 30, 2001		-
Benefits paid to participants per the Form 5500	\$	20,915,073

8

CEMEX, INC. SAVINGS PLAN

Schedule of Assets (Held at End of Year) December 30, 2002

(a)	(b) Identity of issue, borrower, lessor, or similar party	Description of i rate of interest,
	INVESCO Trust Company	Stable Value Fund; 50,00
	Washington Mutual	Washington Mutual Invest
	American Funds	Bond Fund of America; 2,
	MFS Fund Distributors, Inc.	MFS Research Fund; 1,089
	Franklin Templeton Investor Services, Inc.	Templeton Foreign Fund;
	Franklin Templeton Investor Services, Inc.	Franklin Balance Sheet I
*	CEMEX, S.A. de S.V.	American Depository Shar
	Franklin Templeton Investor Services, Inc.	Franklin Real Estate Sec
	Putnam Investments	Putnam New Opportunities
	AIM Family of Funds	AIM Constellation Fund;
	ING Pilgrim Group	Pilgrim International Sm
	Franklin Templeton Investor Services, Inc.	Franklin Small Mid-Cap G
	Franklin Templeton Investor Services, Inc.	Templeton Developing Mar
	Crane Company	Common stock; 9,744 shar
	Pershing	Alliance Capital Reserve

Edgar Filing: CEMEX SA DE CV - Form 11-K

* Participant loans 5.00% to 10.84%; 1-5 year

* Party-in-interest

(table continued)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(e) Current value
	-----	-----
	INVESCO Trust Company	\$ 50,009,8
	Washington Mutual	28,584,2
	American Funds	27,724,0
	MFS Fund Distributors, Inc.	15,382,6
	Franklin Templeton Investor Services, Inc.	12,097,6
	Franklin Templeton Investor Services, Inc.	9,617,9
*	CEMEX, S.A. de S.V.	7,631,8
	Franklin Templeton Investor Services, Inc.	6,494,7
	Putnam Investments	4,012,6
	AIM Family of Funds	3,535,5
	ING Pilgrim Group	3,202,5
	Franklin Templeton Investor Services, Inc.	1,804,3
	Franklin Templeton Investor Services, Inc.	1,178,9
	Crane Company	194,
	Pershing	40
*	Participant loans	12,092,1

		\$ 183,604,25
		=====
*	Party-in-interest	

CEMEX, INC. SAVINGS PLAN

Schedule of Reportable Transactions
Cumulative Transactions by Issue
Year Ended December 30, 2002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price
-----	-----	-----
CEMEX, S.A. de S.V.	American Depository Shares	\$ 6,469,478

Edgar Filing: CEMEX SA DE CV - Form 11-K

(table continued)

(a) Identity of party involved	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date
CEMEX, S.A. de S.V.	n/a	6,469,478	6,469,478

10

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

CEMEX, INC. SAVINGS PLAN

By: /s/ Andrew M. Miller

Name: Andrew M. Miller
Title: Chairman of Administrative Committee

Date: June 30, 2003

EXHIBIT INDEX

Exhibit No.	Description
1.	Certification of Plan Administrator of the CEMEX, Inc. Savings Plan pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
2.	Consent of Mir Fox & Rodriguez, P.C. to the incorporation by reference into the Registration Statement on Form S-8 (File No. 333-83962) of CEMEX, S.A. de C.V. of its report, dated June 23, 2003, with respect to the audited financial statements of the CEMEX, Inc. Savings Plan as of December 30, 2002.

EXHIBIT 1

Certification of Plan Administrator
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 11-K of the CEMEX, Inc. Savings Plan (the "Plan") for the year ended December 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Andrew M. Miller, as Chairman of the Administrative Committee of the Plan, hereby certifies, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan.

/s/ Andrew M. Miller

Name: Andrew M. Miller
Title: Chairman of Administrative
Committee

Date: June 30, 2003

This certification accompanies the Report pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Plan for purposes of ss.18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Plan and will be retained by the Plan and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 2

CONSENT OF INDEPENDENT AUDITORS

As independent auditors, we hereby consent to the incorporation by reference of our report dated June 23, 2003, included in this Form 11-K, into the previously filed registration statement of CEMEX, Inc. Savings Plan, on Form S-8 (File No. 333-83962).

/s/ Mir Fox & Rodriguez

Houston, Texas
June 30, 2003

