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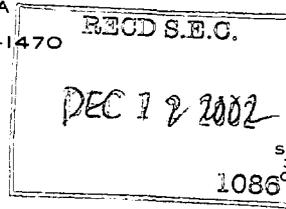
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BANK OF CHINA TOWER  
ONE GARDEN ROAD  
HONG KONG

SHIN KASUMIGASEKI BUILDING  
3-2, KASUMIGASEKI 3-CHOME  
CHIYODA-KU, TOKYO 100-0013

December 12, 2002

File No. 82-2337

VIA HAND

Securities and Exchange Commission  
Division of Corporation Finance  
Office of International Corporate Finance  
450 Fifth Street, N.W.  
Washington, D.C. 20549



02060559

SUPPL

Re: Disclosure Materials Provided on Behalf of I.E.M. S.A. de C.V. (File No. 82-2337) Pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")

Ladies and Gentlemen:

On behalf of our client, I.E.M., S.A. de C.V. (the "Company") and pursuant to the Company's obligations under Rule 12g3-2(b)(1)(i) under the Exchange Act, we are furnishing the enclosed English translation of the Company's (1) consolidated quarterly report for the third quarter of 2002 and (2) annual report filed with the Mexican National Banking and Securities Commission, dated October 4, 2002.

If you have any questions or require any further information, please do not hesitate to contact the undersigned or Jorge U. Juantorena of this firm at (212) 225-2000.

Please acknowledge receipt of this letter and the enclosure by stamping the enclosed copy of this letter and returning it to our messenger.

PROCESSED

DEC 30 2002

THOMSON  
FINANCIAL

Sincerely,

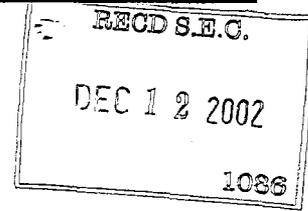
Mitchell Raab

Enclosure

cc: Lic. Alejandro Archundia  
Jorge U. Juantorena

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**ANNUAL REPORT ACCORDING TO CIRCULAR LETTER 11-33**



NAME OF THE COMPANY: IEM, S A. DE C.V

ADDRESS OF THE COMPANY: AV. DR GUSTAVO BAZ N° 340 COL.  
FRACC. INDL. BARRIENTOS TLALNEPANTLA, EDO. DE MÉX.

SPECIFICATIONS OF THE CHARACTERISTICS OF THE SECURITIES:

A AND B

QUOTING CODE: IEM

SAID SECURITIES ARE REGISTERED IN THE SECURITIES SECTION AND  
OPERATE IN THE MEXICAN STOCK MARKET (BMV)

ARTICLE 14 OF THE SECURITIES MARKET LAW.- THE REGISTRATION IN  
THE NATIONAL REGISTER OF SECURITIES AND INTERMEDIARIES DOES  
NOT IMPLY A CERTIFICATION REGARDING THE VALUE OF THE  
SECURITY NOR THE FINANCIAL STANDING OF THE ISSUER.

ANNUAL REPORT SUBMITTED IN COMPLIANCE WITH THE CIRCULAR LETTER 11-33 OF THE  
SECURITIES AND EXCHANGE COMMISSION (CNBV) AS OF 04 OCTOBER, 2002

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## **I. GENERAL INFORMATION**

1. IT IS NOT DEEMED NECESSARY.

2. IEM, S.A. DE C.V., IS ONE OF THE LEADING MEXICAN COMPANIES IN THE MANUFACTURING AND SALES FIELD OF VARIOUS TYPES OF ELECTRIC EQUIPMENT, SUCH AS TRANSFORMERS IN SEVERAL CAPACITIES, ELECTRIC ENGINES OF SEVERAL KINDS, ALL OF THESE SOLD THROUGH ITS SUBSIDIARY INDUSTRIAS IEM, S.A. DE C.V.

IT IS STRONGLY INVOLVED IN BOTH THE DOMESTIC AND INTERNATIONAL MARKETS, WITH A WIDESPREAD NETWORK OF DISTRIBUTORS, NATIONALLY.

ITS MAIN STOCKHOLDER IS GRUPO CONDUMEX, S.A. DE C.V., WITH 98.5% SHARE OF ITS CAPITAL STOCK AND, SINCE 1999, HAS NO KNOWLEDGE WHATSOEVER OF ANY TRANSACTION REGARDING IEM S.A. DE C.V. STOCK IN THE MEXICAN STOCK MARKET, AND SAID MEXICAN STOCK MARKET INFORMED IEM, S.A. DE C.V., ON 30 NOVEMBER 1994, BY MEANS OF AN OFFICIAL LETTER THAT, SINCE IEM, S.A. DE C.V. AFOREMENTIONED SHARE WAS HAVING A POOR BEHAVIOR, THE REGISTRATION OF THE COMPANY'S STOCK WOULD BE RECLASSIFIED FROM SUBSECTION "A" TO SUBSECTION "B" OF THE SECURITIES SECTION OF THE SECURITIES AND INTERMEDIARIES NATIONAL REGISTRY

IN THE YEAR 2001, IEM HAS SALES AMOUNTING TO \$626.8 MILLION OF MEXICAN PESOS OF DECEMBER 2001, MEANING A DECLINE OF 46.8% IN REAL TERMS, COMPARED TO THE PREVIOUS YEAR; THE OPERATING PROFIT WAS \$ 18.4 MILLION OF MEXICAN PESOS, THAT IS 91.5% BELOW LAST YEAR'S FIGURE, IN REAL TERMS, WITH AN INTEGRAL COST OF FINANCING OF \$ 11.9 MILLION OF MEXICAN PESOS AND SAID YEAR'S NET PROFIT WAS \$ 6.5 MILLION OF MEXICAN PESOS, THAT IS 92.2% BELOW LAST YEAR'S. IEM, S.A. DE C.V. IS SUBJECT TO THE IMPACT OF ALL CURRENT FINANCING AND ECONOMIC ADJUSTMENTS, BOTH IN THE DOMESTIC MARKET AND ABROAD.

### 3.1 SLOWING DOWN OF THE ECONOMY..

THE SLOWING DOWN OF BOTH THE US AND MEXICO'S ECONOMY, AS WELL AS IN OTHER COUNTRIES CAUSES A DECLINE IN SALES DUE TO A LESSER INVESTMENT IN ALL THE ELECTRIC SECTORS. MOREOVER, THE DELAY IN BOTH COMMISSION FEDERAL DE ELECTRICIDAD AND COMPAÑIA DE LUZ Y FUERZA BIDDING MIGHT CREATE AN EVEN MORE DIFFICULT AND COMPLEX SITUATION TO OBTAIN ORDERS FOR THE FOLLOWING YEARS.

### 3.2 EXCHANGE RATE RISK

SINCE AN IMPORTANT SEGMENT OF OUR SUPPLIES ARE IN US\$ DOLLARS AND ALSO CONSIDERING THAT THE EXCHANGE RATE OF THE MEXICAN PESOS VS. THE US\$ DOLLAR HAS BEEN UNDERGOING A DECREASING OF SAME, IT HAS AFFECTED THE COMPETITIVENESS OF OUR SALES PRICES OF OUR PRODUCTS ABROAD.

### 3.3 COSTS OF POWER INPUT.

SINCE IEM, S.A. DE C.V. IS AN IMPORTANT POWER CONSUMER, IT COULD BE AFFECTED BY INCREASES IN THE PRICE OF SAID INPUT.

### 3.4 COMPETITION

IEM, S.A. DE C.V., IS A LEADING COMPANY IN SEVERAL PRODUCTS ALTHOUGH THE ENVIRONMENT OPENS THE POSSIBILITY TO INCOMING INTERNATIONAL COMPETITION AND THE INCREASED OPENING OF THE ELECTRIC SECTOR TO INTERNATIONAL BIDDING ENCROACHES ITS ENVIRONMENT AND IEM MIGHT LOSE SOME INVOLVEMENT IN THE MARKET NICHE WHERE IT IS CURRENTLY LEADING.

4. NO OTHER SECURITIES HAVE BEEN REGISTERED IN THE "RNVI". ALL LEGAL AND FINANCING INFORMATION HAS BEEN TIMELY SUBMITTED, IN COMPLIANCE WITH THE LAW.
5. THERE HAVEN'T BEEN ANY CHANGES NOR AMENDMENTS TO ANY OF THE SECURITIES REGISTERED IN THE "RNVI" (NATIONAL REGISTRY OF SECURITIES AND INTERMEDIARIES).
6. IT IS NOT APPLICABLE CONSIDERING THE TIME IEM HAS BEEN REGISTERED IN THE MEXICAN STOCK EXCHANGE.

## II. THE COMPANY

1. IEM, S.A. DE C.V. WAS FOUNDED ON 25 AUGUST 1945, UNDER THE NAME OF INDUSTRIA ELECTRICA DE MEXICO, S.A. DE C.V. FOR A TERM OF 99 YEARS (ITS CURRENT ADDRESS BEING AV. DR. GUSTAVO BAZ NO.340 FRACC. INDUSTRIAL BARRIENTOS TLALNEPANTLA, EDO. DE MEXICO C.P. 54110 TEL. 57299700). IN 1973, IEM CHANGED ITS NAME TO IEM, S.A. DE C.V., INDUSTRIAS IEM, S.A. DE C.V. IS CONSTITUTED IN 1974, AND IN 1984 THE GENERAL STOCKHOLDERS MEETING APPROVES THE SALE OF FRIEM, A COMPANY MANUFACTURING AND SELLING ELECTRIC HOME APPLIANCES.
  
2. IEM, S.A. DE C.V, THROUGH ITS SUBSIDIARY INDUSTRIAS IEM, S.A. DE C.V.. IS CURRENTLY MANUFACTURING AND SELLING ELECTRIC EQUIPMENT SUCH AS MONOPHASIC AND THREE-PHASE POST-LIKE TRANSFORMERS, PEDESTAL-LIKE TRANSFORMERS, POWER TRANSFORMERS IN DIFFERENT CAPACITIES, CAGE-LIKE HORIZONTAL ELECTRIC ENGINES, WOUND ROTOR-TYPE, SPECIAL ELECTRIC ENGINES ALL OF THEM IN DIFFERENT CAPACITIES, BREAKERS, BLADES, FUSES, ALL OF THEM IN DIFFERENT CAPACITIES.

GENERAL DESCRIPTION OF THE MANUFACTURING PROCESSES: NUCLEUS MANUFACTURING, COIL MANUFACTURING, VATS AND CARCASSES MANUFACTURING, COMPONENTS AND PARTS PURCHASING, COIL-NUCLEUS ASSEMBLY, VAT OR CARCASS COIL-NUCLEUS ASSEMBLY, AND PARTS ASSEMBLY AND TESTING.

MAIN SUPPLIERS:

SERVILAMINA SUMMIT

ACEITES Y PRODUCTOS Y SERVICIOS

CORMAG DE MÉXICO

EHV WEIDMAN DE MÉXICO

NACIONAL DE CONDUCTORES ELÉCTRICOS

CONDUMEX INC.

MR. REIHAUSEN

S A L E S

(MILLIONS OF MEXICAN PESOS)

|                           | 2001    | %   | 2000      | %   | 1999      | %   |
|---------------------------|---------|-----|-----------|-----|-----------|-----|
| ELECTRIC EQUIPMENT TYPE 1 | 193,818 | 31  | 530,675   | 47  | 467,917   | 46  |
| ELECTRIC EQUIPMENT TYPE 2 | 340,287 | 54  | 462,929   | 41  | 424,514   | 42  |
| OTHERS                    | 92,697  | 15  | 135,492   | 12  | 124,787   | 12  |
| TOTAL                     | 626,802 | 100 | 1,129,096 | 100 | 1,017,218 | 100 |

| B. DISTRIBUTION CHANNELS            | %   | TRANSFORMERS | MOTORS | SAFETY EQUIPMENT |
|-------------------------------------|-----|--------------|--------|------------------|
| DIRECT MARKETING - IEM              | 60  | X            | X      | X                |
| NACEL                               | 10  | X            | X      | X                |
| SELMEC                              | 5   | X            | X      | X                |
| DISTRIBUTORS                        | 15  | X            | X      | X                |
| CONTRACTORS                         | 5   | X            | X      | X                |
| MANUFACTURERS OF ORIGINAL EQUIPMENT | 5   | X            | X      | X                |
|                                     | 100 |              |        |                  |

EXPLANATION OF ALL SOLD EQUIPMENT

REGULAR EQUIPMENT: STANDARD PRODUCTS IN CAPACITY RANGES AND CHARACTERISTICS THAT COMPLY WITH MEXICAN NORMS AND ARE PUBLISHED IN PRICE LISTS THEY ARE REGULARLY AVAILABLE IN STOCK FOR IMMEDIATE DELIVERY THROUGH THE APPROPRIATE SALES CHANNELS.

