

GRUPO MEXICO
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-04	Q2-03	Variance	2004	2003	Variance
Income Statement						
Net Sales	995,266	590,944	404,322	1,868,499	1,130,171	738,328
Cost of Sales	522,841	405,640	117,201	962,897	801,449	161,448
Gross Profit	472,425	185,304	287,121	905,602	328,722	576,880
Gross Margin	47%	31%		48%	29%	
Administrative expenses	26,675	31,335	(4,660)	56,687	58,134	(1,447)
EBITDA	445,750	153,969	291,781	848,915	270,588	578,327
Depreciation and Amortization	68,706	71,435	(2,729)	138,833	143,387	(4,554)
Operating Income	377,044	82,534	294,510	710,082	127,201	582,881
Operating Margin	38%	14%		38%	11%	
Financial Cost	56,625	58,642	(2,017)	112,553	118,666	(6,113)
Earned Interest	(10,907)	(3,756)	(7,151)	(15,210)	(13,619)	(1,591)
Others Net Income	(37,677)	24,099	(61,776)	(37,729)	16,765	(54,494)
Earnings before Tax	369,003	3,549	365,454	650,468	5,389	645,079
Taxes	104,817	48,849	55,968	170,761	66,911	103,850
Minority Interest	66,693	18,219	48,474	116,575	32,307	84,268
Profit before Extraordinary loss	197,493	(63,519)	261,012	363,132	(93,829)	456,961
Extraordinary loss	-	-	-	-	-	-
Profit before Special Item	197,493	(63,519)	261,012	363,132	(93,829)	456,961
Special Item	-	-	-	-	-	-
Net Profit	197,493	(63,519)	261,012	363,132	(93,829)	456,961
Balance Sheet						
Cash and Marketable Securities	671,801	416,498	255,303	671,801	416,498	255,303
Notes and Accounts receivable	378,574	222,115	156,459	378,574	222,115	156,459
Inventories	565,622	478,053	87,569	565,622	478,053	87,569
Prepaid expenses and others	117,809	140,733	(22,924)	117,809	140,733	(22,924)
Total Current Assets	1,733,806	1,257,399	476,407	1,733,806	1,257,399	476,407
Property, Plant and Equipment Net	4,780,324	4,930,579	(150,255)	4,780,324	4,930,579	(150,255)
Other Long term Assets	329,259	132,606	196,653	329,259	132,606	196,653
Total Assets	6,843,389	6,320,584	522,805	6,843,389	6,320,584	522,805
Liabilities and Investments						
Short Term Bank Debt	154,770	544,840	(390,070)	154,770	544,840	(390,070)
Accumulated Liabilities	642,465	683,668	(41,203)	642,465	683,668	(41,203)
Current Liabilities	797,235	1,228,508	(431,273)	797,235	1,228,508	(431,273)
Long Term Debt	2,568,910	2,464,427	104,483	2,568,910	2,464,427	104,483
Other Long Term Liabilities	838,867	669,028	169,839	838,867	669,028	169,839
Minority Interest	883,595	774,703	108,892	883,595	774,703	108,892
Total Liabilities	5,088,607	5,136,666	(48,059)	5,088,607	5,136,666	(48,059)
Stockholders Equity	2,007,288	1,758,537	248,751	2,007,288	1,758,537	248,751
Other equity accounts	(295,898)	(271,365)	(24,533)	(295,898)	(271,365)	(24,533)
Retained Earnings	43,392	(303,254)	346,646	43,392	(303,254)	346,646
Total Stockholders' equity	1,754,782	1,183,918	570,864	1,754,782	1,183,918	570,864
Total liabilities and stockholders' equity	6,843,389	6,320,584	522,805	6,843,389	6,320,584	522,805
Cash Flow						
Net Income for the year	197,493	(63,519)	261,012	363,132	(93,829)	456,961
Depreciation and Amortization	68,706	70,106	(1,400)	138,833	140,729	(1,896)
Deferred Income Taxes & employee profit sharing	20,407	(7,389)	27,796	21,985	(18,044)	40,029
Others Net	59,492	40,379	19,113	107,972	17,170	90,802
Trade Receivable	(1,139)	3,935	(5,074)	(89,014)	(15,727)	(73,287)
