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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report_____

Commission file number 1-14946

CEMEX, S.A.B. de C.V.
(Exact name of Registrant as specified in its charter)

CEMEX PUBLICLY TRADED STOCK CORPORATION
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	**Name of each exchange on which registered**
American Depositary Shares, or ADSs, each ADS representing ten Ordinary Participation Certificates (*Certificados de Participación Ordinarios*), or CPOs, each CPO representing two Series A shares and one Series B share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

7,840,254,236 CPOs
16,157,281,752 Series A shares (including Series A shares underlying CPOs)
8,078,640,876 Series B shares (including Series B shares underlying CPOs)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No ____
If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ____ No ✓
Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those sections.
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No ____
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☐ ✓ Accelerated filer ____ Non-accelerated filer ____
Indicate by check mark which financial statement item the registrant has elected to follow.
Item 17 ____ Item 18 ✓

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ___ No ✓

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INTRODUCTION

CEMEX, S.A.B. de C.V. is incorporated as a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States, or Mexico. Except as the context otherwise may require, references in this annual report to "CEMEX," "we," "us" or "our" refer to CEMEX, S.A.B. de C.V., its consolidated subsidiaries and, except for accounting purposes, its non-consolidated affiliates. For accounting purposes, references in this annual report to "CEMEX," "we," "us" or "our" refer solely to CEMEX, S.A.B. de C.V. and its consolidated subsidiaries. See note 1 to our consolidated financial statements included elsewhere in this annual report.

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican financial reporting standards, or Mexican FRS, which differ in significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. During the periods presented, we are required, pursuant to Mexican FRS, to present our financial statements in constant Pesos representing the same purchasing power for each period presented. Accordingly, unless otherwise indicated, all financial data presented in this annual report are stated in constant Pesos as of December 31, 2007. Beginning January 1, 2008, however, under Mexican FRS inflation accounting will be applied only in high inflation environments. See note 3X to our consolidated financial statements included elsewhere in this annual report. Also, see note 25 to our consolidated financial statements for a description of the principal differences between Mexican FRS and U.S. GAAP as they relate to us. Non-Peso amounts included in our consolidated financial statements are first translated into Dollar amounts, in each case at a commercially available or an official government exchange rate for the relevant period or date, as applicable. Those Dollar amounts are then translated into Peso amounts at the CEMEX accounting rate, described under Item 3 — "Key Information — Mexican Peso Exchange Rates," as of the relevant period or date, as applicable.

References in this annual report to "U.S.$" and "Dollars" are to U.S. Dollars, references to "€" are to Euros, references to "£" and "Pounds" are to British Pounds, references to "¥" and "Yen" are to Japanese Yen, and, unless otherwise indicated, references to "Ps," "Mexican Pesos" and "Pesos" are to constant Mexican Pesos as of December 31, 2007. The Dollar amounts provided in this annual report and the financial statements included elsewhere in this annual report, unless otherwise indicated, are translations of constant Peso amounts, at an exchange rate of Ps10.92 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2007. However, in the case of transactions conducted in Dollars, we have presented the Dollar amount of the transaction and the corresponding Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. See Item 3 — "Key Information — Selected Consolidated Financial Information."

The noon buying rate for Pesos on December 30, 2007 was Ps10.92 to U.S.$1.00 and on May 30, 2008 was Ps10.33 to U.S.$1.00.

PART I

Item 1 - Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2 - Offer Statistics and Expected Timetable

Not applicable.

Item 3 - Key Information

Risk Factors

Many factors could have an effect on our financial condition, cash flows and results of operations. We are subject to various risks resulting from changing economic, environmental, political, industry, business, financial and climate conditions. The principal factors are described below.

We are continually analyzing possible acquisitions of new operations, some of which may have a material impact on our financial position, and we may not be able to realize the expected benefits from any such acquisitions, including our recent acquisition of Rinker.

A key element of our growth strategy is to acquire new operations and integrate such operations with our existing operations. Our ability to realize the expected benefits from these acquisitions depends, in large part, on our ability to integrate the new operations with existing operations and to apply our business practices in the new operations in a timely and effective manner. These efforts may not be successful. Furthermore, our growth strategy depends on our ability to identify and acquire suitable assets at desirable prices. We are continually analyzing possible acquisitions of assets which in some cases, such as the acquisition of Rinker Group Limited, or Rinker, described below, may have a material impact on our financial position. We cannot assure you that we will be successful in identifying or purchasing suitable assets in the future. If we fail to make further acquisitions, we may not be able to continue to grow in the long term at our historic rate.

On November 14, 2006, we launched an offer to purchase all outstanding shares of Rinker, a leading international producer and supplier of materials, products and services used primarily in the construction industry. On August 28, 2007, we completed the acquisition of 100% of the Rinker shares for a total consideration of approximately Ps.169.5 billion (approximately U.S.$15.5 billion) (including the assumption of approximately Ps.13.9 billion (approximately U.S.$1.3 billion) of Rinker's debt), and Rinker's results have been consolidated with our results of operations commencing July 1, 2007. Rinker, which was headquartered in Australia, had operating units primarily in the United States and Australia. It also had limited operations in China. The acquisition of Rinker has substantially increased our exposure to the United States, which has been experiencing a sharp downturn in the housing and construction sectors, having adverse effects on Rinker's and our operations, making it more difficult for us to achieve our goal of decreasing our acquisition–related leverage. We also may not be able to achieve all the anticipated cost savings from the Rinker acquisition.

Our ability to pay dividends and repay debt depends on our subsidiaries' ability to transfer income and dividends to us.

We are a holding company with no significant assets other than the stock of our wholly-owned and non-wholly-owned subsidiaries and our holdings of cash and marketable securities. Our ability to pay dividends and repay debt depends on the continued transfer to us of dividends and other income from our wholly-owned and non-wholly-owned subsidiaries. The ability of our subsidiaries to pay dividends and make other transfers to us is limited by various regulatory, contractual and legal constraints.

We have incurred and will continue to incur debt, which could have an adverse effect on the price of our CPOs and ADSs, increase interest costs and limit our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities.

We have incurred and will continue to incur significant amounts of debt, particularly in connection with financing acquisitions, which could have an adverse effect on the price of our Ordinary Participation Certificates, or CPOs, and American Depositary Shares, or ADSs. Our indebtedness may have important consequences, including increased interest costs if we are unable to refinance existing indebtedness on satisfactory terms. Currently we do not have debt subject to pricing grids based on our debt ratings; however, our interest costs may be increased as we refinance our existing indebtedness as a result of a downgrade event affecting our debt and/or as a result of the current credit crisis or a deeper reduction in the availability of loans by banks and tightening in the debt markets for our securities. In addition, the debt instruments governing a substantial portion of our indebtedness contain various covenants that require us to maintain financial ratios, restrict asset sales and restrict our ability to use the proceeds from a sale of assets. Consequently, our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities could be limited. As of December 31, 2007, we had outstanding debt equal to Ps216,911 million (U.S.$19,864 million), not including approximately Ps33,470 million (U.S.$3,065 million) of perpetual debentures issued by special purpose vehicles, which are not accounted for as debt under Mexican FRS but are considered to be debt for purposes of U.S. GAAP.

In connection with our financing of the Rinker acquisition, we and our subsidiaries have sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios. We have requested and obtained waivers and/or amendments delaying the application of the financial ratio covenants through September 29, 2008, and we expect to have taken such actions as may be necessary to enable us to satisfy such financial covenants by such date. We believe that we and our subsidiaries have good relations with our lenders, and nothing has come to our attention that would lead us to believe that future waivers, if required, would not be forthcoming. However, we cannot assure you that future waivers, if requested, would be forthcoming. If we or our subsidiaries are unable to comply with the provisions of our debt instruments, and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our financial condition.

We have to service our Dollar and Japanese Yen denominated obligations with revenues generated in Pesos or other currencies, as we do not generate sufficient revenue in Dollars from our operations to service all our Dollar denominated obligations or in Japanese Yen to service all our Japanese Yen denominated obligations. This could adversely affect our ability to service our obligations in the event of a devaluation or depreciation in the value of the Peso, or any of the other currencies of the countries in which we operate, compared to the Dollar or the Japanese Yen.

A substantial portion of our outstanding debt is denominated in Dollars. As of December 31, 2007, our Dollar denominated debt represented approximately 75% of our total debt (after giving effect to our currency-related derivatives as of such date). Our existing Dollar denominated debt, including the additional Dollar denominated debt we incurred to finance the acquisition of Rinker, however, must be serviced by funds generated from sales by our subsidiaries. Although the acquisition of Rinker has increased our U.S. assets substantially, we nonetheless will

continue to rely on our non-U.S. assets to generate revenues to service our Dollar denominated debt. Consequently, we have to use revenues generated in Pesos, Euros or other currencies to service our Dollar denominated debt. See Item 5 — "Operating and Financial Review and Prospects — Qualitative and Quantitative Market Disclosure — Interest Rate Risk, Foreign Currency Risk and Equity Risk — Foreign Currency Risk." A devaluation or depreciation in the value of the Peso, Euro or any of the other currencies of the countries in which we operate, compared to the Dollar, could adversely affect our ability to service our debt. During 2007, Mexico, Spain, the United Kingdom and the Rest of Europe region, our main non-Dollar-denominated operations, together generated approximately 53% of our total net sales in Peso terms (approximately 16%, 9%, 9% and 19%, respectively), before eliminations resulting from consolidation. In 2007, approximately 22% of our sales were generated in the United States, with the remaining 25% of our sales being generated in several countries, with a number of currencies having material appreciations against the Dollar. During 2007, the Peso depreciated approximately 1% against the Dollar, the Euro appreciated approximately 9% against the Dollar and the Pound Sterling appreciated approximately 1% against the Dollar. Although we have foreign exchange forward contracts and cross currency swap contracts in place to mitigate our currency-related risks and expect to enter into future currency hedges, they may not be effective in covering all our currency-related risks.

As of December 31, 2007, we did not have a significant amount of debt denominated in Yen. However, in connection with our dual currency perpetual debentures and related currency swap transactions, we have interest and currency swap obligations in Yen. As of the date of this annual report, we do not generate sufficient revenue in Yen from our operations to service all our Yen obligations. Consequently, we have to use revenues generated in Pesos, Dollars, Euros or other currencies to service our Yen obligations. A devaluation or depreciation in the value of the Peso, Dollar, Euro or any of the other currencies of the countries in which we operate, compared to the Yen, could adversely affect our ability to service our Yen obligations. During 2007, the Yen appreciated approximately 7% against the Peso, appreciated approximately 6% against the Dollar and depreciated approximately 4% against the Euro.

In addition, as of December 31, 2007, our Euro denominated debt represented approximately 25% of our total debt, not including the €730 million principal amount of perpetual debentures outstanding as of such date. Although we believe that our generation of revenues in Euros from our operations in Spain and the Rest of Europe region will be sufficient to service these obligations, we cannot guarantee it.

Our operations are subject to environmental laws and regulations.

Our operations are subject to laws and regulations relating to the protection of the environment in the various jurisdictions in which we operate, such as regulations regarding the release of cement into the air or emissions of greenhouse gases. Stricter laws and regulations, or stricter interpretation of existing laws or regulations, may impose new liabilities on us or result in the need for additional investments in pollution control equipment, either of which could result in a material decline in our profitability in the short term.

In addition, our operations in the United Kingdom, Spain and the Rest of Europe are subject to binding caps on carbon dioxide emissions imposed by Member States of the European Union as a result of the European Commission's directive implementing the Kyoto Protocol on climate change. Under this directive, companies receive from the relevant Member States allowances that set limitations on the levels of carbon dioxide emissions from their industrial facilities. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Failure to meet the emissions caps is subject to significant penalties. For the allocation period comprising 2008 through 2012, the European Commission significantly reduced the overall availability of allowances. As a result of continuing uncertainty regarding final allowances, it is premature to draw conclusions regarding the aggregate position of all our European cement plants.

We believe we may be able to reduce the impact of any deficit by either reducing carbon dioxide emissions in our facilities or by implementing clean development mechanism projects, or CDM projects, in emerging markets. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase a significant amount of allowances in the market, the cost of which may have an impact on our operating results. See "Item 4—Information on the Company—Regulatory Matters and Legal Proceedings."

In the United States, certain states, counties and cities have enacted or are in the process of enacting mandatory greenhouse gas emission restrictions, and regulations at the federal level may occur in the future which could affect our operations.