SPECIAL EQUIPMENT: SPECIAL PRODUCTS DESIGNED AND MANUFACTURED FOR A VERY SPECIFIC APPLICATION WITH PARTICULAR TECHNICAL CHARACTERISTICS, DETERMINED BY THE CUSTOMER. SAID PRODUCTS ARE NOT INCLUDED IN ANY PRICE LIST, BUT, INSTEAD, ARE QUOTED INDIVIDUALLY, SINCE THEY ARE WHAT WE CALL "HAND TAILORED SUITS".

C. THE COMPANY HAS PATENTS, LICENSES AND TRADEMARKS DULY REGISTERED.

D.

| SECTOR         | CUSTOMERS  | PERCENTAGE OF DEPENDENCE |
|----------------|--|--------------------------|
| GOVERNMENT     | STATE GOVERNMENTS<br>INFONAVIT<br>CNA<br>PEMEX<br>GDF            | 5%                       |
| ELECTRIC FIRMS | CFE<br>LYF   | 45%                      |
| PRIVATE        | INTEGRATING COMPANIES<br>CONTRACTORS<br>INDUSTRY<br>DISTRIBUTORS | 50%                      |

THE LEVEL OF DEPENDENCE PERCENTAGE SHOWN HERE, GATHERS THE TOTALITY OF THE SECTOR'S COMPANIES, IN THE DIFFERENT EQUIPMENT MANUFACTURED, WHETHER STANDARD OR SPECIAL.

E. TAX PAYING STATUS: BUSINESS CORPORATION AND IN A GENERAL LEGAL REGIME.

F. TOTAL EMPLOYEES UP TO 31 DECEMBER 2001

|                |      | %   |
|----------------|------|-----|
| ADMINISTRATIVE | 362  | 27  |
| UNION WORKERS  | 963  | 73  |
| TOTAL          | 1325 | 100 |

THE RELATIONSHIP WITH THE UNION IS RULED ACCORDING TO A LABOR CONTRACT.

G.

| MAIN COMPETITORS | DISTRIBUTION TRANSFORMERS | POWER TRANSFORMERS | MOTORS | SAFETY EQUIPMENT |
|------------------|---------------------------|--------------------|--------|------------------|
| IEM              | X (2)                     | X (1)              | X (4)  | X (2)            |
| PROLEC           | X (1)                     | X (2)              |        |                  |
| FERRANTI         |                           | X (3)              |        |                  |
| VOLTRAN          | X                         | X (4)              |        |                  |
| IG               | X (3)                     |                    |        |                  |
| EMSA             | X (4)                     |                    |        |                  |
| ESA              | X (6)                     |                    |        |                  |
| M. CONTINENTAL   | X (5)                     |                    |        |                  |
| US               |                           |                    | X (1)  |                  |
| WEG              |                           |                    | X (3)  |                  |
| SIEMENS          |                           |                    | X (2)  |                  |
| IMPORTS          | X (7)                     | X (5)              |        | X (3)            |
| IUSA             |                           |                    |        | X (1)            |

- (X) MEANS ALL PRODUCTS FROM COMPETING COMPANIES
- THE NUMBER IN PARENTHESES SHOWS THE COMPETITIVE STANDING

IEM'S POSITIVE OR NEGATIVE POINTS

| POSITIVE ONES               | NEGATIVE ONES                   |
|-----------------------------|---------------------------------|
| 1. WIDE VARIETY OF PRODUCTS | 1. FACILITIES ARE PARTIALLY OLD |
| 2. MARKETING NETWORK        | 2. THE LABOR CONTRACT IS OLD    |
| 3. FINANCING CAPABILITY     | 3. MARKET OVER CAPACITY         |
| 4. PRESTIGE OF THE BRAND    |                                 |
| 5. OWN TECHNOLOGY           |                                 |

H.

S A L E S

(MILLIONS OF MEXICAN PESOS)

|             | 2001    | %   | 2000      | %   | 1999      | %   |
|-------------|---------|-----|-----------|-----|-----------|-----|
| DOMESTIC    | 571,657 | 94  | 1,063,048 | 94  | 953,512   | 94  |
| EXPORTATION | 55,147  | 6   | 66,048    | 6   | 63,706    | 6   |
| TOTAL       | 626,804 | 100 | 1,129,096 | 100 | 1,017,218 | 100 |

I. IEM, S.A. DE C.V. IS PART OF GRUPO CONDUMEX, AN INDUSTRIAL CONSORTIUM THAT BEGAN ITS PROFESSIONAL ACTIVITIES IN THE 50'S AND THAT HAS POSITIONED ITSELF AS A LEADER IN THE MANUFACTURING OF ELECTRICAL CONDUCTORS OF HIGH, MEDIUM AND LOW INTENSITY, TELECOMMUNICATION WIRING AND FOR THE AUTOMOTIVE INDUSTRY. IT HAS ALSO SUCCESSFULLY BROADENED ITS ACTIVITIES TOWARDS THE MANUFACTURING FIELD IN A WIDE SPECTRUM OF PRODUCTS SUCH AS AUTOPARTS, CAPITAL GOODS AND EQUIPMENT FOR THE POWER GENERATION AND DISTRIBUTION, AS WELL AS THE INSTALLATION OF VOICE NETWORK SYSTEMS, DATA AND VIDEO.

ALL ACTIVITIES CARRIED OUT BY THE COMPANIES OF GRUPO CONDUMEX ARE CLASSIFIED WITHIN THE FOLLOWING BUSINESS NICHES:

AUTOPARTS AND ELECTRONICS  
 CABLES  
 AUTOMOTIVE CABLE  
 POWER  
 INSTALLATIONS

WITHIN SAID CLASSIFICATION IEM, S.A. DE C.V. IS PART OF THE ENERGY SECTOR. IEM, S.A. DE C.V. HOLDS 99.6% OF INDUSTRIAS IEM, S.A. DE C.V.'s STOCK, WHICH IS ITS SOLE SUBSIDIARY, WHERE IEM S.A. DE C.V.'s PLANT AND OFFICES ARE LOCATED.

J. BOTH THE COMPANY AND ITS SUBSIDIARY IS LOCATED ON AV. DR GUSTAVO BAZ N° 340 COL. FRACC. INDL. BARRIENTOS TLALNEPANTLA, EDO. DE MÉXICO, WHERE BOTH THE PLANT AND OFFICES ARE LOCATED, IN AN AREA OF 1,726,000 SQUARE FEET, OUT OF WHICH 679,000 SQUARE FEET CORRESPOND TO THE PLANT AND OFFICES, AND IT WAS BUILT IN 1948. ITS CURRENT STATUS IS ACCEPTABLE CONSIDERING THE TIME AND IT HAS ALL THE SAFETY MEASURES REGARDING ITS OPERATION. THE PRODUCTS IT MANUFACTURES ARE MOTORS, CIRCUIT BREAKERS, BLADES AND FUSES. 40% OF ITS INSTALLED CAPACITY WAS USED IN THE YEAR 2001, AND NO ENLARGEMENT OF THE FACILITIES HAS BEEN CARRIED OUT. NO ASSET HAS BEEN GRANTED AS A LOAN COLLATERAL.

K. THERE ARE NO JUDICIAL PROCEEDINGS.

L. CAPITAL STOCK REPRESENTATIVE SHARES.

INTEGRATION OF THE PAID CAPITAL STOCK

| SERIES    | AMOUNT OF SHARES |                    | CAPITAL STOCK<br>(THOUSANDS OF<br>MEXICAN PESOS) |          |
|-----------|------------------|--------------------|--|----------|
|           | FIXED ALLOTMENT  | VARIABLE ALLOTMENT | CONSTANT   | VARIABLE |
| A         | 2,500,000        | 13,928,014         | 1,274  | 6,726    |
| B         | 2,450,000        | 13,433,699         | 1,226  | 6,462    |
| T O T A L | 5,000,000        | 27,415,713         | 2,500  | 13,188   |

M. IEM, S.A. DE C.V. HAS NOT ISSUED ANY STATEMENT OF DIVIDENDS FOR THE YEARS 1999, 2000, 2002, AND FOR THE YEAR 2002, TO DATE.

THE ABOVEMENTIONED IS DUE TO THE FACT THAT IN ALL THE SOCIETY'S STOCKHOLDERS GENERAL MEETINGS FOR THE YEARS 1999, 2000, 20001 AND 20002, WHEN THEY GATHERED TO DISCUSS, AMONG OTHER TOPICS, THE ALLOCATION OF DIVIDENDS CORRESPONDING TO THE

SOCIAL YEARS OF 1998, 1999, 2000 AND 2001, THE STOCKHOLDERS APPROVED IN EACH AND EVERY CASE THAT THE BALANCE OF RETAINED EARNINGS FOR EACH OF SAID YEARS BE ALLOTTED TO THE ACCOUNT OF RETAINED EARNINGS OF PREVIOUS YEARS, AND SAID ACCOUNT WAS MADE AVAILABLE FOR THE STOCKHOLDERS MEETING AND/OR THE SOCIETY'S BOARD OF DIRECTORS, AND THE LATER WAS GRANTED THE MOST AMPLE FACULTIES TO ALLOT IT, EITHER IN FULL OR PARTIALLY, WHATEVER THE SOCIETY'S BOARD OF DIRECTORS MIGHT COME TO DECIDE, TO THE CONSTITUTION OF RESERVES AND / OR DISTRIBUTE IT AMONG THE STOCKHOLDERS; TO DATE, NO PAYMENT OF DIVIDENDS, WHATSOEVER, HAS BEEN DECREED.

ON THE OTHER HAND IT IS WORTH MENTIONING THAT THE BOARD OF DIRECTORS HAS NO EXPRESS POLICY REGARDING THE PAYMENT OF DIVIDENDS OR THE ELABORATION OF THE CORRESPONDING PROPOSAL TO THE SOCIETY'S SHAREHOLDERS MEETING; HOWEVER, IN THESE LAST YEARS, THE SOCIETY HAS REINVESTED ALL EARNED DIVIDENDS.

### III. FINANCIAL INFORMATION

1.

|                               | 2001         | %   | 2000         | %   | 1999         | %   |
|-------------------------------|--------------|-----|--------------|-----|--------------|-----|
| (THOUSANDS OF MEXICAN PESOS)  |              |     |              |     |              |     |
| NET SALES                     | 626,804      | 100 | 1,129,096    | 100 | 1,017,218    | 100 |
| GROSS PROFIT                  | 76,774       | 12  | 278,376      | 25  | 239,465      | 24  |
| OPERATION PROFIT              | 18,400       | 3   | 207,621      | 18  | 171,568      | 17  |
| PROFIT BEFORE TAXES           | 9,502        | 2   | 167,343      | 15  | 138,792      | 14  |
| NET PROFIT                    | 6,515        | 1   | 88,177       | 7   | 89,747       | 9   |
| PROFIT PER SHARE *            | 0.00         |     | 2.47         |     | 2.77         |     |
| PURCHASE OF R. EST. & EQUIP.  | 12,551       |     | 24,766       |     | 20,043       |     |
| DEPREC. & REDEMP. IN THE YEAR | 20,841       |     | 19,385       |     | 19,025       |     |
| TOTAL ASSETS                  | 711,853      |     | 706,274      |     | 695,669      |     |
| TOTAL LIABILITIES             | 358,267      |     | 358,005      |     | 369,186      |     |
| TOTAL L.P. LIABILITIES        | 0            |     | 0            |     | 0            |     |
| STOCKHOLDERS EQUITY           | 353,586      |     | 348,269      |     | 326,483      |     |
| DIVIDENDS                     | NOT DECLARED |     | NOT DECLARED |     | NOT DECLARED |     |

\* MEXICAN PESOS

COMMENTS ON THE ANALYSIS WILL BE MADE IN THE FOLLOWING POINT.

2. MANAGEMENT COMMENTS AND ANALYSIS REGARDING THE COMPANY'S OPERATION INCOME AND FINANCIAL SITUATION

A) OPERATION INCOME.

THERE WAS A 46.8% SALES DECREASE IN THE YEAR 2001 SALES IN REAL TERMS, AGAINST THE PREVIOUS YEAR. SAID DECREASE WAS BECAUSE OF AN INCREASING OPENING OF THE ELECTRIC SECTOR IN PURCHASING ABROAD, WHICH MAKES IT MORE DIFFICULT AND COMPLICATED GETTING ORDERS, AS WELL AS THE DELAY IN THE BIDS FOR "COMISIÓN FEDERAL DE ELECTRICIDAD" AND "COMPAÑIA DE LUZ Y FUERZA DEL CENTRO".

THERE WAS A 73.6% GROSS PROFIT DECREASE IN REAL TERMS IN THE YEAR 2001 CAUSED BY THE LOW VOLUME OF SALES DURING THE AFOREMENTIONED YEAR.

THERE WAS AN 91.5% OPERATION PROFIT DECREASE IN REAL TERMS IN THE YEAR 2001, AGAINST THE PREVIOUS YEAR DUE TO A 12.4% CUT DOWN IN REAL TERMS SAID YEAR 2001, WHICH WAS INSUFFICIENT TO COMPENSATE THE SALES REDUCTION.