Other accounts receivable	15,548	(35,077)	50,625	5,716	73,129	(67,413)
Inventories	(31,831)	(44,339)	12,508	(86,809)	4,085	(90,894)
Other Assets	14,750	9,717	5,033	12,676	46,728	(34,052)
Accounts payable & accrued liabilities	49,521	173,974	(124,453)	74,170	(171,851)	246,021
Net cash provide by operating activities	392,947	147,787	245,160	548,661	(17,610)	566,271
Add property & equipment less retirements	(86,161)	(53,052)	(33,109)	(164,749)	(96,978)	(67,771)
Net cash used in investing activities	(86,161)	(53,052)	(33,109)	(164,749)	(96,978)	(67,771)
Financing	(3,899)	88,147	(92,046)	91,832	600,384	(508,552)
Amortization	(199,150)	(30,872)	(168,278)	(334,400)	(555,628)	221,228
Dividends paid	(36,843)	(16,642)	(20,201)	(36,843)	(16,642)	(20,201)
Capital Reimbursement	-	(71,886)	71,886	-	(71,886)	71,886
Net cash used in financing activities	(239,892)	(31,253)	(208,639)	(279,411)	(43,772)	(235,639)
Effect of exchange rate changes on cash	20,088	1,503	18,585	11,120	18,566	(7,446)
Net increase(decrease) cash & marketable secur.	86,982	64,985	21,997	115,621	(139,794)	255,415
Cash & Marketable securities at begin yr.	584,819	351,513	233,306	556,180	540,561	15,619
Cash & Marketable securities at yr. end	671,801	416,498	255,303	671,801	416,498	255,303

AMERICAS MINNING CORPORATION (AMC)
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-04	Q2-03	Variance	2004	2003	Variance
Income Statement						
Net Sales	834,013	434,310	399,703	1,563,916	847,855	716,061
Cost of Sales	423,509	315,592	107,917	781,619	635,938	145,681
Gross Profit	410,504	118,718	291,786	782,297	211,917	570,380
Gross Margin	49%	27%		50%	25%	
Administrative expenses	24,884	24,799	85	47,074	44,806	2,268
EBITDA	385,620	93,919	291,701	735,223	167,111	568,112
Depreciation and Amortization	53,196	52,165	1,031	106,432	104,791	1,641
Operating Income	332,424	41,754	290,670	628,791	62,320	566,471
Operating Margin	40%	10%		40%	7%	
Financial Cost	47,896	45,657	2,239	90,595	96,250	(5,655)
Earned Interest	(8,495)	(1,687)	(6,808)	(12,464)	(5,875)	(6,589)
Others Net Income	(35,049)	24,514	(59,563)	(29,181)	12,056	(41,237)
Earnings before Tax	328,072	(26,730)	354,802	579,841	(40,111)	619,952
Taxes	89,532	35,549	53,983	147,601	49,885	97,716
Minority Interest	61,886	10,795	51,091	107,651	20,773	86,878
Profit before Extraordinary loss	176,654	(73,074)	249,728	324,589	(110,769)	435,358
Extraordinary gain	-	-	-	-	-	-
Profit before Special Item	176,654	(73,074)	249,728	324,589	(110,769)	435,358
Special Item	-	-	-	-	838	104
Net Profit	176,654	(73,074)	249,728	324,589	(111,607)	435,254
Balance Sheet						
Cash and Marketable Securities	502,697	341,471	161,226	502,697	341,471	161,226
Notes and Accounts receivable	256,128	125,453	130,675	256,128	125,453	130,675
Inventories	485,230	419,776	65,454	485,230	419,776	65,454
Prepaid expenses and others	175,623	155,909	19,714	175,623	155,909	19,714
Total Current Assets	1,419,678	1,042,609	377,069	1,419,678	1,042,609	377,069
Property, Plant and Equipment Net	4,095,215	4,178,346	(83,131)	4,095,215	4,178,346	(83,131)
Other Long term Assets	316,109	177,015	139,094	316,109	177,015	139,094
Total Assets	5,831,002	5,397,970	433,032	5,831,002	5,397,970	433,032