Permits relating to some of Rinker's largest quarries in Florida, which represent a significant part of Rinker's business, are being challenged. A loss of these permits could adversely affect our business. See Item 4 — "Information on the Company — Regulatory Matters and Legal Proceedings — Environmental Matters."

We are subject to restrictions due to minority interests in our consolidated subsidiaries.

We conduct our business through subsidiaries. In some cases, third-party shareholders hold minority interests in these subsidiaries. Various disadvantages may result from the participation of minority shareholders whose interests may not always coincide with ours. Some of these disadvantages may, among other things, result in our inability to implement organizational efficiencies and transfer cash and assets from one subsidiary to another in order to allocate assets most effectively.

Higher energy and fuel costs may have a material adverse effect on our operating results.

Our operations consume significant amounts of energy and fuel, the cost of which has significantly increased worldwide in recent years. To mitigate high energy and fuel costs and volatility, we have implemented the use of alternative fuels such as petcoke and tires, which has resulted in less vulnerability to price spikes. We have also implemented technical improvements in several facilities and entered into long term supply contracts of petcoke and electricity to mitigate price volatility. Despite these measures, we cannot assure you that our operations would not be materially adversely affected in the future if prevailing conditions remain for a long period of time or if energy and fuel costs continue to increase.

Our operations can be affected by adverse weather conditions.

Construction activity, and thus demand for our products, decreases substantially during periods of cold weather, when it snows or when heavy or sustained rainfalls occur. Consequently, demand for our products is significantly lower during the winter in temperate countries and during the rainy season in tropical countries. Winter weather in our European and North American operations significantly reduces our first quarter sales volumes, and to a lesser extent our fourth quarter sales volumes. Sales volumes in these and similar markets generally increase during the second and third quarters because of normally better weather conditions. However, high levels of rainfall can adversely affect our operations during these periods as well. Such adverse weather conditions can adversely affect our results of operations and profitability if they occur with unusual intensity, during abnormal periods, or last longer than usual in our major markets, especially during peak construction periods.

We are an international company and are exposed to risks in the countries in which we have significant operations or interests.

We are dependent, in large part, on the economies of the countries in which we market our products. The economies of these countries are in different stages of socioeconomic development. Consequently, like many other companies with significant international operations, we are exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, governmental spending, social instability and other political, economic or social developments that may materially reduce our net income.

With the acquisition of RMC Group plc, or RMC, in 2005 and Rinker in 2007, our geographic diversity has significantly increased. As of December 31, 2007, we had operations in Mexico, the United States, the United Kingdom, Spain, the Rest of Europe region (including Germany and France), the South America, Central America and the Caribbean region (including Venezuela and Colombia), Africa and the Middle East, Australia and Asia. As of December 31, 2007, our Mexican operations represented approximately 11% of our total assets, our U.S. operations represented approximately 46% of our total assets, our Spanish operations represented approximately 8% of our total assets,our United Kingdom operations represented approximately 5% of our total assets, our Rest of Europe operations represented approximately 9% of our total assets, our South America, Central America and the Caribbean operations represented approximately 7% of our total assets, our Africa and the Middle East operations represented approximately 2% of our total assets, our Australian and Asia operations represented approximately 7% of our total assets and our other operations represented approximately 5% of our total assets. For the year ended December 31, 2007, before eliminations resulting from consolidation (with Rinker's net sales having been consolidated starting July 1, 2007), our Mexican operations represented approximately 16% of our net sales, our U.S. operations represented approximately 22% of our net sales, our Spanish operations represented approximately 9% of our net sales, our United Kingdom operations represented approximately 9% of our net sales, our Rest of Europe operations represented approximately 19% of our net sales, our South America, Central America and the Caribbean operations represented approximately 9% of our net sales, our Africa and the Middle East operations represented approximately 3% of our net sales, our Australian and Asia operations represented approximately 5% of our net sales and our other operations represented approximately 8% of our net sales. As a result of our acquisition of Rinker, we have substantially increased our U.S. operations and now have operations in Australia and China. Adverse economic conditions in any of these countries or regions may produce a negative impact on our net income. For a geographic breakdown of our net sales for the year ended December 31, 2007, please see "Item 4—Information on the Company—Geographic Breakdown of Our 2007 Net Sales."

The performance of the United States economy and its effect on U.S. construction activity may adversely affect our results of operations. The United States economy stalled in the fourth quarter of 2007 and the first quarter of 2008 losing approximately 260,000 jobs through April 2008, with the United States facing a full-fledged credit crunch as a result of the deep downturn in the residential sector and the massive losses in mortgage backed securities in the financial sector. A majority of economists currently believe the United States economy to be in recession. The residential construction sector suffered significant declines in housing starts in 2006 and 2007, and these declines are continuing in 2008. Consequently, we currently expect a further decline in cement sales volumes in the residential sector of about 25% in 2008. At present, it is difficult to determine how long it will take to work off the excess housing inventories and for the market to absorb the increase in foreclosures. We also expect the industrial and commercial sectors to soften in 2008 due to the weak economic environment and tight credit conditions. Although we expect the public sector to remain relatively stable in 2008, we cannot give any assurances that it will not be adversely affected by the declines elsewhere in the economy.

If the Mexican economy experiences a recession or if Mexican inflation and interest rates increase significantly, construction activity may decrease, which may lead to a decrease in sales of cement and ready-mix concrete and in net income from our Mexican operations. The Mexican government does not currently restrict the ability of Mexicans or others to convert Pesos to Dollars, or vice versa. The Mexican Central Bank has consistently made foreign currency available to Mexican private sector entities to meet their foreign currency obligations. Nevertheless, if shortages of foreign currency occur, the Mexican Central Bank may not continue its practice of

making foreign currency available to private sector companies, and we may not be able to purchase the foreign currency we need to service our foreign currency obligations without substantial additional cost.

Although we have a diversification of revenue sources in Europe, a number of countries, particularly Germany and Italy, have experienced economic stagnation recently, while Spain, France and the United Kingdom have experienced slow economic growth. To the extent recovery from these economic conditions does not materialize or otherwise takes place over an extended period of time, our business, financial condition and results of operations may be adversely affected. In addition, the economic stagnation in Germany and Italy and slow economic growth in Spain, France and the United Kingdom may negatively impact the economic growth and integration of the ten new countries admitted into the European Union in May 2004, including Poland, the Czech Republic, Hungary, Latvia and Lithuania, in which we acquired operations in the RMC acquisition.

Our operations in South America, Central America and the Caribbean are faced with several risks that are more significant than in other countries. These risks include political instability and economic volatility. For example, in recent years, Venezuela has experienced volatility and depreciation of its currency, high interest rates, political instability, increased inflation, decreased gross domestic product and labor unrest, including a general strike. Venezuelan authorities have imposed foreign exchange and price controls on specified products, including cement. In furtherance of Venezuela's announced policy to nationalize certain sectors of the economy, on June 18, 2008, presidential decree No. 6,091 *Decreto con Rango, Valor y Fuerza de Ley Orgánica de Ordenación de las Empresas Productoras de Cemento* (the "Nationalization Decree") was promulgated, mandating that the cement production industry in Venezuela be reserved to the State and ordering the conversion of foreign-owned cement companies, including CEMEX Venezuela, into state-controlled companies with Venezuela holding an equity interest of at least 60%. The Nationalization Decree provides for the formation of a transition committee to be integrated with the board of directors of the relevant cement company to guaranty the transfer of control over all activities of the relevant cement company to Venezuela by December 31, 2008. The Nationalization Decree further establishes a deadline of August 17, 2008 for the shareholders of foreign-owned cement companies, including CEMEX Venezuela, to reach an agreement with the Government of Venezuela on the compensation for the nationalization of their assets. The Nationalization Decree also provides that this deadline may be extended by mutual agreement of the Government of Venezuela and the relevant shareholder. Pursuant to the Nationalization Decree, if an agreement is not reached, Venezuela shall assume exclusive operational control of the relevant cement company and the Venezuelan National Executive shall decree the expropriation of the relevant shares according to the Venezuelan expropriation law. No assurance can be given that an agreement with the Government of Venezuela will be reached. The Government of Venezuela has been advised by our subsidiaries in Spain and The Netherlands that are investors in CEMEX Venezuela that these subsidiaries reserve their rights to bring expropriation claims in arbitration under the Bilateral Investment Treaties Venezuela signed with those countries. Any significant political instability or political instability and economic volatility in the countries in South America, Central America and the Caribbean in which we have operations may have an impact on cement prices and demand for cement and ready-mix concrete, which may adversely affect our results of operations.

Our operations in Africa and the Middle East have faced instability as a result of, among other things, civil unrest, extremism, the continued deterioration of Israeli-Palestinian relations and the war in Iraq. There can be no assurance that political turbulence in the Middle East will abate in the near future or that neighboring countries, including Egypt and the United Arab Emirates, will not be drawn into the conflict or experience instability.

There have been terrorist attacks in the United States, Spain and the United Kingdom, countries in which we maintain operations, and ongoing threats of future terrorist attacks in the United States and abroad. Although it is not possible at this time to determine the long-term effect of these terrorist threats, there can be no assurance that

there will not be other attacks or threats in the United States or abroad that will lead to economic contraction in the United States or any other of our major markets. Economic contraction in the United States or any of our major markets could affect domestic demand for cement and have a material adverse effect on our operations.

You may be unable to enforce judgments against us.

You may be unable to enforce judgments against us. We are a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*), organized under the laws of Mexico. Substantially all our directors and officers and some of the experts named in this annual report reside in Mexico, and all or a significant portion of the assets of those persons may be, and the majority of our assets are, located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon those persons or to enforce judgments against them or against us in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws. We have been advised by Lic. Ramiro G. Villarreal, General Counsel of CEMEX, that it may not be possible to enforce, in original actions in Mexican courts, liabilities predicated solely on the U.S. federal securities laws and it may not be possible to enforce, in Mexican courts, judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the U.S. federal securities laws.

The Mexican Congress recently approved legislation that could increase our tax liabilities.

In September 2007, the Mexican Congress approved a new federal tax applicable to all Mexican corporations, known as the *Impuesto Empresarial a Tasa Única* (Single Rate Corporate Tax), or IETU, which is a form of alternative minimum tax and replaces the asset tax that has applied to corporations and other taxpayers in Mexico for several years. The IETU is a tax that will be imposed at a rate of 16.5% for calendar year 2008, 17% for calendar year 2009 and 17.5% for calendar year 2010 and thereafter. A Mexican corporation is required to pay the IETU if, as a result of the calculation of the IETU, the amount payable under the IETU exceeds the income tax payable by the corporation under the Mexican income tax law. In general terms, the IETU is determined by applying the rates specified above to the amount resulting from deducting from a corporation's gross income, among other items, goods acquired (consisting of raw materials and capital expenditures), services provided by independent contractors and lease payments required for the performance of the activities taxable under the IETU. Interest payments arising from financing transactions, tax loss carryforwards and other specified items are not deductible for purposes of determining the IETU. The legislation became effective in January 2008. Although we believe, given our current business assumptions and expectations, the IETU will not have a material adverse effect on us for at least two years, we cannot predict the impact of this legislation or quantify its effects on our tax liability for future years. If our regularly determined taxable income in Mexico in any given year yields an income tax that is below the amount of IETU determined for the same tax period, the IETU could materially increase our tax liabilities and cash tax payments, which could adversely affect our results of operations, cash flows and financial condition.

Preemptive rights may be unavailable to ADS holders.

ADS holders may be unable to exercise preemptive rights granted to our shareholders, in which case ADS holders could be substantially diluted. Under Mexican law, whenever we issue new shares for payment in cash or in kind, we are generally required to grant preemptive rights to our shareholders. However, ADS holders may not be able to exercise these preemptive rights to acquire new shares unless both the rights and the new shares are registered in the United States or an exemption from registration is available.

We cannot assure you that we would file a registration statement in the United States at the time of any rights offering. In addition, while the depositary is permitted, if lawful and feasible at that time, to sell those rights and distribute the proceeds of that sale to ADS holders who are entitled to those rights, current Mexican law does not permit sales of that kind.

