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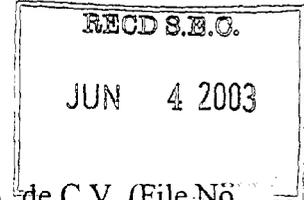
June 4, 2003

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

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 consolidated quarterly report for the first quarter of 2003.

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.

PROCESSED  
JUN 11 2003

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

THOMSON  
FINANCIAL

Sincerely,

Mitchell Raab

Enclosure

cc: Lic. Alejandro Archundia  
Jorge U. Juantorena

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IEM

Quarter: 1 Year: 2003

IEM, S.A. DE C.V.

CONSOLIDATED FINANCIAL STATEMENT

AT MARCH 31 OF 2003 AND 2002

(Thousands of Pesos)

Final Printing

REF S	CONCEPTS	QUARTER OF PRESENT		QUARTER OF PREVIOUS	
		Amount	%	Amount	%
1	TOTAL ASSETS	650,534	100	780,248	100
2	CURRENT ASSETS	347,441	53	500,813	64
3	CASH AND SHORT-TERM INVESTMENTS	12,395	2	119,701	15
4	ACCOUNTS AND DOCUMENTS RECEIVABLE (NET)	146,417	23	164,936	21
5	OTHER ACCOUNTS AND DOCUMENTS RECEIVABLE	5,094	1	23,987	3
6	INVENTORIES	183,535	28	192,189	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 AND NON-CONSOLIDATED	0	0	0	0
11	OTHER	0	0	0	0
12	PROPERTY, PLANT AND EQUIPMENT	291,642	45	273,273	35
13	PROPERTY	379,910	58	379,409	49
14	MACHINERY AND INDUSTRIAL	413,361	64	348,608	45
15	OTHER EQUIPMENT	34,551	5	32,191	4
16	ACCUMULATED DEPRECIATION	577,050	89	523,451	67
17	CONSTRUCTION IN PROGRESS	40,870	6	36,516	5
18	DEFERRED ASSETS (NET)	11,451	2	6,162	1
19	OTHER ASSETS	0	0	0	0
20	TOTAL LIABILITIES	281,584	100	405,069	
21	CURRENT LIABILITIES	211,431	75	339,076	84
22	SUPPLIERS	27,677	10	30,154	7
23	BANK LOANS	0	0	0	0
24	STOCK MARKET LOANS	0	0	0	0
25	TAXES TO BE PAID	26,359	9	6,402	2
26	OTHER CURRENT LIABILITIES	157,395	56	302,520	75
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	70,153	25	65,993	16
32	OTHER LIABILITIES	0	0	0	0
33	CONSOLIDATED STOCK HOLDERS' EQUITY	368,950	100	375,179	
34	MINORITY INTEREST	532		584	
35	MAJORITY INTEREST	368,418	100	374,595	100
36	CONTRIBUTED CAPITAL	590,591	160	590,591	157
37	PAID-IN CAPITAL STOCK (NOMINAL)	15,688	4	15,688	4
38	RESTATEMENT OF PAID-IN CAPITAL STOCK	574,903	156	574,903	153
39	PREMIUM ON SALES OF SHARES	0	0	0	0
40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
41	CAPITAL INCREASE (DECREASE)	(222,173)	(60)	(215,996)	(58)
42	RETAINED EARNINGS AND CAPITAL RESERVE	358,960	97	353,407	94
43	REPURCHASE FUND OF SHARES	0	0	0	0
44	EXCESS (SHORTFALL) IN RESTATEMENT OF HOLDERS' EQUITY	(582,275)	(158)	(569,941)	(152)
45	NET INCOME FOR THE YEAR	1,142	0	538	0

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

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

QUARTER:1 YEAR2003

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

Final Printing

REF S	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
3	CASH AND SHORT-TERM INVESTMENTS	12,395	100	119,701	100
46	CASH	6,281	51	9,027	8
47	SHORT-TERM	6,114	49	110,674	92
18	DEFERRED ASSETS (NET)	11,451	100	6,162	100
48	AMORTIZED OR REDEEMED	11,451	100	6,162	100
49	GOODWILL	0	0	0	0
50	DEFERRED TAXES	0	0	0	0
51	OTHERS	0	0	0	0
21	CURRENT LIABILITIES	211,431	100	339,076	100
52	FOREING CURRENCY	78,365	37	81,457	24
53	MEXICAN PESOS LIABILITIES	133,066	63	257,619	76
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	0	0	0	0
26	OTHER CURRENT LIABILITIES	157,395	100	302,520	100
57	OTHER CURRENT LIABILITIES WITH COST	0	0	203,140	67
58	OTHER CURRENT LIABILITIES WITHOUT COST	157,395	100	99,380	33
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	70,153	100	65,993	100
65	NEGATIVE GOODWILL	0	0	0	0
66	DEFERRED TAXES	70,153	100	65,993	100
67	OTHERS	0	0	0	0
32	OTHER LIABILITIES	0	100	0	100
68	RESERVES	0	0	0	0
69	OTHERS LIABILITIES	0	0	0	0
44	EXCESS (SHORTFALL) IN RESTATEMENT OF STOCK HOLDERS' EQUITY	(582,275)	100	(569,941)	100
70	ACCUMULATED INCOME DUE TO MONETARY	0	0	0	0
71	INCOME FROM NON-MONETARY POSITION	(582,275)	(100)	(569,941)	(100)

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER1

YEAR2003

CONSOLIDATED FINANCIAL STATEMENT  
OTHER CONCEPTS  
(Thousands of Pesos)