THERE WAS AN 66.7% FINANCING INTEGRATED COST DECREASE IN REAL TERMS, AGAINST THE PREVIOUS YEAR MAINLY BECAUSE OF A DECREASE IN THE BANKING INTEREST RATES, AS WELL AS THE APPRECIATION OF THE PESO AGAINST THE US DOLLAR..

B). FINANCIAL SITUATION, LIQUIDITY AND CAPITAL MEANS.

THE WORKING CAPITAL DECREASED AGAINST THE PREVIOUS YEAR MAINLY BECAUSE OF THE LOSS OF CUSTOMERS; INVENTORIES INCREASED AT YEAR-END TO HONOR THE BILLING COMMITMENTS OF THE FIRST MONTHS OF 2002. NEXT ARE SOME REASONS AND FINANCIAL PROPORTIONS OF THE LAST THREE YEARS.

|   | 2001       | 2000       | 1999       |
|---|------------|------------|------------|
| YIELD   |            |            |            |
| NET INCOME TO NET SALES                               | 1.03%      | 7.13%      | 8.85%      |
| NET INCOME TO STOCKHOLDERS' EQUITY                    | 1.85%      | 23.07%     | 27.54%     |
| NET INCOME TO TOTAL ASSETS                            | 0.91%      | 11.39%     | 12.95%     |
| LEVERAGE  |            |            |            |
| TOTAL LIABILITIES TO TOTAL ASSETS                     | 50.33%     | 50.69%     | 53.07%     |
| TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY             | 1.01 TIMES | 1.03 TIMES | 1.13 TIMES |
| LIABILITIES IN FOREIGN CY. TO TOTAL LIABILITIES       | 21.02%     | 3.24%      | 10.99%     |
| LIQUIDITY   |            |            |            |
| CURRENTS ASSETS TO CURRENT LIABILITIES                | 1.53 TIMES | 1.56 TIMES | 1.22 TIMES |
| CURRENT ASSETS MINUS INVENTORY TO CURRENT LIABILITIES | 0.82 TIMES | 1.03 TIMES | 0.85 TIMES |
| LIABILITIES   |            |            |            |
| CURRENT ASSETS TO TOTAL LIABILITIES                   | 1.23 TIMES | 1.22 TIMES | 1.21 TIMES |

THERE ARE NO CREDITS NOR FISCAL DEBTS AND THERE ARE NO OVERDUE PAYMENTS.

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## IV. MANAGEMENT

### 1. SOCIAL BY-LAWS AND OTHER AGREEMENTS

THE BOARD OF DIRECTORS IS EMPOWERED TO DETERMINE COMPENSATION PLANS FOR EXECUTIVES, EVEN THOUGH NOT EXPRESSLY.

SAID ENTITY ISN'T EXPRESSLY ENTITLED TO MAKE DECISIONS REGARDING ANY OTHER MATTER WHERE ANY OF ITS MEMBERS MIGHT HAVE SOME PERSONAL INTEREST.

THE SOCIETY ONLY HAS ORDINARY SHARES, WHICH HAVE FULL VOTING RIGHT.

THE ATTENDANCE QUORUM , AS SET IN THE SOCIAL BY-LAWS TO DECLARE A STOCKHOLDERS GENERAL ORDINARY MEETING LEGALLY IN ORDER IS FOR AT LEAST HALF OF THE CAPITAL STOCK IN THE FIRST SUMMONS, AND IN ANY SECOND OR THIRD SUMMONS, WHATEVER THE AMOUNT OF REPRESENTED SHARES AS WELL AS THE CORRESPONDING DECISIONS, SHALL BE VALIDATED WITH THE FAVORABLE VOTE OF THE MAJORITY OF THE ATTENDANTS' BALLOTS.

THE ATTENDANCE QUORUM , AS SET IN THE SOCIAL BY-LAWS TO DECLARE A STOCKHOLDERS GENERAL ORDINARY MEETING LEGALLY IN ORDER, IS FOR THE FIRST SUMMONS WITH 75% OF THE CAPITAL STOCK, AND IN ANY SECOND OR OTHER SUMMONS, WITH 50% OF THE CAPITAL STOCK, AND ALL DECISIONS WILL BE VALIDATED WITH THE FAVORABLE VOTE CORRESPONDING TO THE AMOUNT OF SHARES REPRESENTING AT LEAST HALF OF THE CAPITAL STOCK

ALL SHARES ISSUED BY THE SOCIETY HAVE ONLY THE CORPORATE AND PATRIMONIAL RIGHTS AS SET IN THE SOCIAL BY-LAWS AND DO NOT HAVE ANY OTHER RIGHTS RELATED TO SAME, AND HENCE THERE EXISTS NO PROCEDURE THAT CAN BE TO FOLLOWED TO CHANGE SAID RIGHTS.

IEM, S.A. DE C.V. HAS NO KNOWLEDGE OF ANY NON BY-LAWS AGREEMENT TO DELAY, PREVENT, DEFER OR MAKE MORE EXPENSIVE, ANY CHANGE IN THE MANAGEMENT OF THE COMPANY, IN A TRUST OR IN ANY OTHER MECHANISM THAT MIGHT COME TO ENCROACH THE CORPORATE RIGHTS GRANTED BY THE SHARES TO THEIR STOCKHOLDERS, NOR OF ANY STATUTORY CLAUSE OR AGREEMENT AMONG THE STOCKHOLDERS THAT MAY COME TO ENCROACH OR RESTRICT THE MANAGEMENT OF THE COMPANY OR ITS SHAREHOLDERS.

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## 2. MANAGEMENT AND SHAREHOLDERS

IEM, S.A. DE C.V. BOARD OF DIRECTORS HAS 5 DIRECTORS AND THEIR CORRESPONDING ALTERNATE DIRECTORS FOR THE SOCIAL YEAR 2002

THE DIRECTORS ARE APPOINTED BY THE SHAREHOLDERS IN THE ORDINARY GENERAL MEETINGS

THE FACULTIES OF THE BOARD OF DIRECTORS ARE AS FOLLOWS: A) APPOINT AND REMOVE THE SOCIETY'S DIRECTOR GENERAL; B) DETERMINE HOW THE VOTES CORRESPONDING TO THE SHARES OWNED BY THE SOCIETY IN THE STOCKHOLDERS ORDINARY AND EXTRAORDINARY MEETINGS OF THE DIFFERENT SOCIETIES WHERE IT HOLDS THE MAJORITY OF STOCK, MUST BE ISSUED; C) TO APPROVE, PRIOR TO THE AUTHORIZATION OF THE STOCKHOLDERS ORDINARY GENERAL MEETING THE ACQUISITION OR SALE OF STOCK, OR THE ENFORCEMENT OF THE RIGHT FOR WITHDRAWAL, IN CERTAIN CASES; D) OPEN BRANCHES OR AGENCIES OF THE SOCIETY; AND, E) ALL OTHER FACULTIES GRANTED BY LAW.

LAST BUT NOT LEAST, IT IS DETERMINED THAT BESIDES THE RESPONSIBILITIES SET IN THE SOCIAL BY-LAWS AND OTHER LEGAL ORDINANCES, THE BOARD OF DIRECTORS WILL ALSO: I) DETERMINE THE STRATEGIC VISION OF THE SOCIETY; (II) MAKE SURE THAT STOCKHOLDERS AND THE MARKET ALIKE, MAY HAVE ACCESS TO THE SOCIETY'S PUBLIC INFORMATION; III) SET INTERNAL CONTROL MECHANISMS; (IV) MAKE SURE THAT THE SOCIETY HAS ALL THE NECESSARY MECHANISMS TO ASCERTAIN IT COMPLIES WITH THE DIFFERENT APPLICABLE LEGAL PROVISIONS, AND (V) APPRAISE REGULARLY THE DIRECTOR GENERAL'S PERFORMANCE AND THE SOCIETY'S TOP EXECUTIVES.

REGARDING IEM, S.A. DE C.V.'s OWNERSHIP OF STOCK, IT IS WORTH MENTIONING THAT FOR MORE THAN THREE YEARS, JUST ONE STOCKHOLDER HAS ATTENDED THE MEETINGS HELD BY THIS SOCIETY: GRUPO CONDUMEX, S.A. DE C.V., THAT, AS PREVIOUSLY STATED, HOLDS 98.5% OF IEM, S.A. DE C.V.'s CAPITAL STOCK, AND HENCE, THE COMPANY LACKS THE NECESSARY INFORMATION TO REVEAL THE INDIVIDUAL OWNERSHIP OF STOCK OF ALL DIRECTORS AND OFFICERS OF THE SOCIETY, SHOULD IT EXIST, NOR CAN IT ISSUE THE NAMES OF THE MAIN TEN STOCKHOLDERS, EXCEPT GRUPO CONDUMEX, S.A. DE C.V.

ALLOW US TO STATE HERE AS WELL, THAT THE COMPANY IS CURRENTLY ELABORATING ALL NECESSARY DOCUMENTS TO CANCEL THE INSCRIPTION OF THE SECURITIES SECTION OF THE SECURITIES NATIONAL REGISTRY REGARDING THE COMPANY'S CAPITAL STOCK REPRESENTATIVE

STOCK, AS WELL AS THE ANNULMENT OF THE APPROVALS, TO PLACE SAID SHARES IN THE STOCK EXCHANGE MARKET, SINCE THE COMPANY HAS HAD NO STOCK TRANSACTIONS WHATSOEVER.

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MEMBERS OF IEM. S.A. DE C.V.'s BOARD OF DIRECTORS

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| NAME                                     | POSITION           | YEARS<br>DIRECTOR | AS |
|--|--------------------|-------------------|----|
| MR. ARMANDO RIMOLDI RENTERIA             | DIRECTOR           | SIX               |    |
| MR. FRANCISCO J. REED Y MARTIN DEL CAMPO | DIRECTOR           | SEVENTEEN         |    |
| MR. ANTONIO SIERRA GUTIÉRREZ             | DIRECTOR           | FIVE              |    |
| MR. QUINTIN BOTAS HERNANDEZ              | DIRECTOR           | SIX               |    |
| MR. JAIME SETIEN RODRIGUEZ               | DIRECTOR           | FIVE              |    |
| MR. GUILLERMO MUÑOZ LARA                 | ALTERNATE DIRECTOR | TWO               |    |
| MR. FERNANDO RAFAEL AGUADO GUTIERREZ     | ALTERNATE DIRECTOR | NINE              |    |
| MR. GONZALO LIRA CORIA                   | ALTERNATE DIRECTOR | SEVEN             |    |
| MR. MANUEL PALMA CEBALLOS                | ALTERNATE DIRECTOR | ONE               |    |
| MR. JOSE RAMON NEVAREZ JACQUES           | ALTERNATE DIRECTOR | NINE              |    |

OFFICERS OF IEM, S.A. DE C.V.'s BOARD OF DIRECTORS

CHAIRMAN            MR. ARMANDO RIMOLDI RENTERÍA  
SECRETARY         MR. ALEJANDRO ARCHUNDIA BECERRA

2. IEM, S.A. DE C.V. TOP OFFICERS

DIRECTOR GENERAL

MR. ARMANDO RIMOLDI RENTERÍA  
AGE 55 YEARS. SENIORITY 32 YEARS

OFFICERS OF THE SUBSIDIARY INDUSTRIAS IEM, S.A. DE C.V.

GENERAL MANAGER OF TRANSFORMERS

MR. JOSE DE JESUS LOPEZ CHAVEZ  
AGE 56 YEARS. SENIORITY 32 YEARS

ENGINEERING AND DEVELOPMENT MANAGER

MR. ALVARO CANCINO QUIROZ  
AGE 50 YEARS. SENIORITY 26 YEARS.

QUALITY ASSURANCE MANAGER

MR. LUIS ORTIZ BUENDIA  
AGE 46 YEARS. SENIORITY 24 YEARS

INDUSTRIAL RELATIONS MANAGER

MR. GILBERTO GONGORA CASTILLO  
AGE 57 YEARS. SENIORITY 33 YEARS

ENGINES MANAGER  
MR. DANIEL SANCHEZ ORTIZ  
42 YEARS. SENIORITY 22 YEARS.

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SAFETY EQUIPMENT MANAGER  
MR. CARLOS FLORES MACÍAS  
AGE 47 YEARS. SENIORITY 17 YEARS.

SYSTEMS MANAGER  
MR. FRANCISCO QUIROZ BARRON  
AGE 51 YEARS. SENIORITY 29 YEARS.

MATERIALS MANAGER  
MR. SALVADOR COLIN PÉREZ  
AGE 54 YEARS. SENIORITY 24 YEARS.

GENERAL COMPROLLER  
MR. FERNANDO RAFAEL AGUADO GUTIERREZ  
AGE 57 YEARS. SENIORITY 22 YEARS.