Liabilities and Investments	-	-	-	-	-	-
Short Term Bank Debt	128,906	281,213	(152,307)	128,906	281,213	(152,307)
Accumulated Liabilities	680,305	567,498	112,807	680,305	567,498	112,807
Current Liabilities	809,211	848,711	(39,500)	809,211	848,711	(39,500)
Long Term Debt	2,084,710	2,125,439	(40,729)	2,084,710	2,125,439	(40,729)
Other Long Term Liabilities	944,333	824,047	120,286	944,333	824,047	120,286
Minority Interest	776,285	674,566	101,719	776,285	674,566	101,719
Total Liabilities	4,614,539	4,472,763	141,776	4,614,539	4,472,763	141,776
Stockholders Equity	1,334,574	1,334,545	29	1,334,574	1,334,545	29
Other equity accounts	(206,891)	(215,412)	8,521	(206,891)	(215,412)	8,521
Retained Earnings	88,780	(193,926)	282,706	88,780	(193,926)	282,706
Total Stockholders' equity	1,216,463	925,207	291,256	1,216,463	925,207	291,256
Total liabilities and stockholders' equity	5,831,002	5,397,970	433,032	5,831,002	5,397,970	433,032
Cash Flow						
Net Income for the year	176,654	(73,075)	249,729	324,589	(111,607)	436,196
Depreciation and Amortization	53,196	52,165	1,031	106,432	104,791	1,641
Deferred Income Taxes & employee profit sharing	14,310	18,003	(3,693)	15,841	16,828	(987)
Others Net	19,406	(3,316)	22,722	65,312	(18,350)	83,662
Trade Receivable	8,892	15,391	(6,499)	(66,779)	(2,762)	(64,017)
Other accounts receivable	(8,801)	(89,098)	80,297	(17,185)	(65,934)	48,749
Inventories	(2,179)	(15,845)	13,666	(58,040)	10,628	(68,668)
Other Assets	11,349	37,505	(26,156)	18,950	33,546	(14,596)
Accounts payable & accrued liabilities	79,943	37,995	41,948	114,536	47,560	66,976
Net cash provide by operating activities	352,770	(20,275)	373,045	503,656	14,700	488,956
Add property & equipment less retirements	(63,270)	(15,081)	(48,189)	(140,806)	(45,442)	(95,364)
Net cash used in investing activities	(63,270)	(15,081)	(48,189)	(140,806)	(45,442)	(95,364)
Financing	(43)	99,485	(99,528)	-	412,045	(412,045)
Amortization	(193,465)	(2,183)	(191,282)	(203,947)	(554,548)	350,601
Dividends paid	(22,725)	(435)	(22,290)	(37,799)	(1,284)	(36,515)
Others	10,660	-	10,660	10,660	231,951	(231,951)
Increase of capital	-	-	-	-	-	-
Investment in share	-	-	-	-	-	-
Net cash used in financing activities	(205,573)	96,867	(302,440)	(231,086)	88,164	(319,250)
Effect of exchange rate changes on cash	(532)	2,689	(3,221)	(589)	5,541	(6,130)
Net increase(decrease) cash & marketable secur.	83,395	64,200	19,195	131,175	62,963	68,212
Cash & Marketable securities at begin yr.	419,302	277,271	142,031	371,522	278,508	93,014
Cash & Marketable securities at yr. end	502,697	341,471	161,226	502,697	341,471	161,226

MINERA MEXICO
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-04	Q2-03	Variance	2004	2003	Variance
Income Statement						
Net Sales	333,212	183,346	149,866	661,669	330,639	331,030
Cost of Sales	151,497	140,540	10,957	303,560	247,812	55,748
Gross Profit	181,715	42,806	138,909	358,109	82,827	275,282
Gross Margin	55%	23%		54%	25%	
Administrative expenses	10,127	10,913	-786	19,670	18,775	895
EBITDA	171,588	31,893	139,695	338,439	64,052	274,387
Depreciation and Amortization	29,085	27,092	1,993	57,623	56,202	1,421
Operating Income	142,503	4,801	137,702	280,816	7,850	272,966
Operating Margin	43%	3%		42%	2%	