Final Printing

REF S	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
72	WORKING CAPITAL	136,010	161,737
73	PENSIONS FUND AND SENIORITY	73,725	70,201
74	EXECUTIVES (*)	12	21
75	EMPLOYERS (*)	183	306
76	WORKERS (*)	852	891
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:1

YEAR2003

**CONSOLIDATED EARNING STATEMENT**  
FROM JANUARY THE 1st TO MARCH 31 OF 2003 AND 2002  
(Thousands of Pesós)

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	158,635	100	192,019	100
2	COST OF SALES	141,168	89	174,141	91
3	GROSS INCOME	17,467	11	17,878	9
4	OPERATING COSTS	15,953	10	14,750	8
5	OPERATING INCOME	1,514	1	3,128	2
6	TOTAL FINANCING COSTS	(1,090)	(1)	1,357	1
7	INCOME AFTER FINANCING COST	2,604	2	1,771	1
8	OTHER FINANCIAL OPERATIONS	648	0	(825)	0
9	INCOME BEFORE TAXES AND WORKERS' PROFIT SHARING	1,956	1	2,596	1
10	RESERVE FOR TAXES AND WORKERS' SHARING	814	1	2,058	1
11	NET INCOME AFTER TAXES AND WORKERS' PROFIT SHARING	1,142	1	538	0
12	SHARE IN NET INCOME OF SUBSIDIARIES NON-CONSOLIDATED ASSOCIATES	0	0	0	0
13	CONSOLIDATED NET INCOME OF CONTINUOUS OPERATION	1,142	1	538	0
14	INCOME OF DISCONTINUOUS	0	0	0	0
15	CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS	1,142	1	538	0
16	EXTRAORDINARY ITEMS NET EXPENSES	0	0	0	0
17	NET EFFECT AT THE BEGINNING OF THE YEAR FROM CHANGES IN ACCOUNTING PRINCIPLES	0	0	0	0
18	NET CONSOLIDATED INCOME	1,142	1	538	0
19	NET INCOME OF MINORITY INTEREST				
20	NET INCOME OF MAJORITY INTEREST	1,142	1	538	

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 1

2003

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

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
1	NET SALES	158,635	100	192,019	100
21	DOMESTIC	144,076	91	182,995	95
22	FOREIGN	14,559	9	9,024	5
23	TRANSLATED INTO DOLLARS	1,317	1	936	0
6	TOTAL FINANCING COST	(1,090)	100	1,357	100
24	INTEREST PAID	258	24	3,923	289
25	EXCHANGE LOSSES	10,225	938	1,833	135
26	INTEREST EARNED	531	49	2,642	195
27	EXCHANGE PROFITS	11,671	1,071	1,970	145
28	GAIN DUE TO MONETARY	629	58	213	16
8	OTHER FINANCIAL OPERATIONS	648	100	(825)	100
29	OTHER NET EXPENSES (INCOME)	648	100	(825)	(100)
30	(PROFIT) LOSS ON SALE OF OWN	0	0	0	0
31	(PROFIT) LOSS ON SALE OF SHORT-TERM	0	0	0	0
10	RESERVE FOR TAXES AND WORKERS' PROFIT SHARING	814	100	2,058	100
32	INCOME TAX	627	77	6,376	310
33	DEFERED INCOME TAX	2,747	337	(4,608)	(224)
34	WORKERS' PROFIT SHARING	(2,560)	(314)	1,646	80
35	DEFERED WORKERS' PROFIT SHARING	0	0	(1,356)	(66)

(\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:1

YEAR:2003

CONSOLIDATED EARNING STATEMENT  
OTHER CONCEPTS  
(Thousands of Pesos)

Final Printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR Amount	QUARTER OF PREVIOUS FINANCIAL YEAR Amount
36	TOTAL SALES	158,634	192,022
37	NET INCOME OF THE YEAR	(46,320)	17,202
38	NET SALES (**)	775,491	612,191
39	OPERATION INCOME (**)	28,036	4,129
40	NET INCOME OF MAYORITY INTEREST(**)	2,262	(1,186)
41	NET CONSOLIDATED INCOME	2,262	(1,186)

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

**MEXICAN STOCK EXCHANGE  
SIFIC / ICS**

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

QUARTER: 1      YEAR 2003

**CONSOLIDATED FINANCIAL STATEMENT  
FROM JANUARY THE 1st TO MARCH 31 OF 2003 AND 2002  
(Thousands of Pesos)**

Final Printing

REF C	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
1	CONSOLIDATED NET INCOME	1,142	538
2	+(-) ITEMS ADDED TO INCOME WHICH DO REQUIRE USING CASH	5,670	5,043
3	CASH FLOW FROM NET INCOME OF THE YEAR	6,812	5,581
4	CASH FLOW FROM CHANGE IN WORKING CAPITAL	(103,839)	2,397
5	CASH GENERATED (USED) IN OPERATING ACTIVITIES	(97,027)	7,978
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 ACTIVITIES	(10,279)	8,675
10	NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(107,306)	16,653
11	CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF PERIOD	119,701	103,048
12	CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD	12,395	119,701