Mexican Peso Exchange Rates

Mexico has had no exchange control system in place since the dual exchange control system was abolished on November 11, 1991. The Mexican Peso has floated freely in foreign exchange markets since December 1994, when the Mexican Central Bank (*Banco de México*) abandoned its prior policy of having an official devaluation band. Since then, the Peso has been subject to substantial fluctuations in value. The Peso depreciated against the Dollar by approximately 8% in 2003, appreciated against the Dollar by approximately 1% and 5% in 2004 and 2005, respectively, depreciated against the Dollar by approximately 2% in 2006, and depreciated against the Dollar by approximately 1% in 2007. These percentages are based on the exchange rate that we use for accounting purposes, or the CEMEX accounting rate. The CEMEX accounting rate represents the average of three different exchange rates that are provided to us by Banco Nacional de México, S.A., or Banamex. For any given date, the CEMEX accounting rate may differ from the noon buying rate for Pesos in New York City published by the U.S. Federal Reserve Bank of New York.

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

	CEMEX Accounting Rate				Noon Buying Rate			
Year ended December 31,	**End of Period**	**Average(1)**	**High**	**Low**	**End of Period**	**Average(1)**	**High**	**Low**
2003	11.24	10.84	11.39	10.10	11.24	10.85	11.41	10.11
2004	11.14	11.29	11.67	10.81	11.15	11.29	11.64	10.81
2005	10.62	10.85	11.38	10.42	10.63	10.89	11.41	10.41
2006	10.80	10.91	11.49	10.44	10.80	10.90	11.46	10.43
2007	10.92	10.93	11.07	10.66	10.92	10.93	11.27	10.67
Monthly (2007-2008)								
November	10.91	—	11.02	10.69	10.90	—	11.00	10.67
December	10.92	—	10.91	10.81	10.92	—	10.92	10.80
January	10.83	—	11.00	10.83	10.82	—	10.97	10.82
February	10.71	—	10.85	10.67	10.73	—	10.82	10.67
March	10.65	—	10.85	10.64	10.63	—	10.85	10.63
April	10.49	—	10.58	10.44	10.51	—	10.60	10.44
May	10.32	—	10.58	10.32	10.33	—	10.57	10.31

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

On May 30, 2008, the noon buying rate for Pesos was Ps10.33 to U.S.$1.00 and the CEMEX accounting rate was Ps10.32 to U.S.$1.00.

For a discussion of the financial treatment of our operations conducted in other currencies, see Item 3 — "Key Information — Selected Consolidated Financial Information."

Selected Consolidated Financial Information

The financial data set forth below as of and for each of the five years ended December 31, 2007 have been derived from our audited consolidated financial statements. The financial data set forth below as of December 31, 2007 and 2006 and for each of the three years ended December 31, 2007, have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, the consolidated financial statements and the notes thereto included elsewhere in this annual report. These financial statements were approved by our shareholders at the 2007 annual general meeting, which took place on April 24, 2008.

The audited consolidated financial statements for the year ended December 31, 2005 include RMC's results of operations for the ten-month period ended December 31, 2005, and the audited consolidated financial statements

for the years ended December 31, 2007 and 2006 include RMC's results of operations for the entire years ended December 31, 2007 and 2006, while the audited consolidated financial statements for each of the two years ended December 31, 2004 do not include RMC's results of operations. As a result, the financial data for the years ended December 31, 2005, December 31, 2006 and December 31, 2007 are not comparable to the prior periods.

The audited consolidated financial statements for the year ended December 31, 2007 include Rinker's results of operations for the six-month period ended December 31, 2007, while the audited consolidated financial statements for each of the four years ended December 31, 2006 do not include Rinker's results of operations. As a result, the financial data for the year ended December 31, 2007 are not comparable to the prior periods.

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican FRS, which differ in significant respects from U.S. GAAP. During the periods presented, we are required, pursuant to Mexican FRS, to present our financial statements in constant Pesos representing the same purchasing power for each period presented. Accordingly, unless otherwise indicated, all financial data presented below and elsewhere in this annual report are stated in constant Pesos as of December 31, 2007. Beginning January 1, 2008, however, under Mexican FRS inflation accounting will be applied only in high inflation environments. See note 3X to our consolidated financial statements included elsewhere in this annual report. Also, see note 25 to our consolidated financial statements for a description of the principal differences between Mexican FRS and U.S. GAAP as they relate to us.

Non-Peso amounts included in the financial statements are first translated into Dollar amounts, in each case at a commercially available or an official government exchange rate for the relevant period or date, as applicable, and those Dollar amounts are then translated into Peso amounts at the CEMEX accounting rate, described under Item 3 — "Key Information — Mexican Peso Exchange Rates," as of the relevant period or date, as applicable.

During the periods presented, under Mexican FRS, each time we reported results for the most recently completed period, the Pesos previously reported in prior periods were required to be adjusted to Pesos of constant purchasing power as of the most recent balance sheet by multiplying the previously reported Pesos by a weighted average inflation index. This index has been calculated based upon the inflation rates of the countries in which we operate and the changes in the exchange rates of each of these countries, weighted according to the proportion that our assets in each country represent of our total assets. The following table reflects the factors that have been used to restate the originally reported Pesos to Pesos of constant purchasing power as of December 31, 2007:

	Annual Weighted Average Factor	Cumulative Weighted Average Factor to December 31, 2007
2003	1.0624	1.2047
2004	0.9590	1.1339
2005	1.0902	1.1824
2006	1.0846	1.0846

The Dollar amounts provided below and, unless otherwise indicated, elsewhere in this annual report are translations of constant Peso amounts at an exchange rate of Ps10.92 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2007. However, in the case of transactions conducted in Dollars, we have presented the Dollar amount of the transaction and the corresponding Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. The noon buying rate for Pesos on December 31, 2007 was Ps10.92 to U.S.$1.00 and on May 30, 2008 was Ps10.33 to U.S.$1.00. From December 31, 2007 through May 30, 2008, the Peso appreciated by approximately 5.4% against the Dollar, based on the noon buying rate for Pesos.

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

Selected Consolidated Financial Information

	As of and for the year ended December 31,					
	2003	2004	2005	2006	2007	2007
		(in millions of constant Pesos as of December 31, 2007 and Dollars, except ratios and share and per share amounts)				*Convenience Translation* (2)
Income Statement Information:						
						U.S. $
Net sales	Ps 97,012	Ps 102,945	Ps 192,392	Ps 213,767	Ps 236,669	21,673
Cost of sales(1)	(55,924)	(57,936)	(116,422)	(136,447)	(157,696)	(14,441)
Gross profit	41,088	45,009	75,970	77,320	78,973	7,232
Operating expenses	(21,383)	(21,617)	(44,743)	(42,815)	(46,525)	(4,261)
Operating income	19,705	23,392	31,227	34,505	32,448	2,971
Other expense, net (3)	(6,415)	(6,487)	(3,976)	(580)	(3,281)	(300)
Comprehensive financing result (4)	(3,621)	1,683	3,076	(505)	1,087	100
Equity in income of associates	471	506	1,098	1,425	1,487	136
Income before income tax	10,140	19,094	31,425	34,845	31,741	2,907
Minority interest	411	265	692	1,292	837	77
Majority interest net income	8,515	16,512	26,519	27,855	26,108	2,391
Basic earnings per share(5)(6)	0.46	0.82	1.28	1.29	1.17	0.11
Diluted earnings per share(5)(6)	0.43	0.82	1.27	1.29	1.17	0.11
Dividends per share(5)(7)(8)	0.23	0.25	0.27	0.28	0.29	0.03
Number of shares outstanding(5)(9)	19,444	20,372	21,144	21,987	22,297	22,297
Balance Sheet Information:						
Cash and temporary investments	3,945	4,324	7,552	18,494	8,670	794
Net working capital (10)	7,796	6,633	15,920	10,389	16,690	1,528
Property, machinery and equipment, net	125,463	121,439	195,165	201,425	262,189	24,010
Total assets	216,868	219,559	336,081	351,083	542,314	49,662
Short-term debt	17,996	13,185	14,954	14,657	36,257	3,320
Long-term debt	61,433	61,731	104,061	73,674	180,654	16,544
Minority interest and perpetual debentures (11)(12)	7,203	4,913	6,637	22,484	40,985	3,753
Total majority stockholders' equity (13)	84,418	98,919	123,381	150,627	163,168	14,942
Book value per share(5)(9)(14)	4.34	4.86	5.84	6.85	7.32	0.67
Other Financial Information:						
Operating margin	20.3%	22.7%	16.2%	16.1%	13.7%	13.7%
EBITDA(15)	28,546	32,064	44,672	48,466	49,859	4,566
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends(15)	5.27	6.82	6.76	8.38	5.66	5.66
Investment in property, machinery and equipment, net	5,333	5,483	9,862	16,067	21,779	1,994
Depreciation and amortization	11,168	10,830	13,706	13,961	17,666	1,617
Net resources provided by operating activities(16)	21,209	27,915	43,080	47,845	45,625	4,178
Basic earnings per CPO(5)(6)	1.38	2.46	3.84	3.87	3.51	0.33

	As of and for the year ended December 31,					
	2003	2004	2005	2006	2007	2007
	(in millions of constant Pesos as of December 31, 2007 and Dollars, except per share amounts)					*Convenience Translation* (2)
U.S. GAAP(17):						
Income Statement Information:						
						U.S. $
Majority net sales	Ps 93,686	Ps 100,163	Ps 172,632	Ps 203,660	Ps 235,258	21,544
Operating income	15,985	18,405	26,737	32,756	29,363	2,689
Majority net income	9,723	20,027	23,933	26,384	21,367	1,957
Basic earnings per share	0.51	1.01	1.15	1.23	0.96	0.09
Diluted earnings per share	0.50	1.00	1.14	1.23	0.96	0.09
Balance Sheet Information:						
Total assets	218,858	230,027	317,896	351,927	563,565	51,609
Perpetual debentures(12)	—	—	—	14,037	33,470	3,065
Long-term debt(12)	52,618	48,645	89,402	69,375	164,515	15,065
Minority interest	6,366	5,057	6,200	7,581	8,010	734
Total majority stockholders' equity	83,552	103,257	120,539	153,239	172,217	15,771

(1) Cost of sales includes depreciation.

(2) The Income Statement Information, Balance Sheet Information, Other Financial Information and U.S.GAAP information, as of December 31, 2007, included in the selected consolidated financial information, caption by caption, under the column "Convenience translation" are amounts denominated in Dollars. These amounts in Dollars have been presented solely for the convenience of the reader at the rate of Ps10.92 per U.S.$1, the CEMEX accounting exchange rate as of December 31, 2007. These translations are informative data and should not be construed as representations that the amounts in Pesos actually represent those Dollar amounts or could be converted into Dollars at the rate indicated.

(3) Under new MFRS B-3 "Income Statement", commencing on January 1, 2007, current and deferred Employees' Statutory Profit Sharing ("ESPS") is included within "Other expenses, net". Until December 31, 2006, ESPS was presented in a specific line item within the income taxes section of the income statement. The Selected Consolidated Financial Information data for 2003, 2004, 2005 and 2006 were reclassified to conform with the presentation required for 2007, as described in note 3T to the consolidated financial statements included elsewhere in this annual report.

(4) Comprehensive financing result includes financial expenses, financial income, results from financial instruments, including derivatives and marketable securities, foreign exchange result and monetary position result. See Item 5 — "Operating and Financial Review and Prospects."

(5) Our capital stock consists of series A shares and series B shares. Each of our CPOs represents two series A shares and one series B share. As of December 31, 2007, approximately 97.0% of our outstanding share capital was represented by CPOs.

(6) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 19 to the consolidated financial statements included elsewhere in this annual report. Basic earnings per CPO is determined by multiplying the basic earnings per share for each period by three (the number of shares underlying each CPO). Basic earnings per CPO is presented solely for the convenience of the reader and does not represent a measure under Mexican FRS.