GOVERNMENT COMMERCIAL SECTOR MANAGER.  
MR. ISMAEL CASTRO GARCIA  
AGE 58 YEARS. SENIORITY 26 YEARS.

ALTERNATIVE ENERGIES COMMERCIAL MANAGER  
MR. VICTOR MANUEL HERNANDEZ AGUILERA  
AGE 43 YEARS. SENIORITY 13 YEARS.

PRICING AND ADMINISTRATIVE MANAGER  
MR. ANDRES MARTINEZ HERNANDEZ  
AGE 51 YEARS. SENIORITY 27 YEARS.

SAFETY EQUIPMENT SALES MANAGER  
MR. JOSE LUIS TRUJILLO FLORES  
AGE 54 YEARS. SENIORITY 25 YEARS.

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IEM, S.A. DE C.V. DOESN'T GRANT ANY KIND OF COMPENSATIONS NOR PAYMENTS TO ITS DIRECTORS AND OFFICERS, NOR ARE THEY PAID ANY FEES FOR THEIR ATTENDANCE TO ANY BOARD MEETING

IEM, S.A. DE C.V. DOESN'T CONTEMPLATE ANY PENSION, RETIREMENT NOR ANY OTHER SIMILAR PLAN FOR ITS DIRECTORS OR OFFICERS

AS FOR THE INFORMATION REGARDING THE INDIVIDUAL SHAREHOLDING OF THE DIRECTORS AND OFFICERS OF THE SOCIETY, IT IS RELEVANT TO MENTION THAT THE SOCIETY DOESN'T HAVE ANY AVAILABLE INFORMATION ON INDIVIDUAL STOCK OWNERSHIP OF THE DIRECTORS OR THE OFFICERS SINCE THEIR SHARES ARE NOT LOGGED IN THE SOCIETY'S STOCK LOG, IN COMPLIANCE WITH ARTICLE 128 OF THE GENERAL COMMERCIAL CORPORATION LAW.

IEM, S.A. DE C.V. HASN'T SIGNED ANY AGREEMENT NOR HAS SET A PROGRAM OF ANY KIND AIMED AT INVOLVING EMPLOYEES IN THE COMPANY'S CAPITAL, SINCE THE SOCIETY DOESN'T HAVE EMPLOYEES.

AS FOR THE INFORMATION REGARDING STOCKHOLDERS OWNING 5% OR MORE OF THE CAPITAL STOCK REPRESENTATIVE SHARES, AS WELL AS THE TEN TOP STOCKHOLDERS OF THE SOCIETY, IT MUST BE STATED THAT GRUPO CONDUMEX, S.A. DE C.V. HOLDS MORE THAN 95% OF IEM, S.A. DE C.V. CAPITAL STOCK

IEM, S.A. DE C.V. HAS NO COMMITMENT WHATSOEVER THAT MIGHT LEAD TO A CHANGE IN THE CONTROL OF THE STOCK.

### 3. AUDITORS.

THE FIRM THAT AUDITS AND RENDERS DECISIONS REGARDING IEM, S.A. DE C.V. 'S AND ITS SUBSIDIARY INDUSTRIAS IEM, S.A. DE C.V.'S FINANCIAL STATEMENTS IS PRICE WATERHOUSE COOPER, AND IT HASN'T BEEN CHANGE FOR MORE THAN THREE YEARS. ALSO, IT HASN'T ISSUED ANY RESERVATION, NEGATIVE OPINION OR ABSTENTION OF OPINION IN MORE THAN THE TWO LAST YEARS WITH RENDERED OPINIONS, NOT HAVING RENDERED ANY SERVICE OTHER THAN THE AUDITING ONE.

THE AUDITING FUNCTION IS COMPLEMENTED WITH THE FOLLOWING:

THE SOCIETY HAS AN INTERNAL AUDITING DEPARTMENT OF GRUPO CONDUMEX WHICH, AMONG OTHER PROGRAMS AND RESPONSIBILITIES: IS IN CHARGE OF AUDITING THE SOCIETY, MAKING SURE THAT:

- ALL POLICIES AND PROCEDURES APPROVED BY THE GENERAL DIRECTION ARE HONORED.
- ALL INTERNAL CONTROL SYSTEMS ARE RELIABLE AND SUFFICIENT FOR THE GOOD MANAGEMENT OF THE SOCIETY.
- ALL FISCAL AND LEGAL OBLIGATIONS TO WHICH THE SOCIETY IS BOUND, BE DULY HONORED.
- ALL SUBMITTED FINANCIAL INFORMATION IS RELIABLE AND TIMELY, BASED ON THE HONORING OF ALL ABOVEMENTIONED POINTS AS WELL AS IN ACCORDANCE WITH THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

UPON THE TERMINATION OF AN AUDIT, A REPORT IS ISSUED TO THE GENERAL DIRECTION AND TO ALL EXECUTIVES OF THE CORRESPONDING AREAS WHEN DEVIATIONS ARE DETECTED AND HAVE TO BE CORRECTED.

GRUPO CONDUMEX COMPTROLLERSHIP DIRECTION AND MANAGEMENT, IS RESPONSIBLE FOR THE SELECTION, HIRING AND COORDINATION OF ALL EXTERNAL AUDITORS FOR THE SOCIETY'S AUDIT WHO DETERMINE THE FINANCIAL STATEMENTS AND ISSUE THEIR OPINION, AS WELL.

THE BOARD OF DIRECTORS RELIES ON GRUPO CONDUMEX INTERNAL AUDIT STRUCTURE WHICH ALLOWS IT TO ASSERT THE CORRESPONDING FINANCIAL INFORMATION AND THE EFFECTIVENESS OF ALL INTERNAL CONTROLS AND ACCOUNTING POLICIES FOR THE PREPARATION OF THE SOCIETY'S FINANCIAL INFORMATION.

4. THE COMPANY AND ITS SUBSIDIARIES REGULARLY CARRY OUT FINANCIAL AND COMMERCIAL OPERATIONS WITH SUBSIDIARY ENTITIES OF GRUPO CONDUMEX AND GRUPO CARSO. THESE OPERATIONS ARE MAINLY PURCHASE OF RAW MATERIALS AND SERVICES, AS WELL AS THE SALE OF FINISHED PRODUCTS , MAINLY WITH:

|   | (THOUSANDS OF MEXICAN PESOS |           |
|---|-----------------------------|-----------|
|   | SUPPLIERS                   | CUSTOMERS |
| NACIONAL DE CONDUCTORES ELECTRICOS, S.A. DE C.V.      | 36,716                      | 108,240   |
| CONDUMEX INC.   | 93,102                      |           |
| TELEFONOS DE MEXICO                                   |                             | 49,566    |
| SELMEC EQUIPOS INDUSTRIALES, S.A. DE C.V.             | 718                         |           |
| SINERGIA SOL. INT. PARA LA CONSTRUCCION, S.A. DE C.V. |                             | 25,768    |
| GRUPO CONDUMEX, S.A. DE C.V.                          | 18,134                      | 393       |
| SERVICIOS CONDUMEX, S.A. DE C.V.                      | 15,532                      | 95        |
| SWECOMEX, S.A. DE C.V.                                | 3,653                       | 855       |
|   | 167,855                     | 210,624   |

THERE ARE NO COMMERCIAL OPERATIONS OR INDEPENDENT SERVICES WITH PERSONAL STOCKHOLDERS OR KEY ADMINISTRATORS

## V. THE STOCK MARKET

### 1. SHARES OF STOCK STRUCTURE.

GRUPO CONDUMEX IS IEM'S MAIN STOCKHOLDER WITH 98.5% OF THE ENTITY'S CAPITAL STOCK; THE REMAINDER IS THE HANDS OF THE MEXICAN STOCK EXCHANGE SHAREHOLDERS; ALSO, THE COMPANY HAS "ADR's" IN CIRCULATION FOR AN AMOUNT OF 332,206 SERIES "B" SHARES, THAT ARE SUBSCRIPTION FREE FOR BOTH MEXICAN AND FOREIGN INVESTORS WHOSE SHARES HAVE THE SAME CORPORATE AND PATRIMONIAL RIGHTS AS THOSE FOR THE "A" SERIES.

### 2. SHARE OF STOCK BEHAVIOR IN THE MEXICAN STOCK EXCHANGE, SINCE 1996, TO DATE.

IEM, "A" SERIES  
BMV (MEXICAN STOCK EXCHANGE)

| DATE       | VOLUME | MAXIMUM | MINIMUM | CLOSE | AMOUNT |
|------------|--------|---------|---------|-------|--------|
| 03/11/1996 | 6000   | 3.50    | 3.50    | 3.50  | 21000  |
| 03/14/1996 | 10000  | 3.60    | 3.60    | 3.60  | 36000  |
| 03/19/1996 | 5000   | 3.60    | 3.60    | 3.60  | 18000  |
| 04/17/1996 | 6000   | 3.80    | 3.80    | 3.80  | 22800  |
| 05/27/1996 | 5000   | 3.80    | 3.80    | 3.80  | 19000  |
| 07/03/1996 | 2000   | 3.85    | 3.85    | 3.85  | 7700   |
| 09/12/1996 | 10000  | 3.88    | 3.88    | 3.88  | 38800  |
| 09/18/1996 | 5000   | 3.86    | 3.86    | 3.86  | 19300  |
| 11/11/1997 | 2000   | 3.60    | 3.60    | 3.60  | 7200   |

IEM, "B" SERIES  
BMV (MEXICAN STOCK EXCHANGE)

| DATE       | VOLUME | MAXIMUM | MINIMUM | CLOSE | AMOUNT |
|------------|--------|---------|---------|-------|--------|
| 07/04/1996 | 5000   | 3.88    | 3.88    | 3.88  | 19400  |
| 07/11/1996 | 3000   | 3.88    | 3.88    | 3.88  | 11640  |
| 07/18/1996 | 5000   | 3.88    | 3.88    | 3.88  | 19400  |
| 07/19/1996 | 1000   | 3.88    | 3.88    | 3.88  | 3880   |
| 03/04/1997 | 3000   | 3.88    | 3.88    | 3.88  | 11640  |
| 06/05/1997 | 1000   | 3.70    | 3.70    | 3.70  | 3700   |
| 06/11/1997 | 2000   | 3.70    | 3.70    | 3.70  | 7400   |
| 11/13/1997 | 4000   | 4.10    | 4.10    | 4.10  | 16400  |
| 03/06/1998 | 1000   | 4.60    | 4.60    | 4.60  | 4600   |
| 03/20/1998 | 2000   | 5.00    | 4.80    | 5.00  | 9800   |
| 09/28/1998 | 7000   | 5.40    | 5.40    | 5.40  | 37800  |

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## VI. ANNEX

STOCK

ANNEX 1.1

### LETTER WRITTEN BY THE ISSUER'S OFFICERS

TLALNEPANTLA, ESTADO DE MÉXICO, 27 / 06 / 2002

NATIONAL BANKING AND SECURITIES COMMISSION  
VICEPRESIDENCY OF STOCK EXCHANGE SUPERVISION  
GENERAL MANAGEMENT OF MARKET SUPERVISION  
INSURGENTES SUR 1971, TORRE SUR, PISO 9  
COL. GUADALUPE INN  
01020 MÉXICO, D.F.

WE ARE REFERRING TO THE ANNUAL REPORT REGARDING IEM, S.A. DE C.V. CAPITAL STOCK REPRESENTATIVE SHARES IN THE SECTION OF SECURITIES OF THE NATIONAL REGISTRY OF SECURITIES AND INTERMEDIARIES, TO STATE THE FOLLOWING, TO THIS COMMISSION:

1. THAT WE ARE AWARE OF THE SIGNIFICANCE AND RESPONSIBILITIES BEFORE THE STOCKHOLDERS AUDIENCE, THE COMPETENT AUTHORITIES AND OTHER INDIVIDUALS INVOLVED IN THE SECURITIES MARKET, OF BEING A SOCIETY WITH SECURITIES REGISTERED IN THE SECTION OF THE NATIONAL REGISTRY OF SECURITIES AND INTERMEDIARIES AND THAT ARE CALLED OUT IN THE BOLSA MEXICANA , S.A. DE C.V (MEXICAN STOCK EXCHANGE).
2. THAT WE HAVE REVIEWED THE ANNUAL REPORT DATED 27/06/2002, WHICH WAS ELABORATED ACCORDING TO THE INFORMATION HANDED BY OFFICERS OF THIS SOCIETY, AND WITH WHICH WE CONCUR. ALSO, WE DO NOT HAVE ANY KNOWLEDGE OF RELEVANT INFORMATION THAT MAY HAVE BEEN OMITTED OR FORGED IN SAID REPORT OR THAT THE SAME MAY CONTAIN INFORMATION THAT COULD BE MISLEADING FOR THE INVESTORS.