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 1

2003

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

Final Printing

REF C	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
2	+ (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING CASH	5,670	5,043
13	DEPRECIATION AND AMORTIZATION FOR THE	5,670	5,043
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 ACTUALIZATION	0	0
17	+ (-) OTHER ITEMS	0	0
4	<b>CASH FLOW FROM CHANGE IN WORKING CAPITAL</b>	<b>(103,839)</b>	<b>2,397</b>
18	+ (-) DECREASE (INCREASE) IN ACCOUNT	18,519	(57,421)
19	+ (-) DECREASE (INCREASE) IN INVENTORIES	8,654	25,798
20	+ (-) DECREASE (INCREASE) IN OTHER RECEIVABLE	18,893	(4,827)
21	+ (-) INCREASE (DECREASE) IN SUPPLIER	(2,477)	(12,312)
22	+ (-) INCREASE (DECREASE) IN OTHER	(147,428)	51,159
6	<b>CASH FLOW FROM EXTERNAL FINANCING</b>	<b>0</b>	<b>0</b>
23	+ SHORT-TERM BANK AND STOCK MARKET	0	
24	+ LONG-TERM BANK AND STOCK MARKET	0	
25	+ DIVIDEND RECEIVED	0	
26	+ OTHER FINANCING	0	
27	(-) BANK FINANCING AMORTIZATION	0	
28	(-) STOCK MARKET AMORTIZATION	0	
29	(-) OTHER FINANCING AMORTIZATION	0	
7	<b>CASH FLOW FROM INTERNAL FINANCING</b>	<b>0</b>	<b>0</b>
30	+ (-) INCREASE (DECREASE) IN CAPITAL	0	
31	(-) DIVIDENS PAID	0	
32	+ PREMIUM ON SALE OF SHARES	0	
33	+ CONTRIBUTION FOR FUTURE CAPITAL	0	
9	<b>CASH FLOW GENERATED (UTILIZED) IN INVESTMENT ACTIVITIES</b>	<b>(10,279)</b>	<b>8,675</b>
34	+ (-) DECREASE (INCREASE) IN STOCK OF A PERMANENT NATURE	0	0
35	(-) ACQUISITION OF PROPERTY, PLANT AND	(2,085)	9,531
36	(-) INCREASE IN CONSTRUCTIONS IN	(8,194)	(856)
37	+ SALE OF OTHER PERMANENT	0	0
38	+ SALE OF TANGIBLE FIXED	0	0
39	+ (-) OTHER ITEMS	0	0

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:1

2003

RATIOS  
CONSOLIDATED

Final Printing

REF P	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
	<b>YIELD</b>		
1	NET INCOME TO NET SALES	0.72 %	0.28 %
2	NET INCOME TO STOCK HOLDERS' EQUITY (**)	0.61 %	(0.32) %
3	NET INCOME TO TOTAL ASSETS (**)	0.35 %	(0.15) %
4	CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME	0.00 %	0.00 %
5	INCOME DUE TO MONETARY POSITION TO NET INCOME	(55.08) %	(39.59) %
	<b>ACTIVITY</b>		
6	NET SALES TO NET ASSETS (**)	1.19 times	0.78 times
7	NET SALES TO FIXED ASSETS (**)	2.66 times	2.24 times
8	INVENTORIES ROTATION (**)	3.76 times	3.36 times
9	ACCOUNTS RECEIVABLE IN DAYS OF SALES	72 days	67 days
10	PAID INTEREST TO TOTAL LIABILITIES WITH COST (**)	0.00 %	0.00 %
	<b>LEVERAGE</b>		
11	TOTAL LIABILITIES TO TOTAL ASSETS	43.29 %	51.92 %
12	TOTAL LIABILITIES TO STOCK HOLDERS' EQUITY	0.76 times	1.08 times
13	FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES	27.83 %	20.11 %
14	LONG-TERM LIABILITIES TO FIXED ASSETS	0.00 %	0.00 %
15	OPERATING INCOME TO INTEREST PAID	5.87 times	0.80 times
16	NET SALES TO TOTAL LIABILITIES (**)	2.75 times	1.51 times
	<b>LIQUIDITY</b>		
17	CURRENT ASSETS TO CURRENT LIABILITIES	1.64 times	1.48 times
18	CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES	0.78 times	0.91 times
19	CURRENTS ASSETS TO TOTAL LIABILITIES	1.23 times	1.24 times
20	AVAILABLE ASSETS TO CURRENT LIABILITIES	5.86 %	35.30 %
	<b>CASH FLOW</b>		
21	CASH FLOW FROM NET INCOME TO NET SALES	4.29 %	2.91 %
22	CASH FLOW FROM CHANGES IN WORKING CAPITAL TO NET SALES	(65.46) %	1.25 %
23	CASH GENERATED (USED) IN OPERATING TO INTEREST PAID	(376.07) times	2.03 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	20.28 %	109.87 %

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

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 1

YEAR: 2003

DATA PER SHARE  
CONSOLIDATED FINANCIAL STATEMENT

Final Printing

REF D	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
1	BASIC PROFIT PER ORDINARY SHARE (**)	\$ 0.08	\$ 0.04
2	BASIC PROFIT PER PREFERENT SHARE (**)	\$ 0.00	\$ 0.00
3	DILUTED PROFIT PER ORDINARY SHARE (**)	\$ 0.00	\$ 0.00
4	CONTINUOUS OPERATING PROFIT PER COMUN SHARE(**)	\$ 0.00	\$ 0.04
5	EFFECT OF DISCONTINUOUS OPERATING CONTINUOUS OPERATING PROFIT PER SHARE (**)	\$ 0.00	\$ 0.00
6	EFFECT OF EXTRAORDINARY PROFIT AND LOSS ON CONTINUOUS OPERATING PROFIT PER SHARE (**)	\$ 0.00	\$ 0.00
7	EFFECT BY CHANGES IN ACCOUNTING POLICIES CONTINUOUS OPERATING PROFIT PER SHARE (**)	\$ 0.00	\$ 0.00
8	CARRYING VALUE PER SHARE	\$ 11.37	\$ 11.56
9	CASH DIVIDEND ACUMULATED PER SHARE	\$ 0.00	\$ 0.00
10	DIVIDEND IN SHARES PER SHARE	0.00 shares	0.00 shares
11	MARKET PRICE TO CARRYING VALUE	0.00 times	0.01 times
12	MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE (**)	0.00 times	0.01 times
13	MARKET PRICE TO BASIC PROFIT PER PREFERRED SHARE (**)	0.00 times	0.00 times