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

(8) In recent years, our board of directors has proposed, and our shareholders have approved, dividend proposals, whereby our shareholders have had a choice between stock dividends or cash dividends declared in respect of the prior year's results, with the stock issuable to shareholders who receive the stock dividend being issued at a 20% discount from then current market prices. The dividends declared per share or per CPO in these years, expressed in constant Pesos as of December 31, 2007, were as follows: 2003, Ps0.72 per CPO (or Ps0.24 per share); 2004, Ps0.69 per CPO (or Ps0.23 per share); 2005, Ps0.75 per CPO (or Ps0.25 per share); 2006, Ps0.81 per CPO (or Ps0.27 per share); and 2007, Ps0.84 per CPO (or Ps0.28 per share). As a result of dividend elections made by shareholders, in 2003, Ps80 million in cash was paid and approximately 396 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year; in 2004, Ps191 million in cash was paid and approximately 300 million additional CPOs were issued in respect of dividends declared for the 2003 fiscal year; in 2005, Ps449 million in cash was paid and approximately 266 million additional CPOs were issued in respect of dividends declared for the 2004 fiscal year; in 2006, Ps161 million in cash was paid and approximately 212 million additional CPOs were issued in respect of dividends declared for the 2005 fiscal year; and in 2007, Ps147 million in cash was paid and approximately 189 million additional CPOs were issued in respect of dividends declared for the 2006 fiscal year. For purposes of the table, dividends declared at each year's annual shareholders' meeting for each period are reflected as dividends for the preceding year. At our 2007 annual shareholders' meeting, which was held on April 24, 2008, our shareholders approved a dividend for the 2007 fiscal year of the Peso equivalent of U.S.$0.0835 per CPO (U.S.$0.02783 per share) or Ps0.8678 (Ps0.2893 per share), based on the Peso/Dollar exchange rate in effect for May 29, 2008 of Ps10.3925 to U.S.$1.00, as published by the Mexican Central Bank. Holders of our series A shares, series B shares and CPOs are entitled to receive the dividend in either stock or cash consistent with our past practices; however, under the terms of the deposit agreement pursuant to which our ADSs are issued, we instructed the depositary for the ADSs not to extend the option to elect to receive cash in lieu of the stock dividend to the holders of ADSs. As a result of dividend elections made by shareholders, on June 4, 2008, approximately Ps214 million in cash was paid and approximately 284 million additional CPOs were issued in respect of dividends declared for the 2007 fiscal year.

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

(10) Net working capital equals trade receivables, less allowance for doubtful accounts plus inventories, net less trade payables.

(11) The balance sheet item minority interest at December 31, 2003 includes an aggregate liquidation amount of U.S.$66 million (Ps834 million) of 9.66% Putable Capital Securities, which were initially issued by one of our subsidiaries in May 1998 in an aggregate liquidation amount of U.S.$250 million. In April 2002, approximately U.S.$184 million in aggregate liquidation amount of these capital securities were tendered to, and accepted by, us in a tender offer. In November 2004, we exercised a purchase option and redeemed all the outstanding capital securities. Until January 1, 2004, for accounting purposes under Mexican FRS, this transaction was recognized as minority interest in our balance sheet, and dividends paid on the capital securities were accounted as minority interest net income in our income statement. Accordingly, minority interest net income includes capital securities dividends in the amount of approximately U.S.$13 million (Ps173 million) in 2003. As of January 1, 2004, as a result of new accounting pronouncements under Mexican FRS, this transaction was recorded as debt in our balance sheet, and dividends paid on the capital securities during 2004, which amounted to approximately U.S.$ 6 million (Ps76 million), were recorded as part of financial expenses in our income statement.

(12) Minority interest as of December 31, 2006 and December 31, 2007 includes U.S.$1,250 million (Ps14,642 million) and U.S.$3,065 million (Ps33,470 million), respectively, that represents the nominal amount of the fixed-to-floating rate callable perpetual debentures, denominated in Dollars and Euros, issued by consolidated entities. In accordance with Mexican FRS, these securities qualify as equity due to their perpetual nature and the option to defer the coupons. However, for purposes of our U.S. GAAP reconciliation, we record these debentures as debt and coupon payments thereon as part of financial expenses in our income statement.

(13) In December 2002, we entered into forward contracts with a number of banks covering a number of ADSs which increased to approximately 25 million ADSs as a result of stock dividends through June 2003. In October 2003, in connection with an offering of all the ADSs underlying those forward contracts, we agreed with the banks to settle those forward contracts for cash. As a result of the final settlement in October 2003, we recognized an increase of approximately U.S.$18 million (Ps228 million) in our stockholders' equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003. During the life of these forward contracts, the underlying ADSs were considered to have been owned by the banks and the forward contracts were treated as equity transactions, and, therefore, changes in the fair value of the ADSs were not recorded until settlement of the forward contracts.

(14) Book value per share is calculated by dividing the total majority stockholders' equity by the number of shares outstanding.

(15) EBITDA equals operating income before amortization expense and depreciation. Under Mexican FRS, amortization of goodwill, until December 31, 2004, was not included in operating income, but instead was recorded in other expense, net. EBITDA and the ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends are presented herein because we believe that they are widely accepted as financial indicators of our ability to internally fund capital expenditures and service or incur debt and preferred equity. EBITDA and such ratios should not be considered as indicators of our financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies. EBITDA is reconciled below to operating income under Mexican FRS before giving effect to any minority interest, which we consider to be the most comparable measure as determined under Mexican FRS. We are not required to prepare a statement of cash flows under Mexican FRS and therefore do not have such Mexican FRS cash flow measures to present as comparable to EBITDA. Interest expense under Mexican FRS does not include coupon payments and issuance costs of the perpetual debentures issued by consolidated entities of approximately Ps152 million for 2006 and of approximately Ps1,847 million for 2007, as described in note 16D to the consolidated financial statements included elsewhere in this annual report.

	For the year ended December 31,					
	2003	2004	2005	2006	2007	2007
	(in millions of constant Pesos as of December 31, 2007 and Dollars)					Convenience Translation *
Reconciliation of EBITDA to operating income						
EBITDA	Ps 28,546	Ps 32,064	Ps 44,672	Ps48,466	Ps49,859	U.S.$ 4,566
Less:						
Depreciation and amortization expense	8,841	8,672	13,445	13,961	17,411	1,594
Operating income	Ps 19,705	Ps 23,392	Ps 31,227	Ps34,505	Ps32,448	U.S.$ 2,971

* See Note (2) above.

(16) Net resources provided by operating activities equals majority interest net income plus items not affecting cash flow plus investment in working capital excluding effects from acquisitions.

(17) We have restated the information at and for the years ended December 31, 2003, 2004, 2005 and 2006 under U.S. GAAP using the inflation factor derived from the national consumer price index, or NCPI, in Mexico, as required by Regulation S-X under the U.S. Securities Exchange Act of 1934, or the Exchange Act, instead of using the weighted average restatement factors used by us according to Mexican FRS and applied to the information presented under Mexican FRS of prior years. See note 25 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican FRS and U.S. GAAP as they relate to CEMEX.

Item 4 - Information on the Company

Unless otherwise indicated, references in this annual report to our sales and assets, including percentages, for a country or region are calculated before eliminations resulting from consolidation, and thus include intercompany balances between countries and regions. These intercompany balances are eliminated when calculated on a consolidated basis.

Business Overview

We are a publicly traded stock corporation with variable capital, or *sociedad anónima bursátil de capital variable*, organized under the laws of the United Mexican States, or Mexico, with our principal executive offices in Av. Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265. Our main phone number is (011-5281) 8888-8888. CEMEX's agent for service, exclusively for actions brought by the Securities and Exchange Commission pursuant to the requirements of the United States Federal securities laws, is CEMEX, Inc., located at 840 Gessner Road, Suite 1400, Houston, Texas 77024.

CEMEX was founded in 1906 and was registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, N.L., Mexico, on June 11, 1920 for a period of 99 years. At our 2002 annual shareholders' meeting, this period was extended to the year 2100. As of July 3, 2006, CEMEX's full legal and commercial name is CEMEX, Sociedad Anónima Bursátil de Capital Variable, or CEMEX, S.A.B. de C.V. The change in our corporate name, which means that we are now called a publicly traded stock corporation (*sociedad anónima bursátil*), was made to comply with the requirements of the new Mexican Securities Law enacted on December 28, 2005, which became effective on June 28, 2006.

As of December 31, 2007, we were the third largest cement company in the world, based on installed capacity of approximately 96.7 million tons. As of December 31, 2007, we were the largest ready-mix concrete company in the world with annual sales volumes of approximately 80.5 million cubic meters, and one of the largest aggregates companies in the world with annual sales volumes of approximately 222.7 million tons, in each case based on our annual sales volumes in 2007 and giving pro forma effect to our acquisition of Rinker. We are also one of the world's largest traders of cement and clinker, having traded approximately 13.4 million tons of cement and clinker in 2007. We are a holding company primarily engaged, through our operating subsidiaries, in the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates and clinker.

We are a global cement manufacturer with operations in North America, Europe, South America, Central America, the Caribbean, Africa, the Middle East, Australia and Asia. As of December 31, 2007, we had total assets of approximately Ps542,314 million (U.S.$49,662 million) and an equity market capitalization of approximately Ps212.4 billion (U.S.$19.4 billion).

As of December 31, 2007, our main cement production facilities were located in Mexico, the United States, Spain, the United Kingdom, Germany, Poland, Croatia, Latvia, Venezuela, Colombia, Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico, Egypt, the Philippines and Thailand. As of December 31, 2007, our assets, cement plants and installed capacity, on an unconsolidated basis by region, were as set forth below. Installed capacity, which refers to theoretical annual production capacity, represents gray cement equivalent capacity, which counts each ton of white cement capacity as approximately two tons of gray cement capacity. The table below also includes our proportional interest in the installed capacity of companies in which we hold a minority interest.

	As of December 31, 2007		
	Assets after eliminations (in billions of constant Pesos)	Number of Cement Plants	Installed Capacity (millions of tons per annum)
North America			
Mexico	61	15	27.2
United States	247	14	15.4
Europe			
Spain	43	8	11.4
United Kingdom	29	3	2.8
Rest of Europe	50	8	11.9
South America, Central America and the Caribbean	37	14	15.6
Africa and the Middle East	12	1	5.0
Australia and Asia			
Australia	26	—	0.9
Asia	10	4	6.5
Cement and Clinker Trading Assets and Other Operations	27	—	—

In the above table, "Rest of Europe" includes our subsidiaries in Germany, France, Ireland, Austria, Poland, Croatia, the Czech Republic, Hungary, Latvia and other assets in the European region, and, for purposes of the columns labeled "Assets" and "Installed Capacity," includes our 34% interest, as of December 31, 2007, in a Lithuanian cement producer that operated one cement plant with an installed capacity of 1.3 million tons as of December 31, 2007. In the above table, "South America, Central America and the Caribbean" includes our subsidiaries in Venezuela, Colombia, Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico, Guatemala, Argentina and other assets in the Caribbean region. In the above table, "Africa and the Middle East" includes our subsidiaries in Egypt, the United Arab Emirates and Israel. In the above table, "Australia" includes 0.9 million cement tons of annual installed capacity corresponding to our 25% interest in the Cement Australia Holdings pty Limited joint venture, which operated four cement plants, with a total cement installed capacity of approximately 3.8 million tons per year, and "Asia" includes our subsidiaries in the Philippines, Thailand, Malaysia, Bangladesh and other assets in the Asian region.

During the last two decades, we embarked on a major geographic expansion program to diversify our cash flows and enter markets whose economic cycles within the cement industry largely operate independently from that of Mexico and which offer long-term growth potential. We have built an extensive network of marine and land-based distribution centers and terminals that give us marketing access around the world. The following have been our most significant acquisitions over the last five years, the two most significant being our acquisition in 2007 of Rinker and our acquisition in 2005 of RMC:

- On August 28, 2007, we completed the acquisition of 100% of the Rinker shares for a total consideration of approximately U.S.$14.2 billion (approximately Ps155.6 billion) (excluding the assumption of approximately U.S.$1.3 billion (approximately Ps13.9 billion) of Rinker's debt). For its fiscal year ended March 31, 2007, Rinker reported consolidated revenues of approximately U.S.$5.3 billion. Approximately U.S.$4.1 billion of these revenues were generated in the United States, and approximately U.S.$1.2 billion were generated in Australia and China. As of that date, Rinker had more than 13,000 employees. During such fiscal period, Rinker produced approximately 2 million tons of cement, 93 million tons of aggregates and sold close to 13 million cubic meters of ready-mix concrete. In Australia, Rinker's main activities are oriented to the production and sale of ready-mix concrete and other construction materials. See note 2 to our consolidated financial statements included elsewhere in this annual report.

- On January 1, 2006, CEMEX acquired a 51% equity interest in a cement-grinding mill facility with capacity of 400,000 tons per year in Guatemala for approximately U.S.$17 million (approximately Ps204 million).

- On March 20, 2006, we agreed to terminate our lease on the Balcones cement plant located in New Braunfels, Texas prior to expiration, and purchased the Balcones cement plant for approximately U.S.$61 million.