YOURS TRULY

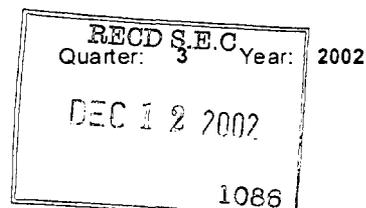
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NAME AND SIGNATURE OF THE  
DIRECTOR GENERAL

NAME AND SIGNATURE OF THE DIRECTOR OF  
FINANCE OR EQUIVALENT

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.



CONSOLIDATED FINANCIAL STATEMENT  
AT SEPTEMBER 30 OF 2002 AND 2001  
(Thousands of Pesos)

Final Printing

| REF<br>S | CONCEPTS   | QUARTER OF PRESENT |       | QUARTER OF PREVIOUS |       |
|----------|--|--------------------|-------|---------------------|-------|
|          |  | Amount             | %     | Amount              | %     |
| 1        | TOTAL ASSETS   | 596,287            | 100   | 693,148             | 100   |
| 2        | CURRENT ASSETS   | 322,674            | 54    | 399,165             | 58    |
| 3        | CASH AND SHORT-TERM INVESTMENTS                              | 7,854              | 1     | 106,328             | 15    |
| 4        | ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)                      | 155,986            | 26    | 110,390             | 16    |
| 5        | OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE                      | 4,512              | 1     | 9,092               | 1     |
| 6        | INVENTORIES  | 154,322            | 26    | 173,355             | 25    |
| 7        | OTHER CURRENT ASSETS   | 0                  | 0     | 0                   | 0     |
| 8        | LONG-TERM  | 0                  | 0     | 0                   | 0     |
| 9        | ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)                      | 0                  | 0     | 0                   | 0     |
| 10       | INVESTMENT IN SHARES OF SUBSIDIARIES<br>AND NON-CONSOLIDATED | 0                  | 0     | 0                   | 0     |
| 11       | OTHER  | 0                  | 0     | 0                   | 0     |
| 12       | PROPERTY, PLANT AND EQUIPMENT                                | 269,942            | 45    | 288,613             | 42    |
| 13       | PROPERTY   | 369,921            | 62    | 366,425             | 53    |
| 14       | MACHINERY AND INDUSTRIAL                                     | 372,530            | 62    | 360,166             | 52    |
| 15       | OTHER EQUIPMENT  | 32,704             | 5     | 40,419              | 6     |
| 16       | ACCUMULATED DEPRECIATION                                     | 537,748            | 90    | 516,743             | 75    |
| 17       | CONSTRUCTION IN PROGRESS                                     | 32,535             | 5     | 38,346              | 6     |
| 18       | DEFERRED ASSETS (NET)  | 3,671              | 1     | 5,370               | 1     |
| 19       | OTHER ASSETS   | 0                  | 0     | 0                   | 0     |
| 20       | TOTAL LIABILITIES  | 230,519            | 100   | 318,764             |       |
| 21       | CURRENT LIABILITIES  | 153,403            | 67    | 226,754             | 71    |
| 22       | SUPPLIERS  | 30,045             | 13    | 30,487              | 10    |
| 23       | BANK LOANS   | 0                  | 0     | 0                   | 0     |
| 24       | STOCK MARKET LOANS   | 0                  | 0     | 0                   | 0     |
| 25       | TAXES TO BE PAID   | 18,801             | 8     | (2,342)             | (1)   |
| 26       | OTHER CURRENT LIABILITIES                                    | 104,557            | 45    | 198,609             | 62    |
| 27       | LONG-TERM LIABILITIES  | 0                  | 0     | 0                   | 0     |
| 28       | BANK LOANS   | 0                  | 0     | 0                   | 0     |
| 29       | STOCK MARKET LOANS   | 0                  | 0     | 0                   | 0     |
| 30       | OTHER LOANS  | 0                  | 0     | 0                   | 0     |
| 31       | DEFERRED LOANS   | 77,116             | 33    | 86,846              | 27    |
| 32       | OTHER LIABILITIES  | 0                  | 0     | 5,164               | 2     |
| 33       | CONSOLIDATED STOCK HOLDERS' EQUITY                           | 365,768            | 100   | 374,384             |       |
| 34       | MINORITY INTEREST  | 553                |       | 754                 |       |
| 35       | MAJORITY INTEREST  | 365,215            | 100   | 373,630             | 100   |
| 36       | CONTRIBUTED CAPITAL  | 554,754            | 152   | 554,754             | 148   |
| 37       | PAID-IN CAPITAL STOCK (NOMINAL)                              | 15,688             | 4     | 15,688              | 4     |
| 38       | RESTATEMENT OF PAID-IN CAPITAL STOCK                         | 539,066            | 147   | 539,066             | 144   |
| 39       | PREMIUM ON SALES OF SHARES                                   | 0                  | 0     | 0                   | 0     |
| 40       | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES                   | 0                  | 0     | 0                   | 0     |
| 41       | CAPITAL INCREASE (DECREASE)                                  | (189,539)          | (52)  | (181,124)           | (48)  |
| 42       | RETAINED EARNINGS AND CAPITAL RESERVE                        | 335,253            | 92    | 346,622             | 93    |
| 43       | REPURCHASE FUND OF SHARES                                    | 0                  | 0     | 0                   | 0     |
| 44       | EXCESS (SHORTFALL) IN RESTATEMENT OF<br>HOLDERS' EQUITY      | (529,966)          | (145) | (538,189)           | (144) |
| 45       | NET INCOME FOR THE YEAR                                      | 5,174              | 1     | 10,443              | 3     |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.

QUARTER: 3      YEAR: 2002

CONSOLIDATED FINANCIAL STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(Thousands of Pesos)

Final Printing

| REF<br>S | CONCEPTS  | QUARTER OF PRESENT<br>FINANCIAL YEAR |       | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |       |
|----------|---|--------------------------------------|-------|---------------------------------------|-------|
|          |   | Amount                               | %     | Amount                                | %     |
| 3        | CASH AND SHORT-TERM INVESTMENTS                               | 7,854                                | 100   | 106,328                               | 100   |
| 46       | CASH  | 3,780                                | 48    | 3,292                                 | 3     |
| 47       | SHORT-TERM  | 4,074                                | 52    | 103,036                               | 97    |
| 18       | DEFERRED ASSETS (NET)   | 3,671                                | 100   | 5,370                                 | 100   |
| 48       | AMORTIZED OR REDEEMED   | 3,671                                | 100   | 5,370                                 | 100   |
| 49       | GOODWILL  | 0                                    | 0     | 0                                     | 0     |
| 50       | DEFERRED TAXES  | 0                                    | 0     | 0                                     | 0     |
| 51       | OTHERS  | 0                                    | 0     | 0                                     | 0     |
| 21       | CURRENT LIABILITIES   | 153,403                              | 100   | 226,754                               | 100   |
| 52       | FOREING CURRENCY  | 35,438                               | 23    | 29,442                                | 13    |
| 53       | MEXICAN PESOS LIABILITIES                                     | 117,965                              | 77    | 197,312                               | 87    |
| 24       | STOCK MARKET LOANS  | 0                                    | 100   | 0                                     | 100   |
| 54       | COMMERCIAL PAPER  | 0                                    | 0     | 0                                     | 0     |
| 55       | CURRENT MATURITIES OF MEDIUM TERM                             | 0                                    | 0     | 0                                     | 0     |
| 56       | CURRENT MATURITIES OF BONDS                                   | 0                                    | 0     | 0                                     | 0     |
| 26       | OTHER CURRENT LIABILITIES                                     | 104,557                              | 100   | 198,609                               | 100   |
| 57       | OTHER CURRENT LIABILITIES WITH COST                           | 50,109                               | 48    | 124,756                               | 63    |
| 58       | OTHER CURRENT LIABILITIES WITHOUT COST                        | 54,448                               | 52    | 73,853                                | 37    |
| 27       | LONG-TERM LIABILITIES   | 0                                    | 100   | 0                                     | 100   |
| 59       | FOREING CURRENCY  | 0                                    | 0     | 0                                     | 0     |
| 60       | MEXICAN PESOS   | 0                                    | 0     | 0                                     | 0     |
| 29       | STOCK MARKET LOANS  | 0                                    | 100   | 0                                     | 100   |
| 61       | BONDS   | 0                                    | 0     | 0                                     | 0     |
| 62       | MEDIUM TERM NOTES   | 0                                    | 0     | 0                                     | 0     |
| 30       | OTHER LOANS   | 0                                    | 100   | 0                                     | 100   |
| 63       | OTHER LOANS WITH COST   | 0                                    | 0     | 0                                     | 0     |
| 64       | OTHER LOANS WITHOUT COST                                      | 0                                    | 0     | 0                                     | 0     |
| 31       | DEFERRED LOANS  | 77,116                               | 100   | 86,846                                | 100   |
| 65       | NEGATIVE GOODWILL   | 0                                    | 0     | 0                                     | 0     |
| 66       | DEFERRED TAXES  | 77,116                               | 100   | 86,846                                | 100   |
| 67       | OTHERS  | 0                                    | 0     | 0                                     | 0     |
| 32       | OTHER LIABILITIES   | 0                                    | 100   | 5,164                                 | 100   |
| 68       | RESERVES  | 0                                    | 0     | 0                                     | 0     |
| 69       | OTHERS LIABILITIES  | 0                                    | 0     | 5,164                                 | 100   |
| 44       | EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK<br>HOLDERS' EQUITY | (529,966)                            | 100   | (538,189)                             | 100   |
| 70       | ACCUMULATED INCOME DUE TO MONETARY                            | 0                                    | 0     | 0                                     | 0     |
| 71       | INCOME FROM NON-MONETARY POSITION                             | (529,966)                            | (100) | (538,189)                             | (100) |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.

QUARTER3 YEAR2002

CONSOLIDATED FINANCIAL STATEMENT  
OTHER CONCEPTS  
(Thousands of Pesos)

Final Printing

| REF<br>S | CONCEPTS                    | QUARTER OF PRESENT<br>FINANCIAL YEAR | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |
|----------|-----------------------------|--------------------------------------|---------------------------------------|
|          |                             | Amount                               | Amount                                |
| 72       | WORKING CAPITAL             | 169,271                              | 172,411                               |
| 73       | PENSIONS FUND AND SENIORITY | 70,201                               | 63,870                                |
| 74       | EXECUTIVES (*)              | 20                                   | 21                                    |
| 75       | EMPLOYERS (*)               | 287                                  | 356                                   |
| 76       | WORKERS (*)                 | 930                                  | 938                                   |
| 77       | CIRCULATION SHARES          | 32,415,713                           | 32,415,713                            |
| 78       | REPURCHASED SHARES          | 0                                    | 0                                     |

(\*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODBEM  
IEM, S.A. DE C.V.

QUARTER: 3      YEAR: 2002

CONSOLIDATED EARNING STATEMENT  
FROM JANUARY THE 1st TO SEPTEMBER 30 OF 2002 AND 2001  
(Thousands of Pesos)

Final Printing

| REF<br>R | CONCEPTS  | QUARTER OF PRESENT<br>FINANCIAL YEAR |     | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |     |
|----------|---|--------------------------------------|-----|---------------------------------------|-----|
|          |   | Amount                               | %   | Amount                                | %   |
| 1        | NET SALES   | 584,398                              | 100 | 496,675                               | 100 |
| 2        | COST OF SALES   | 510,180                              | 87  | 422,363                               | 85  |
| 3        | GROSS INCOME  | 74,218                               | 13  | 74,312                                | 15  |
| 4        | OPERATING COSTS   | 43,491                               | 7   | 43,869                                | 9   |
| 5        | OPERATING INCOME  | 30,727                               | 5   | 30,443                                | 6   |
| 6        | TOTAL FINANCING COSTS   | 10,179                               | 2   | 11,077                                | 2   |
| 7        | INCOME AFTER FINANCING COST   | 20,548                               | 4   | 19,366                                | 4   |
| 8        | OTHER FINANCIAL OPERATIONS  | 908                                  | 0   | (2,239)                               | 0   |
| 9        | INCOME BEFORE TAXES AND WORKERS' PROFIT<br>SHARING                          | 19,640                               | 3   | 21,605                                | 4   |
| 10       | RESERVE FOR TAXES AND WORKERS' PROFIT<br>SHARING                            | 14,466                               | 2   | 11,162                                | 2   |
| 11       | NET INCOME AFTER TAXES AND WORKERS' PROFIT<br>SHARING                       | 5,174                                | 1   | 10,443                                | 2   |
| 12       | SHARE IN NET INCOME OF SUBSIDIARIES AND<br>NON-CONSOLIDATED ASSOCIATES      | 0                                    | 0   | 0                                     | 0   |
| 13       | CONSOLIDATED NET INCOME OF CONTINUOUS<br>OPERATION                          | 5,174                                | 1   | 10,443                                | 2   |
| 14       | INCOME OF DISCONTINUOUS OPERATIONS  | 0                                    | 0   | 0                                     | 0   |
| 15       | CONSOLIDATED NET INCOME BEFORE<br>EXTRAORDINARY ITEMS                       | 5,174                                | 1   | 10,443                                | 2   |
| 16       | EXTRAORDINARY ITEMS NET EXPENSES  | 0                                    | 0   | 0                                     | 0   |
| 17       | NET EFFECT AT THE BEGINNING OF THE YEAR<br>CHANGES IN ACCOUNTING PRINCIPLES | 0                                    | 0   | 0                                     | 0   |
| 18       | NET CONSOLIDATED INCOME   | 5,174                                | 1   | 10,443                                | 2   |
| 19       | NET INCOME OF MINORITY INTEREST   |                                      |     |                                       |     |
| 20       | NET INCOME OF MAJORITY INTEREST   | 5,174                                | 1   | 10,443                                | 2   |