(\*\*) TO CALCULATE THE DATA PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

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

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

QUARTER: 1

YEAR: 2003

**REPORT FROM THE DIRECTOR GENERAL (1)**

(Discussion and Analysis from the Director General regarding the Financing Situation and Income of the Company's Operation)

**ANNEX 1**

**CONSOLIDATED**  
**Final Print**

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SALES FOR 2002 WERE 815.5 MILLION PESOS, MEANING A REAL TERM ANNUAL INCREASE OF 23.1%, AGAINST THE PREVIOUS YEAR. SAID INCREASE WAS MAINLY EVIDENT IN THE TRANSFORMERS PRODUCTION LINE DUE TO RELEVANTS ORDERS OBTAINED IN THE SECOND HALF OF THE YEAR 2001 AS MENTIONED IN 2001 REPORT.

SALES PRICE LEVEL OF THE POWER TRANSFORMERS WAS SUBSTANTIALITY INFERIOR COMPARED TO LAST YEARS, MAINLY BECAUSE IN THE PAST YEARS OUR SALES RATE TO "COMISIÓN FEDERAL DE ELECTRICIDAD" USED TO BE MORE THAN 65 % AND DURING THIS YEAR DECREASED AT 7.5 %. INSTEAD OF, WE SOLD MORE THAN 40 % TO EUROPEAN COMPANIES, WINNERS OF "TURN-KEY PROJECTS".

THE YEAR'S OPERATING PROFIT WAS 29.3 MILLION PESOS, AS OF DECEMBER 2002, AND MEANT 3.6% OF SALES, AND IN THE YEAR 2001, IN PESOS OF DECEMBER 2002, THE AMOUNT WAS 19.5 MILLION AND MEANT 2.9% OF SALES, MEANING A 24.1% INCREASE IN REAL TERMS, MAINLY DUE TO AN IMPORTANT REDUCTION ON OPERATING EXPENSES IN 2002.

THE FINANCING INTEGRAL COST WAS 10.1 MILLION PESOS IN PESOS OF DECEMBER 2002, WHICH, COMPARED WITH 12.6 MILLION PESOS OF THE PREVIOUS YEAR IN PESOS OF 2002, MEANT A 19.8% DECREASE IN REAL TERMS, MAINLY CAUSED BY THE REDUCTION IN INTEREST RATES AND THE STABILITY OF THE MEXICAN PESOS, AGAINST THE US DOLLAR, DURING THE YEAR LONG.

THE COMPANY ACKNOWLEDGED THE DEFERRED INCOME TAX, REGARDING FIXED ASSETS, CONSIDERING THAT THE PERCENTAGES TO BE APPLIED IN THE ESTIMATED YEARS WILL BE DEDUCTIBLE AND/OR CUMULATIVE IN COMPLIANCE WITH THE MODIFICATION SET IN THE INCOME TAX LAW, WHERE IT IS STATED THAT FOR 2002, THE GENERAL RATE WILL CONTINUE BEING 35% AND WILL BE GRADUALLY REDUCED IN 1% A YEAR UNTIL 32% FOR THE YEAR 2005.

THE YEAR'S NET PROFIT WAS 2.0 MILLION PESOS, 70.5% LESS THAN IN THE PREVIOUS YEAR.

THE COMPANY HIRED, AS A EXTERNAL AUDITOR FIRM, DELOITTE & TOUCHE (GALAZ, YAMAZAKI, RUIZ URQUIZA, S.C.) FROM YEAR 2002 ON, IN SUBSTITUTION OF PRICE WATERHOUSE COOPERS, S.C.. THE FOREGOING AS A MEAN TO PERIODICALLY ALTERNATE THE ACCOUNTING FIRMS WICH AUDIT THE FINANCIAL STATEMENTS OF IEM S.A. DE C.V. AND SUBSIDIARY.

NO OTHER VALUES HAVE BEEN REGISTERED IN THE "RNVT"; THE JUDICIAL AND FINANCIAL INFORMATION HAS BEEN TIMELY SUBMITTED, IN COMPLIANCE WITH THE LAW.

THERE HAVE BEEN NO CHANGES, NOR MODIFICATIONS IN ANY OF THE VALUES REGISTERED IN THE "RNVT".

**BOLSA MEXICANA DE VALORES, S.A. DE C.V.**  
**(MEXICAN STOCK EXCHANGE)**  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

THE ENCLOSED FINANCIAL STATEMENTS HAVE BEEN PREPARED IN COMPLIANCE WITH THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN MEXICO ("PCGA"). SAID PCGA REQUIRE THE FINANCIAL STATEMENTS TO BE EXPRESSED IN CONSTANT MEXICAN PESOS ON THE LATEST DATE SUBMITTED IN THE FINANCIAL STATEMENTS.

A. CASH AND CASH EQUIVALENT - THE COMPANY CONSIDERS AS CASH EQUIVALENT, ALL POSSIBLE INVESTMENTS WITH A LESS THAN THREE MONTHS MATURITY TERM. FROM THE DATE OF THE CORRESPONDING CLOSING OF SAME AND ARE EXPRESSED AT COST PRICE PLUS EARNED INTERESTS.

B. INVENTORIES - INVENTORIES ARE APPRAISED AT REPLACEMENT COST OR MARKET VALUE, WHICH EVER IS LOWER. SALES COST IS ADJUSTED ACCORDING TO RESTATED VALUE OF INVENTORIES, ACCORDING TO THE DATES OF SALES.