Financial Cost	26,624	26,570	54	52,908	51,626	1,282
Earned Interest	(1,167)	(479)	(688)	(1,424)	(895)	(529)
Others Net Income	(29,215)	5,895	(35,110)	(26,305)	(3,740)	(22,565)
Earnings before Tax	146,261	(27,185)	173,446	255,637	(39,141)	294,778
Taxes	24,588	23,199	1,389	34,674	24,805	9,869
Minority Interest	3,024	467	2,557	6,046	1,000	5,046
Profit before Extraordinary loss	118,649	(50,851)	169,500	214,917	(64,946)	279,863
Extraordinary gain	-	-	-	-	-	-
Profit before Special Item	118,649	(50,851)	169,500	214,917	(64,946)	279,863
Special Item	-	-	-	-	-	-
Net Profit	118,649	(50,851)	169,500	214,917	(64,946)	279,863
Balance Sheet						
Cash and Marketable Securities	123,047	91,478	31,569	123,047	91,478	31,569
Notes and Accounts receivable	78,247	52,598	25,649	78,247	52,598	25,649
Inventories	269,735	241,098	28,637	269,735	241,098	28,637
Prepaid expenses and others	69,764	120,728	(50,964)	69,764	120,728	(50,964)
Total Current Assets	540,793	505,902	34,891	540,793	505,902	34,891
Property, Plant and Equipment Net	2,096,275	2,127,353	(31,078)	2,096,275	2,127,353	(31,078)
Other Long term Assets	46,512	44,482	2,030	46,512	44,482	2,030
Total Assets	2,683,580	2,677,737	5,843	2,683,580	2,677,737	5,843
Liabilities and Investments						
Short Term Bank Debt	73,280	13,652	59,628	73,280	13,652	59,628
Accumulated Liabilities	179,589	260,602	(81,013)	179,589	260,602	(81,013)
Current Liabilities	252,869	274,254	(21,385)	252,869	274,254	(21,385)
Long Term Debt	1,188,226	1,381,562	(193,336)	1,188,226	1,381,562	(193,336)
Other Long Term Liabilities	240,613	235,487	5,126	240,613	235,487	5,126
Minority Interest	80,816	72,305	8,511	80,816	72,305	8,511
Total Liabilities	1,762,524	1,963,608	(201,084)	1,762,524	1,963,608	(201,084)
Stockholders Equity						
Other equity accounts	(88,002)	(72,586)	(15,416)	(88,002)	(72,586)	(15,416)
Retained Earnings	472,968	250,625	222,343	472,968	250,625	222,343
Total Stockholders' equity	921,056	714,129	206,927	921,056	714,129	206,927
Total liabilities and stockholders' equity	2,683,580	2,677,737	5,843	2,683,580	2,677,737	5,843
Cash Flow						
Net Income for the year	118,649	(50,851)	169,500	214,917	(64,946)	279,863
Depreciation and Amortization	29,084	26,383	2,701	57,623	56,202	1,421
Deferred Income Taxes & employee profit sharing	14,310	18,285	(3,975)	15,841	13,666	2,175
Others Net	(3,275)	9,631	(12,906)	4,177	(3,144)	7,321
Trade Receivable	20,981	8,505	12,476	9,422	11,805	(2,383)
Other accounts receivable	3,939	(15,203)	19,142	7,016	(23,331)	30,347
Inventories	(30,849)	(11,710)	(19,139)	(32,758)	(3,277)	(29,481)
Other Assets	(7,381)	981	(8,362)	(7,249)	(8,083)	834
Accounts payable & accrued liabilities	3,793	(96,891)	100,684	(9,921)	(112,333)	102,412
Net cash provide by operating activities	149,251	(110,870)	260,121	259,068	(133,441)	392,509
Add property & equipment less retirements	(24,762)	(12,373)	(12,389)	(53,726)	(23,003)	(30,723)
Net cash used in investing activities	(24,762)	(12,373)	(12,389)	(53,726)	(23,003)	(30,723)
Financing	-	19,959	(19,959)	-	22,237	(22,237)
Amortization	(130,148)	(514)	(129,634)	(138,790)	(514)	(138,276)
Dividends paid	-	-	-	-	-	-
Increase of capital	-	110,000	(110,000)	-	110,000	(110,000)