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE IEM  
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QUARTER: 3

2002

CONSOLIDATED EARNING STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(Thousands of Pesos)

Final Printing

| REF<br>R | CONCEPTS                                      | QUARTER OF PRESENT<br>FINANCIAL YEAR |     | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |       |
|----------|---|--------------------------------------|-----|---------------------------------------|-------|
|          |   | Amount                               | %   | Amount                                | %     |
| 1        | NET SALES                                     | 584,398                              | 100 | 496,675                               | 100   |
| 21       | DOMESTIC                                      | 562,438                              | 96  | 448,043                               | 90    |
| 22       | FOREIGN                                       | 21,960                               | 4   | 48,632                                | 10    |
| 23       | TRANSLATED INTO DOLLARS                       | 2,274                                | 0   | 4,852                                 | 1     |
| 6        | TOTAL FINANCING COST                          | 10,179                               | 100 | 11,077                                | 100   |
| 24       | INTEREST PAID                                 | 11,338                               | 111 | 17,916                                | 162   |
| 25       | EXCHANGE LOSSES                               | 15,427                               | 152 | 12,878                                | 116   |
| 26       | INTEREST EARNED                               | 5,426                                | 53  | 10,244                                | 92    |
| 27       | EXCHANGE PROFITS                              | 12,398                               | 122 | 11,402                                | 103   |
| 28       | GAIN DUE TO MONETARY                          | 1,238                                | 12  | 1,929                                 | 17    |
| 8        | OTHER FINANCIAL OPERATIONS                    | 908                                  | 100 | (2,239)                               | 100   |
| 29       | OTHER NET EXPENSES (INCOME)                   | 908                                  | 100 | (2,239)                               | (100) |
| 30       | (PROFIT) LOSS ON SALE OF OWN SHARES           | 0                                    | 0   | 0                                     | 0     |
| 31       | (PROFIT) LOSS ON SALE OF SHORT-TERM           | 0                                    | 0   | 0                                     | 0     |
| 10       | RESERVE FOR TAXES AND WORKERS' PROFIT SHARING | 14,466                               | 100 | 11,162                                | 100   |
| 32       | INCOME TAX                                    | 9,220                                | 64  | 8,005                                 | 72    |
| 33       | DEFERED INCOME TAX                            | 2,412                                | 17  | 1,141                                 | 10    |
| 34       | WORKERS' PROFIT SHARING                       | 2,292                                | 16  | 1,671                                 | 15    |
| 35       | DEFERED WORKERS' PROFIT                       | 542                                  | 4   | 345                                   | 3     |

(\*\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE COBDEM  
IEM, S.A. DE C.V.

QUARTER:3      YEAR:2002

CONSOLIDATED EARNING STATEMENT  
OTHER CONCEPTS  
(Thousands of Pesos)

Final Printing

| REF<br>R | CONCEPTS                            | QUARTER OF PRESENT<br>FINANCIAL YEAR<br>Amount | QUARTER OF PREVIOUS<br>FINANCIAL YEAR<br>Amount |
|----------|-------------------------------------|--|---|
| 36       | TOTAL SALES                         | 614,246  | 519,570   |
| 37       | NET INCOME OF THE YEAR              | 26,090   | 21,345  |
| 38       | NET SALES (**)                      | 739,110  | 802,957   |
| 39       | OPERATION INCOME (**)               | 19,415   | 73,615  |
| 40       | NET INCOME OF MAYORITY INTEREST(**) | 1,498  | 22,334  |
| 41       | NET CONSOLIDATED INCOME             | 1,498  | 22,644  |

(\*\*) THE RESTATED INFORMATION ON THE LAST TWELVE MONTHS SHOULD BE

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODBEM  
IEM, S.A. DE C.V.

QUARTER: 3      YEAR: 2002

CONSOLIDATED FINANCIAL STATEMENT  
FROM JANUARY THE 1st TO SEPTEMBER 30 OF 2002 AND 2001  
(Thousands of Pesos)

Final Printing

| REF<br>C | CONCEPTS  | QUARTER OF PRESENT<br>FINANCIAL YEAR | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |
|----------|---|--------------------------------------|---------------------------------------|
|          |   | Amount                               | Amount                                |
| 1        | CONSOLIDATED NET INCOME                                       | 5,174                                | 10,443                                |
| 2        | +(-) ITEMS ADDED TO INCOME WHICH DO<br>REQUIRE USING CASH     | 15,089                               | 16,247                                |
| 3        | CASH FLOW FROM NET INCOME OF THE YEAR                         | 20,263                               | 26,690                                |
| 4        | CASH FLOW FROM CHANGE IN WORKING CAPITAL                      | (112,352)                            | 11,656                                |
| 5        | CASH GENERATED (USED) IN OPERATING ACTIVITIES                 | (92,089)                             | 38,346                                |
| 6        | CASH FLOW FROM EXTERNAL FINANCING                             | 0                                    | 0                                     |
| 7        | CASH FLOW FROM INTERNAL FINANCING                             | 0                                    | 0                                     |
| 8        | CASH FLOW GENERATED (USED) BY FINANCING                       | 0                                    | 0                                     |
| 9        | CASH FLOW GENERATED (USED) IN INVESTMENT<br>ACTIVITIES        | (6,385)                              | (25,927)                              |
| 10       | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM<br>INVESTMENTS | (98,474)                             | 12,419                                |
| 11       | CASH AND SHORT-TERM INVESTMENTS AT<br>BEGINNING OF PERIOD     | 106,328                              | 93,909                                |
| 12       | CASH AND SHORT-TERM INVESTMENTS AT THE END<br>OF PERIOD       | 7,854                                | 106,328                               |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODBEM  
IEM, S.A. DE C.V.

QUARTER: 3

2002

CONSOLIDATED FINANCIAL STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(Thousands of Pesos)

Final Printing

| REF<br>C | CONCEPTS  | QUARTER OF PRESENT<br>FINANCIAL YEAR | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |
|----------|---|--------------------------------------|---------------------------------------|
|          |   | Amount                               | Amount                                |
| 2        | + (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH         | 15,089                               | 16,247                                |
| 13       | DEPRECIATION AND AMORTIZATION FOR THE                               | 15,089                               | 16,247                                |
| 14       | + (-) NET INCREASE (DECREASE) IN PENSIONS AND SENIORITY PREMIUMS    | 0                                    | 0                                     |
| 15       | + (-) NET LOSS (PROFIT) IN MONEY                                    | 0                                    | 0                                     |
| 16       | + (-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION     | 0                                    | 0                                     |
| 17       | + (-) OTHER ITEMS   | 0                                    | 0                                     |
| 4        | CASH FLOW FROM CHANGE IN WORKING CAPITAL                            | (112,352)                            | 11,656                                |
| 18       | + (-) DECREASE (INCREASE) IN ACCOUNT                                | (45,597)                             | 106,135                               |
| 19       | + (-) DECREASE (INCREASE) IN INVENTORIES                            | 19,033                               | (12,272)                              |
| 20       | + (-) DECREASE (INCREASE) IN OTHER RECEIVABLE                       | (4,580)                              | (5,204)                               |
| 21       | + (-) INCREASE (DECREASE) IN SUPPLIER                               | (5,980)                              | (14,595)                              |
| 22       | + (-) INCREASE (DECREASE) IN OTHER                                  | (75,228)                             | (62,408)                              |
| 6        | CASH FLOW FROM EXTERNAL FINANCING                                   | 0                                    | 0                                     |
| 23       | + SHORT-TERM BANK AND STOCK MARKET                                  | 0                                    | 0                                     |
| 24       | + LONG-TERM BANK AND STOCK MARKET                                   | 0                                    | 0                                     |
| 25       | + DIVIDEND RECEIVED   | 0                                    | 0                                     |
| 26       | + OTHER FINANCING   | 0                                    | 0                                     |
| 27       | (-) BANK FINANCING AMORTIZATION                                     | 0                                    | 0                                     |
| 28       | (-) STOCK MARKET AMORTIZATION                                       | 0                                    | 0                                     |
| 29       | (-) OTHER FINANCING AMORTIZATION                                    | 0                                    | 0                                     |
| 7        | CASH FLOW FROM INTERNAL FINANCING                                   | 0                                    | 0                                     |
| 30       | + (-) INCREASE (DECREASE) IN CAPITAL                                | 0                                    | 0                                     |
| 31       | (-) DIVIDENS PAID   | 0                                    | 0                                     |
| 32       | + PREMIUM ON SALE OF SHARES   | 0                                    | 0                                     |
| 33       | + CONTRIBUTION FOR FUTURE CAPITAL                                   | 0                                    | 0                                     |
| 9        | CASH FLOW GENERATED (UTILIZED) IN INVESTMENT ACTIVITIES             | (6,385)                              | (25,927)                              |
| 34       | + (-) DECREASE (INCREASE) IN STOCK INVESTMENT OF A PERMANENT NATURE | 0                                    | 0                                     |
| 35       | (-) ACQUISITION OF PROPERTY, PLANT AND                              | (5,213)                              | (11,242)                              |
| 36       | (-) INCREASE IN CONSTRUCTIONS IN                                    | (1,172)                              | (14,685)                              |
| 37       | + SALE OF OTHER PERMANENT   | 0                                    | 0                                     |
| 38       | + SALE OF TANGIBLE FIXED ASSETS                                     | 0                                    | 0                                     |
| 39       | + (-) OTHER ITEMS   | 0                                    | 0                                     |

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STOCK EXCHANGE CODE BEM  
IEM, S.A. DE C.V.

QUARTER 3

2002

RATIOS  
CONSOLIDATED

Final Printing

| REF<br>P | CONCEPTS   | QUARTER OF PRESENT<br>FINANCIAL YEAR | QUARTER OF PREVIOUS<br>FINANCIAL YEAR |
|----------|--|--------------------------------------|---------------------------------------|
|          | <b>YIELD</b>   |                                      |                                       |
| 1        | NET INCOME TO NET SALES  | 0.89 %                               | 2.10 %                                |
| 2        | NET INCOME TO STOCK HOLDERS' EQUITY (**)   | 0.41 %                               | 5.98 %                                |
| 3        | NET INCOME TO TOTAL ASSETS (**)  | 0.25 %                               | 3.27 %                                |
| 4        | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME   | 0.00 %                               | 0.00 %                                |
| 5        | INCOME DUE TO MONETARY POSITION TO NET INCOME  | (23.93) %                            | (18.47) %                             |
|          | <b>ACTIVITY</b>  |                                      |                                       |
| 6        | NET SALES TO NET ASSETS (**)   | 1.24 times                           | 1.16 times                            |
| 7        | NET SALES TO FIXED ASSETS (**)   | 2.74 times                           | 2.78 times                            |
| 8        | INVENTORIES ROTATION (**)  | 4.28 times                           | 3.84 times                            |
| 9        | ACCOUNTS RECEIVABLE IN DAYS OF SALES   | 63 days                              | 52 days                               |
| 10       | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)                                    | 0.00 %                               | 0.00 %                                |
|          | <b>LEVERAGE</b>  |                                      |                                       |
| 11       | TOTAL LIABILITIES TO TOTAL ASSETS  | 38.66 %                              | 45.99 %                               |
| 12       | TOTAL LIABILITIES TO STOCK HOLDERS' EQUITY   | 0.63 times                           | 0.85 times                            |
| 13       | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES                                    | 15.37 %                              | 9.24 %                                |
| 14       | LONG-TERM LIABILITIES TO FIXED ASSETS  | 0.00 %                               | 0.00 %                                |
| 15       | OPERATING INCOME TO INTEREST PAID  | 2.71 times                           | 1.70 times                            |
| 16       | NET SALES TO TOTAL LIABILITIES (**)  | 3.21 times                           | 2.52 times                            |
|          | <b>LIQUIDITY</b>   |                                      |                                       |
| 17       | CURRENT ASSETS TO CURRENT LIABILITIES  | 2.10 times                           | 1.76 times                            |
| 18       | CURRENT ASSETS LESS INVENTORY TO LIABILITIES   | 1.10 times                           | 1.00 times                            |
| 19       | CURRENTS ASSETS TO TOTAL LIABILITIES   | 1.40 times                           | 1.25 times                            |
| 20       | AVAILABLE ASSETS TO CURRENT LIABILITIES  | 5.12 %                               | 46.89 %                               |
|          | <b>CASH FLOW</b>   |                                      |                                       |
| 21       | CASH FLOW FROM NET INCOME TO NET SALES   | 3.47 %                               | 5.37 %                                |
| 22       | CASH FLOW FROM CHANGES IN WORKING TO NET SALES                                       | (19.23) %                            | 2.35 %                                |
| 23       | CASH GENERATED (USED) IN OPERATING INTEREST PAID                                     | (8.12) times                         | 2.14 times                            |
| 24       | EXTERNAL FINANCING TO CASH GENERATED (USED) IN FINANCING                             | 0.00 %                               | 0.00 %                                |
| 25       | INTERNAL FINANCING TO CASH GENERATED IN FINANCING                                    | 0.00 %                               | 0.00 %                                |
| 26       | ACQUISITION OF PROPERTY, PLANT AND TO CASH GENERATED (USED) IN INVESTMENT ACTIVITIES | 81.64 %                              | 43.36 %                               |

(\*\*) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.