C. ESTATES, MACHINERY AND EQUIPMENT - ALL DOMESTIC ESTATES, MACHINERY AND EQUIPMENT ARE EXPRESSED AT RESTATED VALUE, DETERMINED ACCORDING TO THE APPLICATION TO ITS DECEMBER 1996 REPLACEMENT NET VALUE, DETERMINED BY INDEPENDENT EXPERTS, OR AT PURCHASING COST FROM FACTORS DERIVED FROM THE "INPC". ALL FOREIGN MACHINERY AND EQUIPMENT ARE APPRAISED BY MEANS OF THE SPECIFIC INDEXATION METHOD, USING THE COUNTRY OF ORIGIN'S INFLATION RATE FOR EVERY EQUIPMENT, AS WELL AS THE CURRENT EXCHANGE RATE AT BUSINESS YEAR-END.

WHATEVER THE CASE MAY BE. DEPRECIATION IS CALCULATED BY MEANS OF THE STRAIGHT LINE METHOD BASED ON USEFUL LIFE SPANS, CONSIDERING A PERCENTAGE OF DISCARDED VALUE.

D. STOCKHOLDERS INVESTMENTS - THE COMPONENTS OF THE STOCKHOLDERS INVETSMENT IS RESTATED BY MEANS OF FACTORS DERIVED FROM THE "INPC".

E. MONETARY STANDING INCOME - IT REPRESENTS THE PROFIT OR LOSS DUE TO INFLATION OVER THE MONETARY ASSETS AND LIABILITIES AND ARE INCLUDED IN THE COMPLETE FINANCIAL COST.

F. TRANSACTIONS IN FOREIGN CURRENCY - TRANSACTIONS IN FOREIGN CURRENCY ARE LOGGED ACCORDING TO THE APPLICABLE EXCHANGE RATES ON THE DATE OF THEIR REALIZATION. THE FOREIGN CURRENCY MONETARY ASSETS AND LIABILITIES BALANCES ARE EXPRESSED IN NATIONAL CURRENCY AT THE APPLICABLE EXCHANGE RATES IN FORCE ON THE DATE OF THE BALANCE SHEET. THE DIFFERENCES CAUSED BY FLUCTUATIONS IN THE EXCHANGE RATES BETWEEN THE REALIZATION DATES OF THE TRANSACTIONS AND THEIR SETTLE OR APPRAISAL UPON THE CLOSING OF THE BUSINESS YEAR ARE CHARGED TO THE FINANCING TOTAL COST.

G. LABOR OBLIGATIONS - BOTH THE NON-SYNDICATED PERSONNEL'S SENIORITY BONUSES AND THE RETIREMENT AND DEATH OR DISABILITY COSTS ARE HONORED DURING THE YEARS OF SERVICE OF THE PERSONNEL, ACCORDING TO ACTUARIAL CALCULATIONS.

ALL PAYMENTS BASED ON SENIORITY WORKERS MAY BE ENTITLED TO, IN CASE OF SEPARATION OR DEATH, ARE TRANSFERRED TO THE BUSINESS YEAR INCOME WHEN THEY ARE PAID.

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H. DEFERRED TAXES – AS OF 1 JANUARY 2000, THE COMPANY ADOPTED THE SET IN THE NEW D-4 BULLETIN “ACCOUNTING TREATMENT ON INCOME, ASSETS, AND WORKERS PROFIT SHARING TAXES” ISSUED BY THE MEXICAN PUBLIC ACCOUNTANTS INSTITUTE (“IMCP”), AS A RESULT OF THE ABOVEMENTIONED, THE COMPANY CHANGED FROM THE PARTIAL PASSIVE METHOD TO THE WHOLE ASSETS AND PASSIVE ONE, WHICH DETERMINES THE DEFERRED INCOME TAX, BY APPLYING THE CORRESPONDING INCOME TAX RATE TO THE TEMPORARY DIFFERENCES BETWEEN THE ACCOUNTING FISCAL OF ASSETS AND LIABILITIES, ON THE DATE OF THE FINANCIAL STATEMENTS.

I. WHOLE EARNINGS – AS OF 31 JANUARY 2001, THE B-4 BULLETIN “WHOLE EARNINGS” WAS IN FORCE, REQUIRING THAT THE DIFFERENT CONCEPT OF THE EARNED CAPITAL (LOST) DURING THE BUSINESS YEAR, BE SHOWN IN THE STOCKHOLDERS INVESTMENT STATEMENT OF CHANGES, AS WHOLE EARNINGS, HENCE RESTRUCTURING SAME FOR THE PURPOSE OF COMPARING THE DIFFERENT ITEMS.

J. ACKNOWLEDGEMENT OF INCOME – INCOME IS ACKNOWLEDGED WHEN THE PRODUCT IS SHIPPED TO THE DIFFERENT DISTRIBUTORS AND/OR CUSTOMERS.

K. LONG TERM AND INTANGIBLE ASSETS – THE COMPANY PERIODICALLY APPRAISES THE LOSS CAUSED BY A DECREASE IN THE LONG TERM VALUE OF ASSETS. LONG TERM ASSETS ARE REVIEWED DUE TO A LOSS OF VALUE WHEN EITHER EVENTS OR CHANGES OF CIRCUMSTANCES SHOW THAT THE VALUE SHALL NOT BE RECOVERED.

BUSINESS CONCENTRATION – AN IMPORTANT PART OF THE COMPANY’S INCOME ARE GENERATED BY THE ELECTRIC POWER INDUSTRY.

PROPERTIES, PLANT AND EQUIPMENT. SEE ANNEX 4.

3. - STOCK EXCHANGE CREDITS.  
THERE ARE NO STOCK EXCHANGE CREDITS AS OF 31 MARCH, 2003.