Net cash used in financing activities	(130,148)	129,445	(259,593)	(138,790)	131,723	(270,513)
Effect of exchange rate changes on cash	146	14	132	357	376	(19)
Net increase(decrease) cash & marketable secur.	(5,513)	6,216	(11,729)	66,909	(24,345)	91,254
Cash & Marketable securities at begin yr.	128,560	85,262	43,298	56,138	115,823	(59,685)
Cash & Marketable securities at yr. end	123,047	91,478	31,569	123,047	91,478	31,569

SOUTHERN PERU COPPER CORPORATION (SPCC)
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-04	Q2-03	Variance	2004	2003	Variance
Income Statement						
Net Sales	389,013	168,387	220,626	663,079	343,225	319,854
Cost of Sales	171,150	104,933	66,217	282,120	220,492	61,628
Gross Profit	217,863	63,454	154,409	380,959	122,733	258,226
Gross Margin	56%	38%		57%	36%	
Administrative expenses	7,643	7,042	601	14,723	13,725	998
EBITDA	210,220	56,412	153,808	366,236	109,008	257,228
Depreciation and Amortization	18,684	18,497	187	37,677	36,369	1,308
Operating Income	191,536	37,915	153,621	328,559	72,639	255,920
Operating Margin	49%	23%		50%	21%	
Financial Cost	3,032	3,243	(211)	6,186	6,212	(26)
Earned Interest	(1,122)	(813)	(309)	(2,201)	(1,526)	(675)
Others Net Income	1,863	1,313	550	2,043	976	1,067
Earnings before Tax	187,763	34,172	153,591	322,531	66,977	255,554
Taxes	65,958	12,349	53,609	113,126	25,470	87,656
Profit before Extraordinary loss	121,805	21,823	99,982	209,405	41,507	167,898
Minority Interest	894	177	717	1,684	-	1,684
Profit before Special Item	120,911	21,646	99,265	207,721	41,507	166,214
Special Item	-	-	-	-	1,541	(1,541)
Net Profit	120,911	21,646	99,265	207,721	39,966	167,755
Balance Sheet						
Cash and Marketable Securities	331,973	230,585	101,388	331,973	230,585	101,388
Notes and Accounts receivable	161,568	52,137	109,431	161,568	52,137	109,431
Inventories	96,049	88,905	7,144	96,049	88,905	7,144
Prepaid expenses and others	11,938	32,053	(20,115)	11,938	32,053	(20,115)
Total Current Assets	601,528	403,680	197,848	601,528	403,680	197,848
Property, Plant and Equipment Net	1,481,287	1,429,669	51,618	1,481,287	1,429,669	51,618
Other Long term Assets	15,311	2,879	12,432	15,311	2,879	12,432
Total Assets	2,098,126	1,836,228	261,898	2,098,126	1,836,228	261,898
Liabilities and Investments	-	-	-	-	-	-
Short Term Bank Debt	20,694	56,311	(35,617)	20,694	56,311	(35,617)
Accumulated Liabilities	199,365	121,972	77,393	199,365	121,972	77,393
Current Liabilities	220,059	178,283	41,776	220,059	178,283	41,776
Long Term Debt	273,349	294,043	(20,694)	273,349	294,043	(20,694)
Other Long Term Liabilities	137,479	91,404	46,075	137,479	91,404	46,075
Minority Interest	9,017	7,628	1,389	9,017	7,628	1,389
Total Liabilities	639,904	571,358	68,546	639,904	571,358	68,546
Stockholders Equity	261,946	265,745	(3,799)	261,946	265,745	(3,799)
Other equity accounts	-	(4,008)	4,008	-	(4,008)	4,008
Retained Earnings	1,196,276	1,003,133	193,143	1,196,276	1,003,133	193,143
Total Stockholders' equity	1,458,222	1,264,870	193,352	1,458,222	1,264,870	193,352
Total liabilities and stockholders' equity	2,098,126	1,836,228	261,898	2,098,126	1,836,228	261,898
Cash Flow						
Net Income for the year	120,911	21,646	99,265	207,721	39,966	167,755
Depreciation and Amortization	18,684	18,497	187	37,677	36,369	1,308