QUARTER: 3 YEAR: 2002

RELATIONS OF SHARES INVESTMENTS

ANNEX 3

CONSOLIDATED  
Final Printing

| COMPANY NAME (1)                        | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP (%) (2) | TOTAL AMOUNT (Thousands of Pesos) |                   |
|---|-----------------|------------------|-------------------|-----------------------------------|-------------------|
|   |                 |                  |                   | ACQUISITION COST                  | PRESENT VALUE (3) |
| <b>SUBSIDIARIES</b>                     |                 |                  |                   |                                   |                   |
| 1 INDUSTRIAS IEM, S.A. DE C.V.          | MANUFACTURING   | 134,499,908      | 99.91             | 134,385                           | 288,768           |
| <b>TOTAL INVESTMENT IN SUBSIDIARIES</b> |                 |                  |                   | <b>134,385</b>                    | <b>288,768</b>    |
| <b>OTHER PERMANENT INVESTMENTS</b>      |                 |                  |                   |                                   | <b>0</b>          |
| <b>TOTAL</b>                            |                 |                  |                   |                                   | <b>288,768</b>    |

NOTES

MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODIEM  
IEM, S.A. DE C.V.

QUARTER: 3 YEAR: 2002

PROPERTY, PLANT AND EQUIPMENT  
(Thousands of Pesos)

ANNEX 4

CONSOLIDATED  
Final Printing

| CONCEPT                        | ACQUISITION COST | ACCUMULATED DEPRECIATION | CARRYING VALUE | REVALUATION    | DEPRECIATION ON REVALUATION | CARRYING VALUE (-) REVALUATION (-) DEPRECIATION |
|--------------------------------|------------------|--------------------------|----------------|----------------|-----------------------------|---|
| <b>DEPRECIATION ASSETS</b>     |                  |                          |                |                |                             |   |
| PROPERTY                       | 2,928            | 237                      | 2,691          | 278,249        | 253,172                     | 27,768  |
| MACHINERY                      | 93,376           | 41,294                   | 52,082         | 279,154        | 222,879                     | 108,357   |
| TRANSPORT EQUIPMENT            | 4,050            | 1,029                    | 3,021          | 2,896          | 3,150                       | 2,767   |
| OFFICE EQUIPMENT               | 589              | 297                      | 292            | 2,583          | 1,572                       | 1,303   |
| COMPUTER EQUIPMENT             | 17,055           | 10,243                   | 6,812          | 5,531          | 3,875                       | 8,468   |
| OTHER                          | 0                | 0                        | 0              | 0              | 0                           | 0   |
| <b>DEPRECIABLES TOTAL</b>      | <b>117,998</b>   | <b>53,100</b>            | <b>64,898</b>  | <b>568,413</b> | <b>484,648</b>              | <b>148,663</b>                                  |
| <b>NOT DEPRECIATION ASSETS</b> |                  |                          |                |                |                             |   |
| GROUNDS                        | 467              | 0                        | 467            | 88,277         | 0                           | 88,744  |
| CONSTRUCTIONS IN PROCESS       | 32,535           | 0                        | 32,535         | 0              | 0                           | 32,535  |
| OTHER                          | 0                | 0                        | 0              | 0              | 0                           | 0   |
| <b>NOT DEPRECIABLE TOTAL</b>   | <b>33,002</b>    | <b>0</b>                 | <b>33,002</b>  | <b>88,277</b>  | <b>0</b>                    | <b>121,279</b>                                  |
| <b>TOTAL</b>                   | <b>151,000</b>   | <b>53,100</b>            | <b>97,900</b>  | <b>656,690</b> | <b>484,648</b>              | <b>269,942</b>                                  |

NOTES



MEXICAN STOCK EXCHANGE  
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STOCK EXCHANGE CODE: IEM  
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QUARTER: 3      YEAR: 2002

TRADE BALANCE AND MONETARY POSITION IN FOREIGN EXCHANGE  
(Thousands of Pesos)

ANNEX 6

CONSOLIDATED  
Final Printing

| TRADE BALANCE                    | DOLARS (1)             |                       | OTHER CURRENCIES       |                       | TOTAL<br>THOUSANDS OF<br>PESOS |
|----------------------------------|------------------------|-----------------------|------------------------|-----------------------|--------------------------------|
|                                  | THOUSANDS OF<br>DOLARS | THOUSANDS OF<br>PESOS | THOUSANDS OF<br>DOLARS | THOUSANDS OF<br>PESOS |                                |
| <b>1. INCOME</b>                 |                        |                       |                        |                       |                                |
| EXPORTS                          | 2,274                  | 21,553                | 0                      | 0                     | 21,553                         |
| OTHER                            | 0                      | 0                     | 0                      | 0                     | 0                              |
| <b>TOTAL</b>                     | <b>2,274</b>           | <b>21,553</b>         |                        |                       | <b>21,553</b>                  |
| <b>2. EXPENDITURE</b>            |                        |                       |                        |                       |                                |
| IMPORT (RAW MATERIALS)           | 8,113                  | 78,230                | 1,660                  | 15,933                | 94,163                         |
| INVESTMENTS                      | 648                    | 6,333                 | 0                      | 0                     | 6,333                          |
| OTHER                            | 117                    | 1,127                 | 0                      | 0                     | 1,127                          |
| <b>TOTAL</b>                     | <b>8,878</b>           | <b>85,690</b>         | <b>1,660</b>           | <b>15,933</b>         | <b>101,623</b>                 |
| <b>NET BALANCE</b>               | <b>(6,604)</b>         | <b>(64,137)</b>       | <b>(1,660)</b>         | <b>(15,933)</b>       | <b>(80,070)</b>                |
| <b>FOREING MONETARY POSITION</b> |                        |                       |                        |                       |                                |
| TOTAL ASSETS                     | 1,301                  | 13,221                | 0                      | 0                     | 13,221                         |
| LIABILITIES POSITION             | 1,611                  | 16,382                |                        |                       | 16,382                         |
| SHORT TERM LIABILITIES POSITION  | 1,611                  | 16,382                | 0                      | 0                     | 16,382                         |
| LONG TERM LIABILITIES POSITION   | 0                      | 0                     | 0                      | 0                     | 0                              |
| <b>NET BALANCE</b>               | <b>(310)</b>           | <b>(3,161)</b>        |                        |                       | <b>(3,161)</b>                 |

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INTEGRATION AND INCOME  
CALCULATION BY MONETARY POSITION (1)  
(Thousands of Pesos)

ANNEX 7

CONSOLIDATED  
Final Printing

| MONTH           | MONETARY<br>ASSETS | MONETARY<br>LIABILITIES | (ASSET) LIABILITIES<br>MONETARY<br>POSITION | MONTHLY<br>INFLATION | MONTHLY<br>(PROFIT)<br>AND LOSS |
|-----------------|--------------------|-------------------------|---|----------------------|---------------------------------|
| JANUARY         | 238,949            | 220,510                 | 18,439                                      | 0.92                 | (170)                           |
| FEBRUARY        | 248,536            | 221,320                 | 27,216                                      | 0.06                 | 17                              |
| MARCH           | 245,236            | 232,192                 | 13,044                                      | 0.51                 | (67)                            |
| APRIL           | 298,149            | 267,229                 | 30,920                                      | 0.55                 | (170)                           |
| MAY             | 264,749            | 248,621                 | 16,128                                      | 0.20                 | (32)                            |
| JUNE            | 293,121            | 262,148                 | 30,973                                      | 0.49                 | (152)                           |
| JULY            | 268,394            | 229,208                 | 39,187                                      | 0.29                 | (114)                           |
| AUGUST          | 276,536            | 253,922                 | 22,614                                      | 0.38                 | (85)                            |
| SEPTEMBER       | 284,426            | 272,658                 | 11,768                                      | 0.54                 | (63)                            |
| ACTUALIZATION:  | 0                  | 0                       | 0   | 0.00                 | (402)                           |
| CAPITALIZATION: | 0                  | 0                       | 0   | 0.00                 | 0                               |
| FOREIGN CORP.:  | 0                  | 0                       | 0   | 0.00                 | 0                               |
| OTHER           | 0                  | 0                       | 0   | 0.00                 | 0                               |
| <b>TOTAL</b>    |                    |                         |   |                      | <b>(1,238)</b>                  |

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QUARTER: 3      YEAR: 2002

BONDS AND MEDIUM TERM NOTES LISTING IN STOCK MARKET (1)

ANNEX 8

CONSOLIDATED  
Final Printing

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

NOT APPLICABLE

ACTUAL SITUATION OF FINANCIAL LIMITED

NOT APPLICABLE

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

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IEM, S.A. DE C.V.

QUARTER: 3      YEAR: 2002

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

ANNEX 9

CONSOLIDATED  
Final Printing

| PLANT<br>OR<br>CENTER        | ECONOMIC<br>ACTIVITY       | PLANT<br>CAPACITY<br>(1) | UTILIZATION<br>(%) |
|------------------------------|----------------------------|--------------------------|--------------------|
| INDUSTRIAS IEM, S.A. DE C.V. | MOTORS AND PROTECTION GEAR | 100                      | 50                 |

NOTES

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.

QUARTER: 3 YEAR: 2002

MAIN RAW MATERIALS

ANNEX 10

CONSOLIDATED  
Final Printing

| DOMESTIC  | MAIN SUPPLIERS       | FOREIGN           | MAIN SUPPLIERS | DOM. SUBST. | COST PRODUCTION (%) |
|-----------|----------------------|-------------------|----------------|-------------|---------------------|
| COPPEAR   | NAL CONDOC ELECTRIC  |                   |                |             | 5.31                |
| STEEL     | SERVILAMINAS SUMMIT  |                   |                |             | 11.94               |
| OIL       | ACEITES PROD. Y SERV |                   |                |             | 0.52                |
| FOUNDRY   | FUNDIDO METALES INDL |                   |                |             | 1.55                |
| ISULATION | EHV WEIDMAN          |                   |                |             | 3.51                |
| OTHERS    | VARIOS               |                   |                |             | 10.57               |
|           |                      | ACERO ELEC Y COMP | CONDUMEX INC   | NO          | 20.58               |

NOTES

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.

QUARTER: 3

YEAR: 2002

SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

DOMESTIC SELLS

CONSOLIDATED  
Final Printing

| MAIN PRODUCTS       | TOTAL PRODUCTION |                   | NET SELLS     |         | MARKET SHARE (%) | MAIN       |   |
|---------------------|------------------|-------------------|---------------|---------|------------------|------------|---|
|                     | VOLUME           | AMOUNT            | VOLUME        | AMOUNT  |                  | TRADEMARKS | COSTUMERS                                     |
| PRODUCTOS ELECTRICO | 138              | 480,252<br>0<br>0 | 196<br>0<br>0 | 562,438 | 31.22            | IEM        | CFE, CLYF<br>TELMEX, NACEL<br>SELMEC, SIEMENS |
| <b>TOTAL</b>        |                  | 480,252           |               | 562,438 |                  |            |   |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM  
IEM, S.A. DE C.V.