4.- CONTINGENT LIABILITY.  
THE SUBSIDAIRY COMPANY HAS PLANS FOR THE PAYMENT OF RETIREMENT PENSIONS AND DEATH OR TOTAL DISABILITY, FOR ALL ITS NON SYNDICATED PERSONNEL, IN COMPLIANCE WITH THE FEDERAL LABOR LAW AND WITH WHAT IS STATED IN THE LABOR CONTRACTS.

PAYMENTS FOR SENIORITY PREMIUMS AS WELL AS THE PENSION PLANS ARE DETERMINED BASED ON THE EMPLOYE’S COMPENSATION ON HIS/HER RETIREMENT DATE, AND ALSO ON THE YEARS OF SERVICE.

AS OF 31 DECEMBER, 2002, THE AMOUNT FOR BENEFITS FORECASTED REGARDING COMPENSATIONS UPON THE RETIREMENT OF THE PERSONNEL, WHICH IS DETERMINED BY ACTUARIES, IS ANALYZED AS FOLLOWS:

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	THOUSANDS OF MEXICAN PESOS
LIABILITIES FOR CURRENT BENEFITS	(81,294)
COMPLEMENTARY AMOUNT FOR BENEFITS FORECASTED	(5,661)
	-----
LIABILITIES FOR BENEFITS FORECASTED	(86,955)
 MINUS	
ASSETS OF THE PLAN	73,725
TRANSITION LIABILITIES	511
VARIATIONS IN ASSUMPTIONS AND EXPERIENCE ADJUSTMENTS	14,354
	-----
NET FORECASTED ASSETS	1,635

THE FUND DETERMINED BY MEANS OF A TRUST, IN ORDER TO COMPLY WITH THE LIABILITIES CORRESPONDING TO THE PENSION PLAN AND SENIORITY PREMIUM AMOUNTS TO \$ 73,725, AS OF 31 MARCH, 2003.

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5.- STOCKHOLDERS EQUITY

THE RESTATEMENT EFFECTS OF THE STOCKHOLDERS' EQUITY ARE SHOWN NEXT

	2003		2002	
CAPITAL STOCK	15,688		15,688	
RESTATEMENT	574,903	590,591	574,903	590,591
	-----		-----	
LEGAL RESERVE	3,138		3,138	
RESTATEMENT	28,159	31,297	28,159	31,297
	-----		-----	
PROFIT IN PREVIOUS YEARS	245,332		236,793	
RESTATEMENT	82,331	327,663	66,639	303,432
	-----		-----	
PROFIT OF THE YEAR	1,154		510	
RESTATEMENT	(12)	1,142	28	538
	-----		-----	
INSUFFICIENCY IN				
RESTATEMENT OF CAPITAL		(582,275)		(569,441)
		-----		-----
		368,418		356,417

6.- RESERVE FOR THE REPURCHASE OF SHARES OF STOCK.  
 THERE IS NO SUCH RESERVE AS OF 31 MARCH, 2003.

7.- INTEGRAL FINANCING COST.

INTERESTS PAID ARE NOT COMPOUNDED AND GO DIRECTLY TO INCOME, AS PART OF THE INTEGRAL FINANCING COST.

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**8.- DEFERRED TAXES.**

AS OF 1 JANUARY, 2000, WHEN THE TERM OF CONTRACT BECAME EFFECTIVE, THE COMPANIES COMPLIED WITH WHAT IS STATED IN THE NEW REVISED D-4 BULLETIN, "ACCOUNTING TREATMENT OF THE INCOME TAX, THE ASSETS TAX AND THE WORKERS PROFIT SHARING", ISSUED BY THE MEXICAN INSTITUTE OF PUBLIC ACCOUNTANTS.

AS A RESULT OF THE ABOVEMENTIONED, FOR THE ACKNOWLEDGEMENT OF THE DEFERRED INCOME TAX, THE COMPANY CHANGED FROM THE PARTIAL PAYABLE METHOD TO THE INTEGRAL RECEIVABLE AND PAYABLE ONE THAT CONSISTS IN DETERMINING THE DEFERRED INCOME TAX, BY MEANS OF THE APPLICATION OF THE CORRESPONDING INCOME TAX RATE, TO THE DIFFERENCES BETWEEN THE ACCOUNTING AND FISCAL VALUE OF THE ACCOUNTS RECEIVABLE AND PAYABLE - TEMPORARY DIFFERENCES - ON THE DATE OF THE FINANCIAL STATEMENTS. IN COMPLIANCE WITH THE BULLETIN, THE ACCUMULATED EFFECT AS OF 1 JANUARY, 2000, WAS DIRECTLY APPLIED TO THE STOCKHOLDERS' EQUITY.

AS OF 31 MARCH, 2003, THE MAIN TEMPORARY DIFFERENCES WHERE THE DEFERRED INCOME TAX IS ACKNOWLEDGED, ARE ANALYZED AS FOLLOWS:

INVENTORIES	\$ 102,204
REAL ESTATE, PLANT AND EQUIPMENT - NET	153,078
ADVANCES TO CUSTOMERS	(78,695)
RESERVES AND OTHERS	36,223
FISCAL LOSS FOR THE PERIOD	(45,154)
	-----
	164,476
INCOME TAX RATE	34%
	-----
DEFERRED INCOME TAX PAYABLE	55,922
DEFERRED PROFIT SHARING PAYABLE	0
	-----
DIFERENTIAL RATES Efect	(4,484)
	-----
TOTAL DEFERRED TAXES PAYABLE	\$ 51,438
	-----

**9.- EXTRAORDINARY ENTRIES.**

THERE ARE NO EXTRAORDINARY ENTRIES, AS OF 31 MARCH, 2003.