Deferred Income Taxes & employee profit sharing	1,869	3,995	(2,126)	4,078	7,439	(3,361)
Others Net	(10,523)	(10,189)	(334)	(16,306)	(19,385)	3,079
Accounts receivable	(15,457)	16,953	(32,410)	(72,320)	919	(73,239)
Inventories	21,966	4,320	17,646	28,039	(197)	28,236
Other Assets	6,148	(4,231)	10,379	(19,357)	2,975	(22,332)
Accounts payable & accrued liabilities	39,187	(3,811)	42,998	53,884	(4,792)	58,676
Net cash provide by operating activities	182,785	47,180	135,605	223,416	63,294	160,122
Add property & equipment less retirements	(28,014)	(6,815)	(21,199)	(61,642)	(16,004)	(45,638)
Net cash used in investing activities	(28,014)	(6,815)	(21,199)	(61,642)	(16,004)	(45,638)
Financing	-	50,000	(50,000)	-	50,000	(50,000)
Amortization	(55,000)	-	(55,000)	(55,000)	-	(55,000)
Escrow deposits on long-term loans	-	-	-	-	-	-
Dividends paid	(43,970)	(9,181)	(34,789)	(70,748)	(16,788)	(53,960)
Increase of capital	-	-	-	-	-	-
Investment in share	-	-	-	-	-	-
Net cash used in financing activities	(98,970)	40,819	(139,789)	(125,748)	33,212	(158,960)
Effect of exchange rate changes on cash	138	73	65	475	2,546	(2,071)
Net increase(decrease) cash & marketable secur.	55,939	81,257	(25,318)	36,501	83,048	(46,547)
Cash & Marketable securities at begin yr.	276,034	149,328	126,706	295,472	147,537	147,935
Cash & Marketable securities at yr. end	331,973	230,585	101,388	331,973	230,585	101,388

ASARCO INCORPORATED
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-04	Q2-03	Variance	2004	2003	Variance
Income Statement						
Net Sales	117,527	85,169	32,358	252,785	178,379	74,406
Cost of Sales	107,567	73,108	34,459	208,208	169,948	38,260
Gross Profit	9,960	12,061	(2,101)	44,577	8,431	36,146
Gross Margin	8%	14%		18%	5%	
Administrative expenses	6,405	6,477	(72)	11,376	11,903	(527)
EBITDA	3,555	5,584	(2,029)	33,201	(3,472)	36,673
Depreciation and Amortization	5,454	6,505	(1,051)	11,179	11,697	(518)
Operating Income	(1,899)	(921)	(978)	22,022	(15,169)	37,191
Operating Margin	-2%	-1%		9%	-9%	
Financial Cost	7,804	9,238	(1,434)	15,352	30,471	(15,119)
Earned Interest	(1,449)	(2,283)	834	(3,012)	(3,090)	78
Others Net Income	(149)	16,870	(17,019)	(300)	(57,715)	57,415
Earnings before Tax	(8,105)	(24,746)	16,641	9,982	15,165	(5,183)
Taxes	(189)	-	(189)	146	31,482	(31,336)
Minority Interest	1,367	245	1,122	2,698	450	2,248
Profit before Extraordinary loss	(9,283)	(24,991)	15,708	7,138	(16,767)	23,905
Extraordinary gain	-	-	-	-	-	-
Profit before Special Item	(9,283)	(24,991)	15,708	7,138	(16,767)	23,905
Special Item	-	-	-	-	-	-
Net Profit	(9,283)	(24,991)	15,708	7,138	(16,767)	23,905
Balance Sheet						
Cash and Marketable Securities	14,786	13,175	1,611	14,786	13,175	1,611
Notes and Accounts receivable	18,771	20,683	(1,912)	18,771	20,683	(1,912)
Inventories	125,483	95,245	30,238	125,483	95,245	30,238
Prepaid expenses and others	83,790	47,311	36,479	83,790	47,311	36,479
Total Current Assets	242,830	176,414	66,416	242,830	176,414	66,416
Property, Plant and Equipment Net	508,258	611,878	(103,620)	508,258	611,878	(103,620)
Other Long term Assets	336,874	212,547	124,327	336,874	212,547	124,327
Total Assets	1,087,962	1,000,839	87,123	1,087,962	1,000,839	87,123
Liabilities and Investments						