QUARTER: 3 YEAR: 2002

SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

PAGE 2

CONSOLIDATED

Final Printing

FOREIGN SELLS

| MAIN PRODUCTS       | TOTAL PRODUCTION |             | NET SELLS   |        | DESTINATION | MAIN       |   |
|---------------------|------------------|-------------|-------------|--------|-------------|------------|---|
|                     | VOLUME           | AMOUNT      | VOLUME      | AMOUNT |             | TRADEMARKS | COSTUMERS   |
| PRODUCTOS ELECTRICO |                  | 0<br>0<br>0 | 2<br>0<br>0 | 21,960 | USA         | IEM        | GENERAL ELECTRIC<br>ROSEN, MARATHON<br>NEMSCO, ROGERS |
| <b>TOTAL</b>        |                  |             |             | 21,960 |             |            |   |

NOTES

**ANNEX 12**  
**CEDULE FOR THE DETERMINATION OF THE NET FISCAL EARNINGS ACCOUNT (NFEA)**  
(Thousands of Pesos)

**NFEA BALANCE FOR PREVIOUS PERIOD FOR WHICH IS DETERMINED**

NFEA BALANCE TO DECEMBER 31st OF : 2001 219,418

Number of shares Outstanding at the Date of the NFEA: 32,415,713

(Units)

ARE THE FIGURES FISCALLY AUDITED?  ARE THE FIGURES FISCALLY

**DIVIDENDS COLLECTED IN THE PERIOD**

| QUARTER | SERIES | NUMBER OF SHARES<br>OUTSTANDING | DATE OF SETTLEMENT | AMOUNT |
|---------|--------|---------------------------------|--------------------|--------|
| 0       | 0      | 0.00                            |                    | 0.00   |

**DETERMINATION OF THE NFEA OF THE PRESENT YEAR**

| NFE FROM THE PERIOD FROM JANUARY 1 TO | 31 | OF | DICIEMBRE | OF | 2001 |
|---------------------------------------|----|----|-----------|----|------|
| FISCAL EARNINGS                       |    |    |           |    | 0    |
| - DETERMINED INCOME                   |    |    |           |    | 0    |
| + DEDUCTED WORKER'S PROF              |    |    |           |    | 0    |
| - DETERMINED WORKER                   |    |    |           |    | 0    |
| - DETERMINED RFE                      |    |    |           |    | 0    |
| - NON DEDUCTABLES                     |    |    |           |    | 0    |
| NFE OF PERIOD :                       |    |    |           |    | 0    |

**BALANCE OF THE NFEA AT THE END OF THE PERIOD**  
(Present year Information)

NFEA BALANCE TO 30 OF SEPTIEMBRE OF 2002 227,909

Number of shares Outstanding at the Date of the NFEA: 32,415,713

(Units)

ANNEX 12  
CEDULE FOR THE DETERMINATION OF THE NET FISCAL EARNINGS ACCOUNT (NFEA)  
(Thousands of Pesos)

MODIFICATION BY COMPLEMENTARY

NFEA BALANCE TO DECEMBER 31st OF : 2001

Number of shares Outstanding at the Date of the NFEA :  
(Units)

0

0

**ANNEX 12 - A**  
**CHEDULE FOR THE DETERMINATION OF THE NET FISCAL EARNINGS ACCOUNT REINVERTED (NFEAR)**  
 (Thousands of Pesos)

|   |   |
|---|---|
| <b>NFEAR BALANCE FOR PREVIOUS PERIOD FOR WHICH IS DETERMINED</b>  |   |
| NFEAR BALANCE TO DECEMBER 31st OF: 2001                           | 159,643   |
| Number of Shares Outstanding at the Date of the NFEAR:<br>(Units) | 32,415,713  |
| <input type="checkbox"/> ARE FIGURES FISCALLY AUDITED?            | <input type="checkbox"/> ARE FIGURES FISCALLY CONSOLIDATED? |

| DIVIDENDS PAIDOUT IN THE PERIOD THAT COMES FROM DE NFEAR |        |                                 |                    |        |
|--|--------|---------------------------------|--------------------|--------|
| QUARTER  | SERIES | NUMBER OF SHARES<br>OUTSTANDING | DATE OF SETTLEMENT | AMOUNT |
| 0  | 0      | 0.00                            |                    | 0.00   |

| DETERMINATION OF THE NFEAR OF THE PRESENT YEAR    |                     |         |
|---|---------------------|---------|
| NFER FROM THE PERIOD                              | TO 31 OF SEPTIEMBRE | OF 2002 |
| FISCAL EARNINGS:                                  |                     | 0       |
| + DEDUCTED WORKER'S PROFIT SHA                    |                     | 0       |
| - DETERMINED INCOME TAX:                          |                     | 0       |
| - NON-DEDUCTABLES                                 |                     | 0       |
| <br>- (+) EARNINGS (LOSS) FROM FOREING OF PROFIT: |                     | 0       |
| DETERMINATED RFE OF THE FISCAL YEAR               |                     | 0       |
| - INCOME TAX (DEFERED ISR):                       |                     |         |
| * FACTOR TO DETERMINE THE NFEAR:                  |                     | 0       |
| NFER FROM THE PERIOD                              |                     | 0       |

| BALANCE OF THE NFEAR AT THE END OF THE PERIOD                    |            |
|--|------------|
| NFEAR BALANCE TO: 30 OF SEPTIEMBRE OF 2002                       | 165,821    |
| Number of shares Outstanding at the Date of the NFEAR<br>(Units) | 32,415,713 |

| MODIFICATION BY COMPLEMENTARY                                    |   |
|--|---|
| NFEAR BALANCE TO DECEMBER 31st OF: 0000                          | 0 |
| Number of shares Outstanding at the Date of the NFEAR<br>(Units) | 0 |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODBEM  
IEM, S.A. DE C.V.

QUARTER: 3

YEAR: 2002

CONSOLIDATED  
Final Printing

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

CHARACTERISTICS OF THE SHARES

| SERIES | NOMINAL<br>VALUE | VALID<br>CUPON | NUMBER OF SHARES |            |            |             | CAPITAL STOCK<br>(Thousands of Pesos) |          |
|--------|------------------|----------------|------------------|------------|------------|-------------|---------------------------------------|----------|
|        |                  |                | PORTION          | PORTION    | MEXICAN    | SUSCRIPTION | FIXED                                 | VARIABLE |
| A      |                  | 0              | 2,550,000        | 13,982,014 | 16,532,014 |             | 1,274                                 | 6,726    |
| B      |                  | 0              | 2,450,000        | 13,433,699 |            | 15,883,699  | 1,226                                 | 6,462    |
| TOTAL  |                  |                | 5,000,000        | 27,415,713 | 16,532,014 | 15,883,699  | 2,500                                 | 13,188   |

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF SENDING THE INFORMATION :  
32,415,713

SHARES PROPORTION BY :

CPO'S :  
UNITS :  
ADRS's :  
GDRS's :  
ADS's :  
GDS's :

REPURCHASED OWN SHARES

| SERIES | NUMBER OF<br>SHARES | MARKET VALUE OF THE SHARE |            |
|--------|---------------------|---------------------------|------------|
|        |                     | AT REPURCHASE             | AT QUARTER |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODBEM  
IEM, S.A. DE C.V.

QUARTER: 3

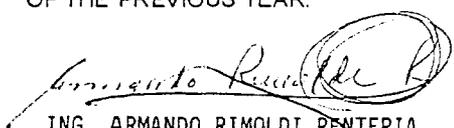
YEAR: 2002

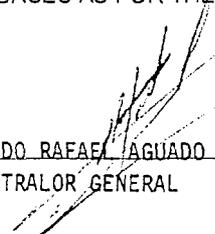
CONSOLIDATED  
Final Printing

DECLARATION FROM THE COMPANY OFFICIALS RESPONSABLE FOR THE INFORMATION.

I HEREBY SWEAR THAT THE FINANCIAL INFORMATION HERE IN SUPPLIED TO THIS STOCK CORRESPONDING TO THE PERIOD FROM 1 OF JANUARY TO 30 OF SEPTEMBER OF 2002 AND 2001 IS THAT OBTAINED FROM OUR AUTHORIZED ACCOUNTING REGISTERS AND IS RESULT OF THE APPLICATION OF THE ACCOUNTING PRINCIPLES AND NORMS ACCEPTED AND STATED BY MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS AND IN THE PROVISIONS OF THE MEXICAN NATIONAL AND STOCK COMMISSION (COMISION NACIONAL BANCARIA Y DE

THE ACCOUNTING PRINCIPLES USED BY THIS COMPANY AND THE PROCESSING OF DATA FOR THE PERIOD WHICH THE SAID INFORMATION REFERS WERE APPLIED USING THE SAME BASES AS FOR THE SIMILAR OF THE PREVIOUS YEAR.

  
ING. ARMANDO RIMOLDI RENTERIA  
DIRECTOR GENERAL

  
C.P. FERNANDO RAFAEL AGUADO GUTIERREZ  
CONTRALOR GENERAL

TLALNEPANTLA, MEX, AT OCTOBER 22 OF 2002

**BOLSA MEXICANA DE VALORES, S.A. DE C.V.**  
**(MEXICAN STOCK EXCHANGE)**  
**SIFIC / ICS**

STOCK EXCHANGE CODE: IEM

DATE: 22/10/2002 17:08

**GENERAL DATA OF ISSUER**

---

**FIRM NAME:** IEM, S.A. DE C.V.  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
TLANEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:**  
**WEB SITE:**

**AUTOMATIC:** X

**FISCAL DATA OF ISSUER**

---

**COMPANY "RFC"** IEM8312144U6  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
TLANEPANTLA, ESTADO DE MÉXICO

**PERSON IN CHARGE OF PAYMENT**

---

**NAME:** MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
**CITY AND STATE:** TLANEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:** raguado@condumex.com.mx

**DATA OF OFFICERS**

---

**MSM POSITION:** CHAIRMAN OF THE BOARD  
**POSITION:** CHAIRMAN OF THE BOARD  
**NAME:** MR. ARMANDO RIMOLDI RENTERÍA  
**ADDRESS:** VÍA GUSTAVO BAZ No 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
TLALNEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:** diropese@condumex.com.mx

---

**MSM POSITION:** GENERAL DIRECTOR  
**POSITION:** CHAIRMAN OF THE BOARD  
**NAME:** MR. ARMANDO RIMOLDI RENTERÍA  
**ADDRESS:** VÍA GUSTAVO BAZ No 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
TLALNEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:** diropese@condumex.com.mx

**BOLSA MEXICANA DE VALORES, S.A. DE C.V.**  
**(MEXICAN STOCK EXCHANGE)**  
**SIFIC / ICS**

STOCK EXCHANGE CODE: IEM

DATE: 22/10/2002 17:08

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**MSM POSITION:** PERSON IN CHARGE OF SENDING QUARTERLY FINANCIAL INFORMATION  
**POSITION:** COMPTROLLER GENERAL  
**NAME:** MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
**CITY AND STATE:** TLANEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:** raguado@condumex.com.mx

---

**MSM POSITION:** SECOND PERSON IN CHARGE OF SENDING QUARTERLY FINANCIAL INFORMATION  
**POSITION:** IEM ACCOUNTANT  
**NAME:** MRS. ALEJANDRA ROQUE VAZQUEZ CPA  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
**CITY AND STATE:** TLANEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:**

---

**MSM POSITION:** HEAD OF THE LEGAL DEPARTMENT  
**POSITION:** LEGAL GENERAL MANAGER  
**NAME:** MR. JOSE RAMON NEVAREZ JACQUES  
**ADDRESS:** MIGUEL DE CERVANTES SAAVEDRA Nº 255  
COLONIA AMPLIACIÓN GRANADA  
**ZIP CODE:** 11520  
MÉXICO, D.F.  
**TELEPHONE:** 52 50 50 77  
**FAX:** 53 28 58 91  
**E-MAIL:** jrnevarez@condumex.com.mx

---

**MSM POSITION:** SECRETARY OF THE BOARD OF DIRECTORS  
**POSITION:** SECRETARY OF THE BOARD OF DIRECTORS  
**NAME:** MR. ALEJANDRO ARCHUNDIA BECERRA  
**ADDRESS:** MIGUEL DE CERVANTES SAAVEDRA Nº 255  
COLONIA AMPLIACIÓN GRANADA  
**ZIP CODE:** 11520  
MÉXICO, D.F.  
**TELEPHONE:** 52 50 50 77  
**FAX:** 52 55 16 86  
**E-MAIL:** aarchunida@condumex.com.mx

---

**MSM POSITION:** CLEARED TO FORWARD INFORMATION VIA EMISNET  
**POSITION:** COMPTROLLER GENERAL  
**NAME:** MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
COLONIA BARRIENTOS  
**ZIP CODE:** 54010  
**CITY AND STATE:** TLANEPANTLA, ESTADO DE MÉXICO

**BOLSA MEXICANA DE VALORES, S.A. DE C.V.**  
**(MEXICAN STOCK EXCHANGE)**  
**SIFIC / ICS**

STOCK EXCHANGE CODE: IEM

DATE: 22/10/2002 17:08

**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:** raguado@condumex.com.mx

---

**MSM POSITION:** CLEARED TO FORWARD RELEVANT EVENTS VIA EMISNET  
**POSITION:** COMPTROLLER GENERAL  
**NAME:** MR. FERNANDO RAFAEL AGUADO GUTIERREZ. CPA  
**ADDRESS:** VÍA GUSTAVO BAZ Nº 340  
**COLONIA:** BARRIENTOS  
**ZIP CODE:** 54010  
**CITY AND STATE:** TLANEPANTLA, ESTADO DE MÉXICO  
**TELEPHONE:** 57 29 97 00  
**FAX:** 53 10 00 25  
**E-MAIL:** raguado@condumex.com.mx