**10.- DISCONTINUED OPERATIONS**

AS OF 31 MARCH, 2003, NO SEGMENT OF THE BUSINESS, NEITHER GEOGRAPHIC NOR DUE TO ACTIVITIES HAS BEEN SOLD OR ABANDONED.

**11.- EFFECT AT THE BEGINNING OF THE YEAR DUE TO CHANGES IN ACCOUNTING PRINCIPLES.**

THERE HAS BEEN NONE, AS OF 31 MARCH, 2003.

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**12.- NET MONTHLY INCOME (HISTORICAL AND CURRENT)**

MONTH		NAI	NMI	INDEX	INDEX	NMIC
JANUARY	03	(5,354)	(5,354)	104.200	103.320	(5,399)
FEBRUARY		5,825	470	104.200	103.607	473
MARCH		684	1,154	104.200	104.200	1,154
APRIL	02	(3,343)	(3,868)	104.200	99.231	(4,062)
MAY		1,171	4,514	104.200	99.432	4,730
JUNE		2,589	1,417	104.200	99.917	1,478
JULY		2,750	162	104.200	100.204	168
AUGUST		3,299	549	104.200	100.585	569
SEPTEMBER		5,157	1,857	104.200	101.190	1,912
OCTOBER		7,420	2,263	104.200	101.636	2,320
NOVEMBER		4,140	(3,279)	104.200	102.458	(3,335)
DECEMBER		1,906	(1,234)	104.200	102.904	(2,262)

**13.- FINANCIAL POSITION STATUS, WITHOUT CONSOLIDATING OTHER CONCEPTS.**  
 SINCE THE COMPANY HOLDS STOCK, IT LACKS A FUND CAPTION FOR PENSIONS OR SENIORITY PREMIUM.

**14.- INTERESTS PAID IN CONSOLIDATED INCOME STATEMENTS.**  
 ALL INTERESTS PAID CORRESPOND TO LOANS WITH GRUPO CONDUMEX, AND HENCE ARE NOT BANKING CREDITS NOR STOCK EXCHANGE TRANSACTIONS.

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RELATIONS OF SHARES INVESTMENTS

ANNEX 3

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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.	MANUFACTURA	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

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PROPERTY, PLANT AND EQUIPMENT  
(Thousands of Pesos)

ANNEX 4

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CONCEPT	ACQUISITION COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	REVALUATION	DEPRECIATION ON REVALUATION	CARRYING VALUE (-) REVALUATION (-) DEPRECIATION
<b>DEPRECIATION ASSETS</b>						
PROPERTY	3,047	242	2,805	285,790	262,151	26,444
MACHINERY	106,918	42,636	64,282	306,444	248,751	121,975
TRANSPORT EQUIPMENT	4,135	1,701	2,434	2,809	2,741	2,502
OFFICE EQUIPMENT	589	359	230	2,772	1,745	1,257
COMPUTER EQUIPMENT	17,065	11,342	5,723	7,180	5,382	7,521
OTHER	0	0	0	0	0	0
<b>DEPRECIABLES TOTAL</b>	<b>131,754</b>	<b>56,280</b>	<b>75,474</b>	<b>604,995</b>	<b>520,770</b>	<b>159,699</b>
<b>NOT DEPRECIATION ASSETS</b>						
GROUNDS	467	0	467	90,606	0	91,073
CONSTRUCTIONS IN PROCESS	40,870	0	40,870	0	0	40,870
OTHER	0	0	0	0	0	0
<b>NOT DEPRECIABLE TOTAL</b>	<b>41,337</b>	<b>0</b>	<b>41,337</b>	<b>90,606</b>	<b>0</b>	<b>131,943</b>
<b>TOTAL</b>	<b>173,091</b>	<b>56,280</b>	<b>116,811</b>	<b>695,601</b>	<b>520,770</b>	<b>291,642</b>

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

ANNEX 6

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TRADE BALANCE	DOLARS (1)		OTHER CURRENCIES		TOTAL
	THOUSANDS OF DOLARS	THOUSANDS OF PESOS	THOUSANDS OF DOLARS	THOUSANDS OF PESOS	THOUSANDS OF PESOS
<b>1. INCOME</b>					
EXPORTS	1,317	14,559	0	0	14,559
OTHER	0	0	0	0	0
<b>TOTAL</b>	<b>1,317</b>	<b>14,559</b>			<b>14,559</b>
<b>2. EXPENDITURE</b>					
IMPORT (RAW MATERIALS)	6,303	69,016	0	0	69,016
INVESTMENTS	894	9,635	0	0	9,635
OTHER	33	362	0	0	362
<b>TOTAL</b>	<b>7,230</b>	<b>79,013</b>			<b>79,013</b>
<b>NET BALANCE</b>	<b>(5,913)</b>	<b>(64,454)</b>			<b>(64,454)</b>
<b>FOREING MONETARY POSITION</b>					
TOTAL ASSETS	717	7,722	0	0	7,722
LIABILITIES POSITION	3,196	34,404			34,404
SHORT TERM LIABILITIES POSITION	3,196	34,404	0	0	34,404
LONG TERM LIABILITIES POSITION	0	0	0	0	0
<b>NET BALANCE</b>	<b>(2,479)</b>	<b>(26,682)</b>			<b>(26,682)</b>

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

ANNEX 7

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MONTH	MONETARY ASSETS	MONETARY LIABILITIES	(ASSET) LIABILITIES MONETARY POSITION	MONTHLY INFLATION	MONTHLY (PROFIT) AND LOSS
JANUARY	199,572	128,659	70,913	0.40	(284)
FEBRUARY	189,079	124,739	64,340	0.28	(180)
MARCH	175,805	145,939	29,866	0.57	(170)
ACTUALIZATION:	0	0	0	0.00	5
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>(629)</b>