Short Term Bank Debt	29,081	22,884	6,197	29,081	22,884	6,197
Accumulated Liabilities	203,552	237,354	(33,802)	203,552	237,354	(33,802)
Current Liabilities	232,633	260,238	(27,605)	232,633	260,238	(27,605)
Long Term Debt	372,609	386,524	(13,915)	372,609	386,524	(13,915)
Other Long Term Liabilities	529,751	338,570	191,181	529,751	338,570	191,181
Minority Interest	8,822	8,664	158	8,822	8,664	158
Total Liabilities	1,143,815	993,996	149,819	1,143,815	993,996	149,819
Stockholders Equity						
Other equity accounts	581,420	538,325	43,095	581,420	538,325	43,095
Retained Earnings	(131,404)	(137,457)	6,053	(131,404)	(137,457)	6,053
Total Stockholders' equity	(55,853)	6,843	(62,696)	(55,853)	6,843	(62,696)
Total liabilities and stockholders' equity	1,087,962	1,000,839	87,123	1,087,962	1,000,839	87,123
Cash Flow						
Net Income for the year	(9,283)	(24,991)	15,708	7,138	(16,767)	23,905
Depreciation and Amortization	5,454	6,505	(1,051)	11,179	11,697	(518)
Deferred Income Taxes & employee profit sharing	-	3,444	(3,444)	-	29,926	(29,926)
Others Net	(32,997)	(8,221)	(24,776)	(40,284)	(94,643)	54,359
Trade Receivable	41,439	(36,763)	78,202	28,936	(26,148)	55,084
Other accounts receivable	3,706	(36,043)	39,749	3,792	(4,167)	7,959
Inventories	22,918	7,302	15,616	(6,114)	10,930	(17,044)
Other Assets	17,449	18,462	(1,013)	24,387	19,563	4,824
Accounts payable & accrued liabilities	(28,673)	(246,582)	217,909	(5,455)	(193,989)	188,534
Net cash provide by operating activities	20,013	(316,887)	336,900	23,579	(263,598)	287,177
Add property & equipment less retirements	(5,717)	(4,797)	(920)	(7,495)	(6,435)	(1,060)
Net cash used in investing activities	(5,717)	(4,797)	(920)	(7,495)	(6,435)	(1,060)
Financing	(43)	29,526	(29,569)	-	29,808	(29,808)
Amortization	(8,317)	(1,669)	(6,648)	(10,157)	(554,034)	543,877
Dividends paid	-	-	-	-	-	-
Investment sale	-	286,963	(286,963)	-	786,963	(786,963)
Net cash used in financing activities	(8,360)	314,820	(323,180)	(10,157)	262,737	(272,894)
Effect of exchange rate changes on cash	(816)	2,602	(3,418)	(1,421)	2,619	(4,040)
Net increase(decrease) cash & marketable secur.	5,120	(4,262)	9,382	4,506	(4,677)	9,183
Cash & Marketable securities at begin yr.	9,666	17,437	(7,771)	10,280	17,852	(7,572)
Cash & Marketable securities at yr. end	14,786	13,175	1,611	14,786	13,175	1,611

**GRUPO FERROVIARIO MEXICANO SA DE CV & SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)**

(Figures in thousands of US Dollars)

	Quarters			Accumulated		
	Q2-04	Q2-03	Variance	2004	2003	Variance
Income Statement						
Net Sales	165,935	160,537	5,398	313,355	289,015	24,340
Cost of Sales	100,099	93,713	6,386	191,402	174,598	16,804
Gross Profit	65,836	66,824	(988)	121,953	114,417	7,536
Gross Margin	40%	42%		39%	40%	
Administrative expenses	5,957	5,802	155	12,454	10,983	1,471
EBITDA	59,879	61,022	(1,143)	109,499	103,434	6,065
Depreciation and Amortization	15,313	19,226	(3,913)	32,017	38,305	(6,288)
Operating Income	44,566	41,796	2,770	77,482	65,129	12,353
Operating Margin	0	0		0	0	
Financial Cost	10,905	11,338	(433)	21,213	19,286	1,927
Earned Interest	(1,078)	(829)	(249)	(2,272)	(5,352)	3,080
Others Net Income	(1,256)	(9,483)	8,227	(5,556)	(5,940)	384
Earnings before Tax	35,995	40,770	(4,775)	64,097	57,135	6,962