- On March 2, 2006, we acquired two companies engaged in the ready-mix concrete and aggregates business in Poland from Unicon A/S, a subsidiary of Cementir Group, an Italian cement producer, for approximately €12 million.

- In July 2005, we acquired 15 ready-mix concrete plants through the purchase of Concretera Mayaguezana, a ready-mix concrete producer located in Puerto Rico, for approximately Ps326 million (U.S.$30 million).

- On March 1, 2005, we completed our acquisition of RMC for a total purchase price of approximately U.S.$4.3 billion, excluding approximately U.S.$2.2 billion of assumed debt. RMC, headquartered in the United Kingdom, was one of Europe's largest cement producers and one of the world's largest suppliers of ready-mix and aggregates, with operations in 22 countries, primarily in Europe and the United States, and employed over 26,000 people. The assets acquired included 13 cement plants with an approximate installed capacity of 17 million tons, located in the United Kingdom, the United States, Germany, Croatia, Poland and Latvia.

- In August and September 2003, we acquired 100% of the outstanding shares of Mineral Resource Technologies Inc., and the cement assets of Dixon-Marquette Cement for a combined purchase price of approximately U.S.$100 million. Located in Dixon, Illinois, the single cement plant has an annual production capacity of 560,000 tons. This cement plant was sold on March 31, 2005 as part of the U.S. asset sale described below.

As part of our strategy, we periodically review and reconfigure our operations in implementing our post-merger integration process, and we sometimes divest assets that we believe are less important to our strategic objectives. The following have been our most significant divestitures and reconfigurations over the last five years:

- As required by the Antitrust Division of the United States Department of Justice, pursuant to a divestiture order in connection with the Rinker acquisition, in December 2007, we sold to the Irish producer CRH plc, ready-mix concrete and aggregates plants in Arizona and Florida for approximately U.S.$250 million, of which approximately U.S.$30 million corresponded to the sale of assets from our pre-Rinker acquisition operations.

- During 2006 we sold our 25.5% interest in the Indonesian cement producer PT Semen Gresik for approximately U.S.$346 million (approximately Ps4,053 million) including dividends declared of approximately U.S.$7 million (approximately Ps82 million).

- On March 2, 2006, we sold 4K Beton A/S, our Danish subsidiary, which operated 18 ready-mix concrete plants in Denmark, to Unicon A/S, a subsidiary of Cementir Group, an Italian cement producer, for approximately €22 million. As part of the transaction, we purchased from Unicon A/S two companies engaged in the ready-mix concrete and aggregates business in Poland for approximately €12 million. We received net cash proceeds of approximately €6 million, after cash and debt adjustments, from this transaction.

- On December 22, 2005, we terminated our 50/50 joint ventures with Lafarge Asland in Spain and Portugal, which we acquired in the RMC acquisition. Under the terms of the termination agreement,

Lafarge Asland received a 100% interest in both joint ventures and we received approximately U.S.$61 million in cash, as well as 29 ready-mix concrete plants and five aggregates quarries in Spain.

- As a condition to closing the RMC acquisition, we agreed with the U.S. Federal Trade Commission, or FTC, to divest several ready-mix and related assets. On August 29, 2005, we sold RMC's operations in the Tucson, Arizona area to California Portland Cement Company for a purchase price of approximately U.S.$16 million.

- On July 1, 2005, we and Ready Mix USA, Inc., or Ready Mix USA, a privately-owned ready-mix concrete producer with operations in the southeastern United States, established two jointly-owned limited liability companies, CEMEX Southeast, LLC, a cement company, and Ready Mix USA, LLC, a ready-mix concrete company, to serve the construction materials market in the southeast region of the United States. Under the terms of the limited liability company agreements and related asset contribution agreements, we contributed two cement plants (Demopolis, Alabama and Clinchfield, Georgia) and 11 cement terminals to CEMEX Southeast, LLC, representing approximately 98% of its contributed capital, while Ready Mix USA contributed cash to CEMEX Southeast, LLC representing approximately 2% of its contributed capital. In addition, we contributed our ready-mix concrete, aggregates and concrete block assets in the Florida panhandle and southern Georgia to Ready Mix USA, LLC, representing approximately 9% of its contributed capital, while Ready Mix USA contributed all its ready-mix concrete and aggregate operations in Alabama, Georgia, the Florida panhandle and Tennessee, as well as its concrete block operations in Arkansas, Tennessee, Mississippi, Florida and Alabama to Ready Mix USA, LLC, representing approximately 91% of its contributed capital. We own a 50.01% interest, and Ready Mix USA owns a 49.99% interest, in the profits and losses and voting rights of CEMEX Southeast, LLC, while Ready Mix USA owns a 50.01% interest, and we own a 49.99% interest, in the profits and losses and voting rights of Ready Mix USA, LLC. In a separate transaction, on September 1, 2005, we sold 27 ready-mix concrete plants and four concrete block facilities located in the Atlanta, Georgia metropolitan area to Ready Mix USA, LLC for approximately U.S.$125 million. In January 2008, we and Ready Mix USA agreed to expand the scope of the Ready-Mix USA, LLC joint venture. As part of the transaction, which closed on January 11, 2008, we contributed assets valued at approximately U.S.$260 million to the joint venture and sold additional assets to the joint venture for approximately U.S.$120 million in cash. As part of the transaction, Ready Mix USA made a U.S.$125 million cash contribution to the joint venture and the joint venture made a U.S.$135 million special distribution to us. Ready Mix USA will manage all the newly acquired assets. Following the transaction, the joint venture continues to be owned 50.01% by Ready Mix USA and 49.99% by us. The assets contributed and sold by CEMEX include: 11 concrete plants, 12 limestone quarries, four concrete maintenance facilities, two aggregate distribution facilities and two administrative offices in Tennessee; three granite quarries and one aggregates distribution facility in Georgia; and one limestone quarry and one concrete plant in Virginia. All these assets were acquired by us through our acquisition of Rinker.

- In July 2005, we sold a cement terminal to the City of Detroit for approximately U.S.$24 million.

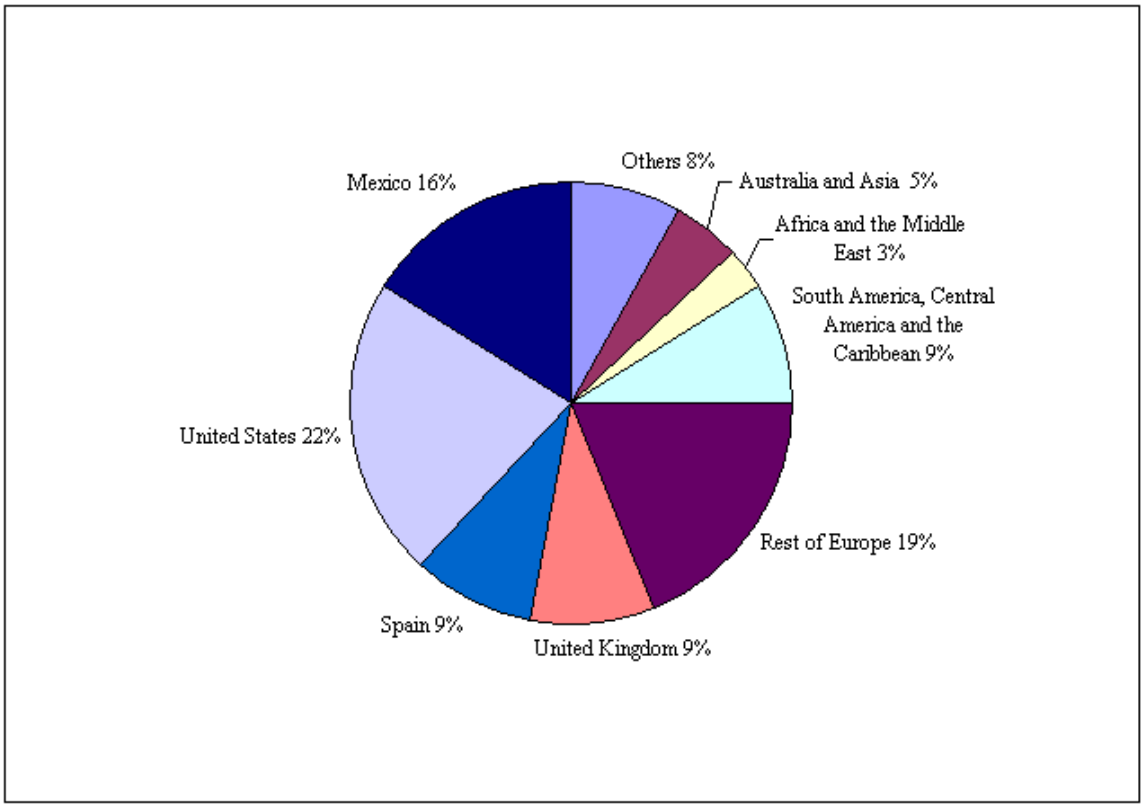
- On April 26, 2005, we sold our 11.9% interest in the Chilean cement producer Cementos Bio Bio, S.A., for approximately U.S.$65 million (Ps817 million).

- On March 31, 2005, we sold our Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim Participações S.A., a cement company in Brazil, for approximately U.S.$389 million. The combined capacity of the two cement plants sold was approximately two million tons per year, and the operations of these plants represented approximately 9% of our U.S. operations' operating cash flow for the year ended December 31, 2004.

On May 6, 2008, we announced that we are exploring the sale of certain assets, including operations in Austria (consisting of 26 aggregates and 39 ready-mix concrete plants), Hungary (consisting of five aggregates, 31 ready-mix concrete and five paving stone plants) and select building products in the United Kingdom (consisting of floors, roof titles and rail product businesses). We expect to use the proceeds from the potential sale of these assets to repay debt.

Geographic Breakdown of Our 2007 Net Sales

The following chart indicates the geographic breakdown of our net sales, before eliminations resulting from consolidation, for the year ended December 31, 2007:

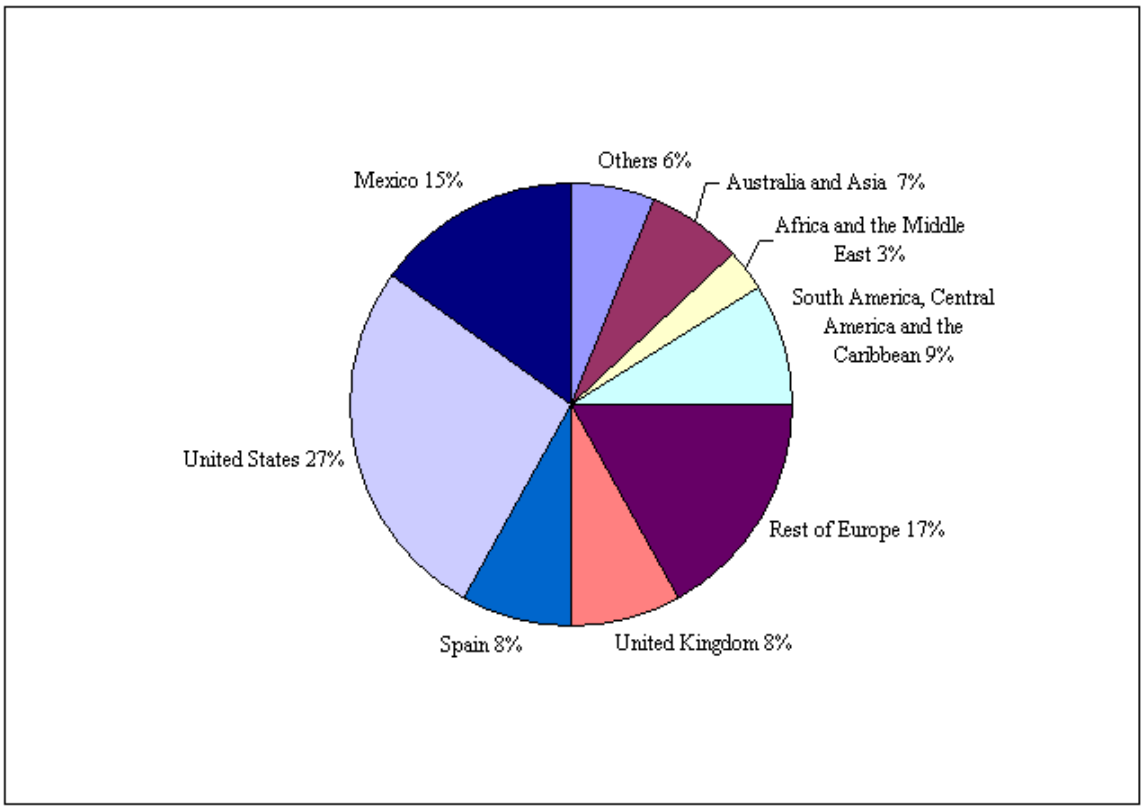


For a description of a breakdown of total revenues by geographic markets for each of the years ended December 31, 2005, 2006 and 2007, please see Item 5 — "Operating and Financial Review and Prospects."