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

ANNEX 8

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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

NO APLICACION

ACTUAL SITUATION OF FINANCIAL LIMITED

NO APLICACION

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

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PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

ANNEX 9

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PLANT OR CENTER	ECONOMIC ACTIVITY	PLANT CAPACITY (1)	UTILIZATION (%)
INDUSTRIAS IEM, S.A. DE C.V.	MANUFACTURING, TRANSFORMERS, MOTORS AND SAFETY EQUIPMENT	100	50

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**MAIN RAW MATERIALS**

**ANNEX 10**

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DOMESTIC	MAIN SUPPLIERS	FOREIGN	MAIN SUPPLIERS	DOM. SUBST.	COST PRODUCTION (%)
COPPER	NAL CONDOC ELECTRIC				10.37
STEEL	SERVILAMINAS SUMMIT				5.90
OIL	SHELL MEXICO, S.A. DE C.V.				2.41
FOUNDRY	TECNICA ARTESANAL MEXICANA,				1.15
INSULATIONS	EHV WEIDMAN				4.62
OTHERS	VARIOS				12.91
		ACERO ELEC Y COMP	CONDUMEX INC	NO	57.90

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SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

DOMESTIC SELLS

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MAIN PRODUCTS	TOTAL PRODUCTION		NET SELLS		MARKET SHARE (%)	MAIN	
	VOLUME	AMOUNT	VOLUME	AMOUNT		TRADEMARKS	COSTUMERS
PRODUCTOS ELECTRICO	21	134,266	19	144,076	31.36	IEM	CFE,CLYF ELECNO, NACEL SELMEC, SIEMENS ABENGOA ALSTOM
<b>TOTAL</b>		134,266		144,076			

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SELLS DISTRIBUTION BY PRODUCT

ANNEX 11

FOREIGN SELLS

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MAIN PRODUCTS	TOTAL PRODUCTION		NET SELLS		DESTINATION	MAIN	
	VOLUME	AMOUNT	VOLUME	AMOUNT		TRADEMARKS	COSTUMERS
PRODUCTOS ELECTRICO		0 0 0	1 0 0	14,559	USA	IEM	CONDUMEX INC. MARATHON, NEMSCO.
TOTAL				14,559			

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 : 2002 231,926

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 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 MARZO OF 2003

FISCAL EARNINGS	71,707
- DETERMINED INCOME	25,097
+ DEDUCTED WORKER'S PROF	0
- DETERMINED WORKER	0
- DETERMINED RFE	46,610
- NON DEDUCTABLES	2,928
NFE OF PERIOD :	43,682

BALANCE OF THE NFEA AT THE END OF THE PERIOD

(Present year Information)

NFEA BALANCE TO 31 OF MARZO OF 2003 279,218

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 : 2002

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

0

0

**ANNEX 12 - A**  
**CEDULE 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: 0000	169,134
Number of Shares Outstanding at the Date of the NFEAR: (Units)	0
<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 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 ENERO	OF
FISCAL EARNINGS:		0
+ DEDUCTED WORKER'S PROFIT SHA		0
- DETERMINED INCOME TAX:		0
- NON-DEDUCTABLES		0
 		0
- (+) EARNINGS (LOSS) FROM FOREIGN OF PROFIT:		0
DETERMINED 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 : 31 OF ENERO OF	0
Number of shares Outstanding at the Date of the NFEAR (Units)	0

MODIFICATION BY COMPLEMENTARY	
NFEAR BALANCE TO DECEMBER 31st OF: 0000	171,350
Number of shares Outstanding at the Date of the NFEAR (Units)	0

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER:1

YEAR:2003

CONSOLIDATED  
Final Printing

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK

CHARACTERISTICS OF THE SHARES

SERIES	NOMINAL VALUE	VALID CUPON	NUMBER OF SHARES				CAPITAL STOCK (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
<b>TOTAL</b>			<b>5,000,000</b>	<b>27,415,713</b>	<b>16,532,014</b>	<b>15,883,699</b>	<b>2,500</b>	<b>13,188</b>

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 SHARES	MARKET VALUE OF THE SHARE AT REPURCHASE	MARKET VALUE OF THE SHARE AT QUARTER

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

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

QUARTER: 1

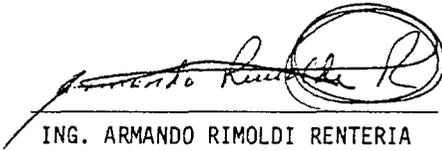
YEAR 2003

CONSOLIDATED  
Final Printing

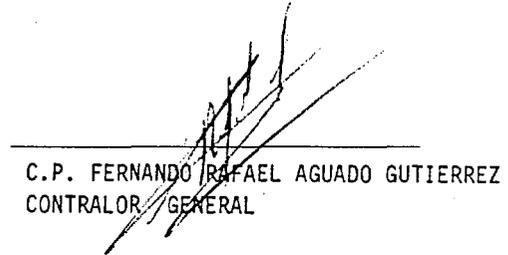
DECLARATION FROM THE COMPANY OFFICIALS RESPONSABLE FOR THE INFORMATION.

I HEREBY SWEAR THAT THE FINANCIAL INFORMATION HERE IN SUPPLIED TO THIS STOCK CORRESPONDING TO THE PERIOD FROM 1 OF JANUARY TO 31 OF MARCH OF 2003 AND 2002 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 APRIL 25 OF 2003

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

STOCK EXCHANGE CODE: **IEM**

DATE: **25/04/2003 09:58**

**GENERAL DATA OF ISSUER**

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**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

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**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: 25/04/2003 09:58

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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: **LEM**

DATE: **25/04/2003 09:58**

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

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**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