Taxes	13,233	13,300	(67)	21,587	17,026	4,561
Minority Interest	-	237	(237)	(172)	237	(409)
Profit before Extraordinary loss	22,762	27,233	(4,471)	42,682	39,872	2,810
Extraordinary gain	-	-	-	-	-	-
Profit before Special Item	22,762	27,233	(4,471)	42,682	39,872	2,810
Special Item	-	-	-	-	-	-
Net Profit	22,762	27,233	(4,471)	42,682	39,872	2,810
Balance Sheet						
Cash and Marketable Securities	71,007	75,599	(4,592)	71,007	75,599	(4,592)
Notes and Accounts receivable	89,207	69,926	19,281	89,207	69,926	19,281
Inventories	19,016	14,445	4,571	19,016	14,445	4,571
Prepaid expenses and others	70,176	77,124	(6,948)	70,176	77,124	(6,948)
Total Current Assets	249,406	237,094	12,312	249,406	237,094	12,312
Property, Plant and Equipment Net	677,265	751,258	(73,993)	677,265	751,258	(73,993)
Other Long term Assets	19,705	26,644	(6,939)	19,705	26,644	(6,939)
Total Assets	946,376	1,014,996	(68,620)	946,376	1,014,996	(68,620)
Liabilities and Investments						
Short Term Bank Debt	14,536	214,536	(200,000)	14,536	214,536	(200,000)
Accumulated Liabilities	76,802	98,826	(22,024)	76,802	98,826	(22,024)
Current Liabilities	91,338	313,362	(222,024)	91,338	313,362	(222,024)
Long Term Debt	434,201	288,989	145,212	434,201	288,989	145,212
Other Long Term Liabilities	3,141	4,342	(1,201)	3,141	4,342	(1,201)
Total Liabilities	528,680	606,693	(78,013)	528,680	606,693	(78,013)
Stockholders Equity	274,357	274,357	-	274,357	274,357	-
Other equity accounts	(117,009)	(82,355)	(34,654)	(117,009)	(82,355)	(34,654)
Retained Earnings	260,348	216,301	44,047	260,348	216,301	44,047
Total Stockholders' equity	417,696	408,303	9,393	417,696	408,303	9,393
Total liabilities and stockholders' equity	946,376	1,014,996	(68,620)	946,376	1,014,996	(68,620)
Cash Flow						
Net Income for the year	22,762	27,233	(4,471)	42,682	39,872	2,810
Depreciation and Amortization	15,313	19,226	(3,913)	34,958	42,471	(7,513)
Deferred Income Taxes & employee profit sharing	4,228	1,811	2,417	2,066	(7,669)	9,735
Others Net	4,927	(1,668)	6,595	583	(556)	1,139
Trade Receivable	(12,743)	(2,401)	(10,342)	(20,406)	(10,624)	(9,782)
Other accounts receivable	1,114	(24,660)	25,774	(300)	(1,252)	952
Inventories	(7,457)	166	(7,623)	(5,243)	5,729	(10,972)
Accounts payable & accrued liabilities	5,089	(4,292)	9,381	(1,639)	(25,785)	24,146
Net cash provide by operating activities	33,233	15,415	17,818	52,701	42,186	10,515
Add property & equipment less retirements	(16,545)	(17,590)	1,045	(24,180)	(31,156)	6,976
Net cash used in investing activities	(16,545)	(17,590)	1,045	(24,180)	(31,156)	6,976
Financing	-	-	-	93,688	200,000	(106,312)
Amortization	-	-	-	(117,268)	(7,268)	(110,000)
Dividends paid	(27,252)	-	(27,252)	(27,252)	(69,342)	42,090
Capital reimbursement paid	-	-	-	-	(299,529)	299,529
Net cash used in financing activities	(27,252)	-	(27,252)	(50,832)	(176,139)	125,307
Effect of exchange rate changes on cash	(2,060)	1,508	(3,568)	591	(11,695)	12,286
Net increase(decrease) cash & marketable secur.	(12,624)	(667)	(11,957)	(21,720)	(176,804)	155,084
Cash & Marketable securities at begin yr.	83,631	76,266	7,365	92,727	252,403	(159,676)
Cash & Marketable securities at yr. end	71,007	75,599	(4,592)	71,007	75,599	(4,592)