Geographic Breakdown of Pro Forma 2007 Net Sales

The pro forma net sales data for the year ended December 31, 2007 set forth below include Rinker's net sales data for the six-months period ended June 30, 2007, which are unaudited and have been obtained from Rinker's accounting records.

The following chart indicates the geographic breakdown of our net sales on a pro forma basis giving effect to the Rinker acquisition as though it had been completed on January 1, 2007 and before eliminations resulting from consolidation, for the year ended December 31, 2007:



Our Production Processes

Cement is a binding agent, which, when mixed with sand, stone or other aggregates and water, produces either ready-mix concrete or mortar. Mortar is the mixture of cement with finely ground limestone, and ready-mix concrete is the mixture of cement with sand, gravel or other aggregates and water.

Aggregates are naturally occurring sand and gravel or crushed stone such as granite, limestone and sandstone. Aggregates are used to produce ready-mix concrete, roadstone, concrete products, lime, cement and mortar for the construction industry, and are obtained from land based sources such as sand and gravel pits and rock quarries or by dredging marine deposits.

Cement Production Process

We manufacture cement through a closely controlled chemical process, which begins with the mining and crushing of limestone and clay, and, in some instances, other raw materials. The clay and limestone are then pre-homogenized, a process which consists of combining different types of clay and limestone. The mix is typically dried, then fed into a grinder which grinds the various materials in preparation for the kiln. The raw materials are calcined, or processed, at a very high temperature in a kiln, to produce clinker. Clinker is the intermediate product used in the manufacture of cement.

There are two primary processes used to manufacture cement: the dry process and the wet process. The dry process is more fuel efficient. As of December 31, 2007, 56 of our 67 operative production plants used the dry process, nine used the wet process and two used both processes. Our production plants that use the wet process are located in Venezuela, Colombia, Nicaragua, the Philippines, the United Kingdom, Germany and Latvia. In the wet process, the raw materials are mixed with water to form slurry, which is fed into a kiln. Fuel costs are greater in the wet process than in the dry process because the water that is added to the raw materials to form slurry must be evaporated during the clinker manufacturing process. In the dry process, the addition of water and the formation of slurry are eliminated, and clinker is formed by calcining the dry raw materials. In the most modern application of

this dry process technology, the raw materials are first blended in a homogenizing silo and processed through a pre-heater tower that utilizes exhaust heat generated by the kiln to pre-calcine the raw materials before they are calcined to produce clinker.

Clinker and gypsum are fed in pre-established proportions into a cement grinding mill where they are ground into an extremely fine powder to produce finished cement.

Ready-Mix Concrete Production Process

Ready-mix concrete is a combination of cement, fine and coarse aggregates, and admixtures (which control properties of the concrete including plasticity, pumpability, freeze-thaw resistance, strength and setting time). The concrete hardens due to the chemical reaction when water is added to the mix, filling voids in the mixture and turning it into a solid mass.

User Base

Cement is the primary building material in the industrial and residential construction sectors of most of the markets in which we operate. The lack of available cement substitutes further enhances the marketability of our product. The primary end-users of cement in each region in which we operate vary but usually include, among others, wholesalers, ready-mix concrete producers, industrial customers and contractors in bulk. The end-users of ready-mix concrete generally include homebuilders, commercial and industrial building contractors and road builders. Major end-users of aggregates include ready-mix concrete producers, mortar producers, general building contractors and those engaged in roadbuilding activity, asphalt producers and concrete product producers.

Our Business Strategy

We seek to continue to strengthen our global leadership by growing profitably through our integrated positions along the cement value chain and maximizing our overall performance by employing the following strategies:

Focus on and vertically integrate our core business of cement, ready-mix concrete and aggregates

We plan to continue focusing on our core businesses, the production and sale of cement, ready-mix concrete and aggregates, and the vertical integration of these businesses. We believe that managing our cement, ready-mix concrete and aggregates operations as an integrated business can make them more efficient and more profitable than if they were run separately. We believe that this strategic focus has enabled us to grow our existing businesses and to expand our operations internationally.

Geographically diversify our operations and allocate capital effectively by expanding into selected new markets

Subject to economic conditions that may affect our ability to complete acquisitions, we intend to continue adding assets to our existing portfolio.

We intend to continue to geographically diversify our cement, ready-mix concrete and aggregates operations and to vertically integrate in new and existing markets by investing in, acquiring and developing complementary operations along the cement value chain.

We believe that it is important to diversify selectively into markets that have long-term growth potential. By participating in these markets, and by purchasing operations that benefit from our management and turnaround expertise and assets that further integrate into our existing portfolio, in most cases, we have been able to increase our cash flow and return on capital employed.

We evaluate potential acquisitions in light of our three primary investment principles:

- The potential for increasing the acquired entity's value should be principally driven by factors that we can influence, particularly the application of our management and turnaround expertise;

- The acquisition should not compromise our financial strength and investment-grade credit quality; and

- The acquisition should provide a long-term return on our investment that is well in excess of our weighted cost of capital and should offer a minimum return on capital employed of at least ten percent.

In order to minimize our capital commitments and maximize our return on capital, we will continue to analyze potential capital raising sources available in connection with acquisitions, including sources of local financing and possible joint ventures. We normally consider opportunities for, and routinely engage in preliminary discussions concerning, acquisitions.

Implement platforms to achieve optimal operating standards and quickly integrate acquisitions

By continuing to produce cement at a relatively low cost, we believe that we will continue to generate cash flows sufficient to support our present and future growth. We strive to reduce our overall cement production related costs and corporate overhead through strict cost management policies and through improving efficiencies. We have implemented several worldwide standard platforms as part of this process. These platforms were designed to develop efficiencies and better practices, and we believe they will further reduce our costs, streamline our processes and extract synergies from our global operations. In addition, we have implemented centralized management information systems throughout our operations, including administrative, accounting, purchasing, customer management, budget preparation and control systems, which are expected to assist us in lowering costs.

With each international acquisition, we have refined the implementation of both the technological and managerial processes required to rapidly integrate acquisitions into our existing corporate structure. The implementation of the platforms described above has allowed us to integrate our acquisitions more rapidly and efficiently.

As of December 31, 2007, we believe we have achieved approximately U.S.$360 million and U.S.$79 million of annual savings from the RMC acquisition and the Rinker acquisition, respectively, through cost-saving synergies. In the case of the Rinker acquisition, we expect to achieve significant cost savings in the acquired operations by optimizing the production and distribution of ready-mix concrete and aggregates, reducing costs in the cement manufacturing facilities, partly by implementing CEMEX operating standards at such facilities, reducing raw material and energy costs by centralizing procurement processes and reducing other operational costs by centralizing technological and managerial processes. We expect to realize annual savings from the Rinker acquisition of approximately U.S.$400 million through cost-saving synergies between the date of this annual report and 2010.

We plan to continue to eliminate redundancies at all levels, streamline corporate structures and centralize administrative functions to increase our efficiency and lower costs. In addition, in the last few years, we have

implemented various procedures to improve the environmental impact of our activities as well as our overall product quality.

Through a worldwide import and export strategy, we will continue to optimize capacity utilization and maximize profitability by directing our products from countries experiencing downturns in their respective economies to target export markets where demand may be greater. Our global trading system enables us to coordinate our export activities globally and to take advantage of demand opportunities and price movements worldwide.

Provide the best value proposition to our customers

We believe that by pursuing our objective of integrating our business along the cement value chain we can improve and broaden the value proposition that we provide to our customers. We believe that by offering integrated solutions we can provide our customers more reliable sourcing as well as higher quality services and products.

We continue to focus on developing new competitive advantages that will differentiate us from our competitors. In addition, we are strengthening our commercial and corporate brands in an effort to further enhance the value of our products and our services for our customers. Our relatively lower cost combined with our high quality service has allowed us to make significant inroads in these areas.

We always work to provide superior building solutions in the markets we serve. To this end, we tailor our products and services to suit customers' specific needs—from home construction, improvement, and renovation to agricultural, industrial, and marine/hydraulic applications. Our porous paving concrete, for example, is best suited for sidewalks and roadways because it allows rainwater to filter into the ground, reducing flooding and helping to maintain groundwater levels. In contrast, our significantly less permeable and highly resistant concrete products are well-suited for coastal, marine, and other harsh environments.

We also see abundant opportunities to deepen our customer relationships by focusing on more vertically integrated building solutions rather than separate products. By developing our integrated offerings, we can provide customers with more reliable, higher-quality service and more consistent product quality.

Strengthen our financial structure

We believe our strategy of cost-cutting initiatives, increased value proposition and geographic expansion will translate into growing operating cash flows. Our objective is to strengthen our financial structure by:

- Optimizing our borrowing costs and debt maturities;
- Increasing our access to various capital sources; and
- Maintaining the financial flexibility needed to pursue future growth opportunities.

We intend to continue monitoring our credit risk while maintaining the flexibility to support our business strategy.

Focus on attracting, retaining and developing a diverse, experienced and motivated management team

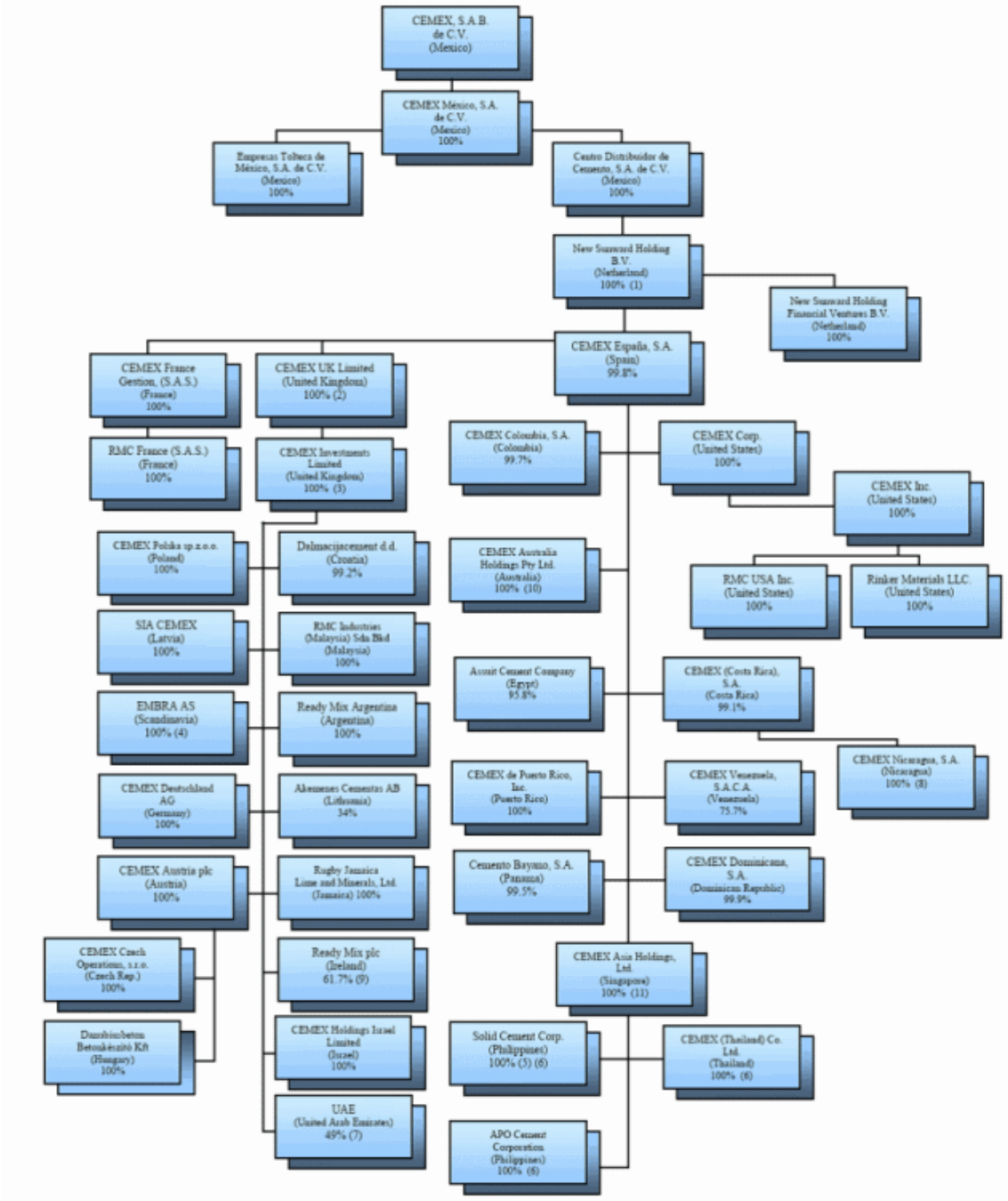
We will continue to focus on recruiting and retaining motivated and knowledgeable professional managers. Our senior management encourages managers to continually review our processes and practices, and to identify innovative management and business approaches to improve our operations. By rotating our managers from one country to another and from one area of our operations to another, we increase their diversity of experience.

We provide our management with ongoing training throughout their careers. In addition, through our stock-based compensation programs, our senior management has a stake in our financial success.

The implementation of our business strategy demands effective dynamics within our organization. Our corporate infrastructure is based on internal collaboration and global management platforms. We will continue to strengthen and develop this infrastructure to effectively support our strategy.

Our Corporate Structure

We are a holding company, and operate our business through subsidiaries that, in turn, hold interests in our cement and ready-mix concrete operating companies, as well as other businesses. The following chart summarizes our corporate structure as of December 31, 2007, as adjusted to reflect a recent internal reorganization through which we acquired from CEMEX Venezuela S.A.C.A., or CEMEX Venezuela, its indirect ownership interests in CEMEX Dominicana S.A. and Cementos Bayano, S.A., our operating subsidiaries in the Dominican Republic and Panama, respectively. The chart also shows, for each company, our approximate direct or indirect percentage equity or economic ownership interest. The chart has been simplified to show only our major holding companies in the principal countries in which we operate and does not include our intermediary holding companies and our operating company subsidiaries.


CEMEX, S.A.B. de C.V. (Mexico)
CEMEX México, S.A. de C.V. (Mexico) 100%
Empresas Tolteca de México, S.A. de C.V. (Mexico) 100%
Centro Distribuidor de Cemento, S.A. de C.V. (Mexico) 100%
New Sunward Holding B.V. (Netherland) 100% (1)
New Sunward Holding Financial Ventures B.V. (Netherland) 100%
CEMEX España, S.A. (Spain) 99.8%
CEMEX France Gestion, (S.A.S.) (France) 100%
CEMEX UK Limited (United Kingdom) 100% (2)
RMC France (S.A.S.) (France) 100%
CEMEX Investments Limited (United Kingdom) 100% (3)
CEMEX Colombia, S.A. (Colombia) 99.7%
CEMEX Corp. (United States) 100%
CEMEX Inc. (United States) 100%
CEMEX Polska sp.z.o.o. (Poland) 100%
Dalmacijacement d.d. (Croatia) 99.2%
CEMEX Australia Holdings Pty Ltd. (Australia) 100% (10)
RMC USA Inc. (United States) 100%
Rinker Materials LLC. (United States) 100%
SIA CEMEX (Latvia) 100%
RMC Industries (Malaysia) Sdn Bhd (Malaysia) 100%
Assuit Cement Company (Egypt) 95.8%
CEMEX (Costa Rica), S.A. (Costa Rica) 99.1%
EMBRA AS (Scandinavia) 100% (4)
Ready Mix Argentina (Argentina) 100%
CEMEX Nicaragua, S.A. (Nicaragua) 100% (8)
CEMEX de Puerto Rico, Inc. (Puerto Rico) 100%
CEMEX Venezuela, S.A.C.A. (Venezuela) 75.7%
CEMEX Deutschland AG (Germany) 100%
Akmenes Cementas AB (Lithuania) 34%
Cemento Bayano, S.A. (Panama) 99.5%
CEMEX Dominicana, S.A. (Dominican Republic) 99.9%
CEMEX Austria plc (Austria) 100%
Rugby Jamaica Lime and Minerals, Ltd. (Jamaica) 100%
CEMEX Asia Holdings, Ltd. (Singapore) 100% (11)
CEMEX Czech Operations, s.r.o. (Czech Rep.) 100%
Ready Mix plc (Ireland) 61.7% (9)
Dunaferrbeton Betonkészítő Kft (Hungary) 100%
CEMEX Holdings Israel Limited (Israel) 100%
Solid Cement Corp. (Philippines) 100% (5) (6)
CEMEX (Thailand) Co. Ltd. (Thailand) 100% (6)
UAE (United Arab Emirates) 49% (7)
APO Cement Corporation (Philippines) 100% (6)

(1) Centro Distribuidor de Cemento S.A. de C.V. indirectly holds 100% of New Sunward Holdings B.V. through other intermediate subsidiaries.
(2) Includes CEMEX España's 90% interest and CEMEX France Gestion (S.A.S.)'s 10% interest.
(3) Formerly RMC Group Limited.
(4) EMBRA is the holding company for operations in Finland, Norway and Sweden.
(5) Formerly Rizal Cement Co., Inc. Includes CEMEX Asia Holdings' 70% economic interest and a 30% interest by CEMEX España.
(6) Represents CEMEX Asia Holdings' indirect economic interest.
(7) Represents our economic interest in four UAE companies, CEMEX Topmix LLC, CEMEX Supermix LLC, Gulf Quarries LLC and CEMEX Falcon LLC. We own a 49% equity interest in each of these companies, and we have purchased the remaining 51% of the economic benefits through agreements with other shareholders.
(8) Includes Cemex (Costa Rica) S.A.'s 98% interest and Cemex España S.A.'s 2% indirect interest.
(9) Registered business name is CEMEX Ireland.
(10) CEMEX Australia Holdings Pty. Ltd. is the holding company of CEMEX operations in Australia that include Rinker Group LLC.
(11) CEMEX Asia B.V. holds 100% of the beneficial interest.

North America

For the year ended December 31, 2007, our business in North America, which includes our operations in Mexico and the United States, represented approximately 38% of our net sales. As of December 31, 2007, our business in North America represented approximately 44% of our total installed cement capacity and approximately 57% of our total assets. As a result of our acquisition of Rinker, our North American operations have increased significantly.

Our Mexican Operations

Overview

Our Mexican operations represented approximately 16% of our net sales in constant Peso terms, before eliminations resulting from consolidation, and approximately 11% of our total assets for the year ended December 31, 2007.

As of December 31, 2007, we owned 100% of the outstanding capital stock of CEMEX México. CEMEX México is a direct subsidiary of CEMEX and is both a holding company for some of our operating companies in Mexico and an operating company involved in the manufacturing and marketing of cement, plaster, gypsum, groundstone and other construction materials and cement by-products in Mexico. CEMEX México, indirectly, is also the holding company for our international operations. CEMEX México, together with its subsidiaries, accounts for a substantial part of the revenues and operating income of our Mexican operations.

In March 2006, we announced a plan to construct a new kiln at our Yaqui cement plant in Sonora, Mexico in order to increase our cement production capacity to support strong regional demand due to the continued growth of the housing market in the Northwest region. The current production capacity of the Yaqui cement plant is approximately 1.6 million tons of cement per year. The construction of the new kiln, which is designed to increase our total production capacity in the Yaqui cement plant to approximately 3.1 million tons of cement per year, is expected to be completed in the third quarter of 2008. We expect our total capital expenditure in the construction of this new kiln to be approximately U.S.$190 million, including approximately U.S.$26 million and U.S.$100 million in capital expenditures made during 2006 and 2007, respectively. We expect to spend approximately U.S.$64 million in capital expenditures during 2008. We expect that this investment will be fully funded with free cash flow generated during the construction period.

In September 2006, we announced a plan to construct a new kiln at our Tepeaca cement plant in Puebla, Mexico. The current production capacity of the Tepeaca cement plant is approximately 3.3 million tons of cement per year. The construction of the new kiln, which is designed to increase our total production capacity in the Tepeaca cement plant to approximately 7.7 million tons of cement per year, is expected to be completed in 2009. We expect our total capital expenditure in the construction of this new kiln to be approximately U.S.$500 million, including approximately U.S.$32 million and U.S.$94 million in capital expenditures made during 2006 and 2007, respectively. We expect to spend approximately U.S.$266 million in capital expenditures during 2008. We expect that this investment will be fully funded with free cash flow generated during the construction period.

During the second quarter of 2002, the production operations at our oldest cement plant (Hidalgo) were suspended. However, as a result of an increase in regional demand, we resumed production operations at this plant during May 2006.

In 2001, we launched the Construrama program, a registered brand name for construction material stores. Through the Construrama program, we offer to an exclusive group of our Mexican distributors the opportunity to sell a variety of products under the Construrama brand name, a concept that includes the standardization of stores, image, marketing, products and services. As of December 31, 2007, more than 750 independent concessionaries with more than 2,200 stores were integrated into the Construrama program, with nationwide coverage.

The Mexican Cement Industry

According to the *Instituto Nacional de Estadística, Geografía e Informática*, total construction output in Mexico increased 2.1% in 2007 compared to 2006. The increase in total construction output in 2007 was primarily driven by the commercial and industrial housing and infrastructure segments, while the retail (self-construction) market increased 1% and formal construction increased 5%.

Cement in Mexico is sold principally through distributors, with the remaining balance sold through ready-mix concrete producers, manufacturers of pre-cast concrete products and construction contractors. Cement sold through distributors is mixed with aggregates and water by the end user at the construction site to form concrete. Ready-mix concrete producers mix the ingredients in plants and deliver it to local construction sites in mixer trucks, which pour the concrete. Unlike more developed economies, where purchases of cement are concentrated in the commercial and industrial sectors, retail sales of cement through distributors in 2007 accounted for approximately 60% of Mexico's demand. Individuals who purchase bags of cement for self-construction and other basic construction needs are a significant component of the retail sector. We estimate that as much as 40% of total demand in Mexico comes from individuals who address their own construction needs. We believe that this large retail sales base is a factor that significantly contributes to the overall performance of the Mexican cement market.

The retail nature of the Mexican cement market also enables us to foster brand loyalty, which distinguishes us from other worldwide producers selling primarily in bulk. We own the registered trademarks for our major brands in Mexico, such as "Tolteca," "Monterrey" and "Maya." We believe that these brand names are important in Mexico since cement is principally sold in bags to retail customers who may develop brand loyalty based on differences in quality and service. In addition, we own the registered trademark for the "Construrama" brand name for construction material stores.

Competition

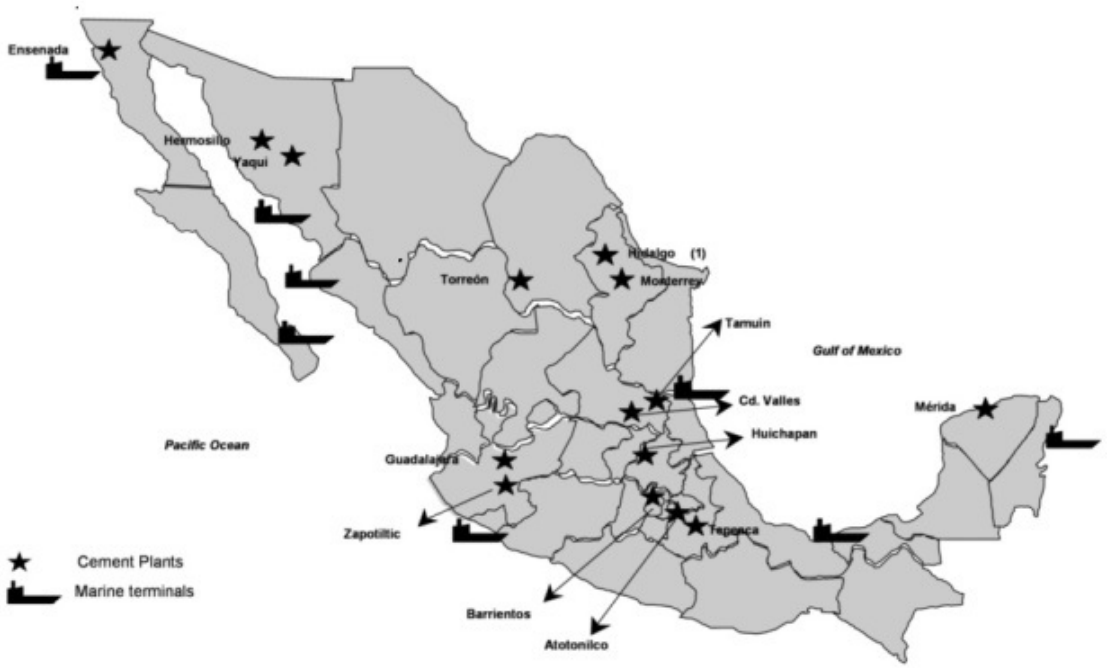
In the early 1970s, the Mexican cement industry was regionally fragmented. However, over the last 30 years, cement producers in Mexico have increased their production capacity and the Mexican cement industry has consolidated into a national market, thus becoming increasingly competitive. The major cement producers in Mexico are CEMEX; Holcim Apasco, an affiliate of Holcim; Sociedad Cooperativa Cruz Azul, a Mexican operator;

Cementos Moctezuma, an associate of Ciments Molins; Grupo Cementos Chihuahua, a Mexican operator in which we own a 49% interest; and Lafarge.

Potential entrants into the Mexican cement market face various impediments to entry, including:

- the time-consuming and expensive process of establishing a retail distribution network and developing the brand identification necessary to succeed in the retail market, which represents the bulk of the domestic market;
- the lack of port infrastructure and the high inland transportation costs resulting from the low value-to-weight ratio of cement;
- the distance from ports to major consumption centers and the presence of significant natural barriers, such as mountain ranges, which border Mexico's east and west coasts;
- the extensive capital expenditure requirements; and
- the length of time required for construction of new plants, which is approximately two years.

Our Mexican Operating Network



(1) In 2002, production operations at the Hidalgo cement plant were suspended, but were resumed during May 2006.

Currently, we operate 15 plants (including Hidalgo, which resumed operations during May 2006) and 94 distribution centers (including eight marine terminals) located throughout Mexico. We operate modern plants on the Gulf of Mexico and Pacific coasts, allowing us to take advantage of low-land transportation costs to export to the Caribbean, Central and South American and U.S. markets.

Products and Distribution Channels

Cement. Our cement operations represented approximately 58% of our Mexican operations' net sales before eliminations resulting from consolidation in 2007. Our domestic cement sales volume represented approximately 93% of our total Mexican cement sales volume in 2007. As a result of the retail nature of the Mexican market, our Mexican operations are not dependent on a limited number of large customers. In 2007, our Mexican operations sold approximately 60% of their cement sales volume through more than 5,800 distributors throughout the country, most of whom work on a regional basis. The five most important distributors in the aggregate accounted for approximately 6% of our Mexican operations' total sales by volume for 2007.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 27% of our Mexican operations' net sales before eliminations resulting from consolidation in 2007. Our ready-mix concrete operations in Mexico purchase all their cement requirements from our Mexican cement operations. Ready-mix concrete is sold through our own internal sales force, which is divided into national accounts that cater to large construction companies and local representatives that support medium- and small-sized construction companies.

Aggregates. Our aggregates operations represented approximately 2% of our Mexican operations' net sales before eliminations resulting from consolidation in 2007.

Exports. Our Mexican operations export a portion of their cement production. Exports of cement and clinker by our Mexican operations represented approximately 7% of our total Mexican cement sales volume in 2007. In 2007, approximately 82% of our cement and clinker exports from Mexico were to the United States, 15% to Central America and the Caribbean and 3% to South America.

Our Mexican operations' cement and clinker exports to the U.S. are marketed through wholly-owned subsidiaries of CEMEX Corp., the holding company of CEMEX, Inc. All transactions between CEMEX and the subsidiaries of CEMEX Corp., which act as our U.S. importers, are conducted on an arm's-length basis.

Since 1990, exports of cement and clinker to the U.S. from Mexico have been subject to U.S. anti-dumping duties. In March 2006, the Mexican and U.S. governments entered into an agreement to eliminate U.S. anti-dumping duties on Mexican cement imports following a three-year transition period beginning in 2006. In 2006 and 2007, Mexican cement imports into the U.S. were subject to volume limitations of 3 million tons and 3.1 million tons per year, respectively. During 2008, the third year of the transition period, this amount may be increased or decreased in response to market conditions, subject to a maximum increase or decrease per year of 4.5%. Quota allocations to Mexican companies that import cement into the U.S. are made on a regional basis. The transitional anti-dumping duty during the three-year transition period was lowered to U.S.$3.00 per ton, effective as of April 3, 2006, from the previous amount of approximately U.S.$26.00 per ton. For a more detailed description of the terms of the agreement between the Mexican and U.S. governments, please see "Regulatory Matters and Legal Proceedings — Anti-Dumping."

Production Costs

Our Mexican operations' cement plants primarily utilize petcoke, but several are designed to switch to fuel oil and natural gas with minimum downtime. We have entered into two 20-year contracts with Petróleos Mexicanos, or PEMEX, pursuant to which PEMEX has agreed to supply us with a total of 1.75 million tons of petcoke per year through 2022 and 2023. Petcoke is petroleum coke, a solid or fixed carbon substance that remains after the distillation of hydrocarbons in petroleum and that may be used as fuel in the production of cement. The PEMEX petcoke contracts have reduced the volatility of our fuel costs. In addition, since 1992, our Mexican operations have begun to use alternate fuels, to further reduce the consumption of residual fuel oil and natural gas. These alternate fuels represented approximately 3% of the total fuel consumption for our Mexican operations in 2007, and we expect to increase this percentage to more than 6% by the end of 2008.

In 1999, we reached an agreement with a consortium for the financing, construction and operation of "Termoeléctrica del Golfo," a 230 megawatt energy plant in Tamuin, San Luis Potosí, Mexico and to supply electricity to us for a period of 20 years. We entered into this agreement in order to reduce the volatility of our energy costs. The total cost of the project was approximately U.S.$360 million. The power plant commenced commercial operations on April 29, 2004. In February 2007, the original members of the consortium sold their participations in the project to a subsidiary of The AES Corporation. As part of the original agreement, we committed to supply the energy plant with all fuel necessary for its operations, a commitment that has been hedged through a 20-year agreement we entered into with PEMEX. These agreements were reestablished under the same conditions in 2007 with the new operator and the term was extended until 2027. The agreement with PEMEX, however, was not modified and terminates in 2024. Consequently, for the last 3 years of the agreement, we intend to purchase the required fuel in the market. As of December 31, 2007, after 44 months of operation, the power plant has supplied electricity to all 15 of our cement plants in Mexico covering approximately 59.7% of their needs for electricity and has represented a decrease of approximately 28% in our cost of electricity at these plants.

In April 2007, we announced that we had entered into an agreement to purchase power generated by a wind-driven power plant to be located in Oaxaca, Mexico, and to be built by Spanish construction company Acciona S.A. The power plant, which is currently under construction, is expected to generate up to 250 megawatts of electricity per year and supply one-third of our current power needs in Mexico. The power plant, which is expected to be financed by Acciona S.A., is estimated to cost approximately U.S.$400 million.

We have, from time to time, purchased hedges from third parties to reduce the effect of volatility in energy prices in Mexico. See Item 5 – "Operating and Financial Review and Prospects – Liquidity and Capital Resources."

Description of Properties, Plants and Equipment

As of December 31, 2007, we had 15 wholly-owned cement plants located throughout Mexico, with a total installed capacity of 27.2 million tons per year. As described above, production operations at our Hidalgo cement plant had been suspended since 2002, but were resumed during May 2006. Our Mexican operations' most significant gray cement plants are the Huichapan, Tepeaca and Barrientos plants, which serve the central region of Mexico, the Monterrey, Valles and Torreon plants, which serve the northern region of Mexico, and the Guadalajara and Yaqui plants, which serve the Pacific region of Mexico. We have exclusive access to limestone quarries and clay reserves near each of our plant sites in Mexico. We estimate that these limestone and clay reserves have an average remaining life of more than 60 years, assuming 2007 production levels. As of December 31, 2007, all our production plants in Mexico utilized the dry process.

As of December 31, 2007, we had a network of 86 land distribution centers in Mexico, which are supplied through a fleet of our own trucks and rail cars, as well as leased trucks and rail facilities and eight marine terminals. In addition, we had 325 ready-mix concrete plants throughout 80 cities in Mexico, approximately 2,900 ready-mix concrete delivery trucks and 24 aggregates quarries.

Capital Expenditures

We made capital expenditures of approximately U.S.$102 million in 2005, U.S.$353 million in 2006 and U.S.$398 million in 2007, in our Mexican operations. We currently expect to make capital expenditures of approximately U.S.$460 million in our Mexican operations during 2008, including those related to the expansion of the Yaqui and Tepeaca cement plants described above.

Our U.S. Operations

Overview

Our U.S. operations represented approximately 22% of our net sales in constant Peso terms, before eliminations resulting from consolidation and approximately 46% of our total assets, for the year ended December 31, 2007. As of December 31, 2007, we held 100% of CEMEX, Inc., our operating subsidiary in the United States.

As of December 31, 2007, our U.S. operations include the U.S. assets we acquired through the Rinker acquisition. We began consolidating the financial results of Rinker on July 1, 2007.

As of December 31, 2007, we had a cement manufacturing capacity of approximately 15.4 million tons per year in our U.S. operations, including nearly 0.7 million tons in proportional interests through minority holdings. As of December 31, 2007, we operated a geographically diverse base of 14 cement plants located in Alabama, California, Colorado, Florida, Georgia, Kentucky, Ohio, Pennsylvania, Tennessee and Texas. As of that date, we also had 50 rail or water served active cement distribution terminals in the United States. As of December 31, 2007, we had 374 ready-mix concrete plants located in the Carolinas, Florida, Georgia, Texas, New Mexico, Nevada, Arizona, California, Oregon, Washington and Utah and aggregates facilities in North Carolina, South Carolina, Arizona, California, Florida, Georgia, Kentucky, Nebraska, New Mexico, Nevada, Oregon, Texas, Utah, Washington and Wyoming, not including the assets we contributed to Ready Mix USA, LLC, as described below.

As described above, on July 1, 2005, we and Ready Mix USA, Inc., or Ready Mix USA, a privately-owned ready-mix concrete producer with operations in the southeastern United States, established two jointly-owned limited liability companies, CEMEX Southeast, LLC, a cement company, and Ready Mix USA, LLC, a ready-mix concrete company, to serve the construction materials market in the southeast region of the United States. We own a 50.01% interest, and Ready Mix USA owns a 49.99% interest, in the profits and losses and voting rights of CEMEX Southeast, LLC, while Ready Mix USA owns a 50.01% interest, and we own a 49.99% interest, in the profits and losses and voting rights of Ready Mix USA, LLC. CEMEX Southeast, LLC is managed by us, and Ready Mix USA, LLC is managed by Ready Mix USA.

Starting on June 30, 2008, Ready Mix USA will have the right, but not the obligation, to sell to us Ready Mix USA's interest in the two companies at a price equal to the greater of a) eight times the companies' operating cashflow for the trailing twelve months, b) eight times the average of the companies' 36 previous months operating cashflow, or c) the net book value of the companies' assets. This option will expire on July 1, 2030.

Under the Ready Mix USA, LLC joint venture, we are required to contribute to the Ready Mix USA joint venture any ready-mix concrete and concrete block assets we acquire inside the joint venture region, while any aggregates assets acquired inside the region may be added to the Ready Mix USA joint venture at the option of the non-acquiring member. Building materials, pipe, transport and storm water treatment assets are not subject to the contribution clause under the Ready Mix USA joint venture. Upon contribution of the assets, the non-acquiring member may, subject to certain conditions, elect among the following financing methods: (i) to make a capital contribution in cash to the joint venture for an amount equivalent to the determined value of the assets, (ii) to have the joint venture borrow from a third party the funds necessary to purchase the assets from us, (iii) to have the joint venture issue debt to the contributing member in an amount equal to such value or (iv) to accept dilution of its interest in the joint venture. The value of the contributed assets is to be determined by the Ready Mix USA joint venture board within 30 days of the asset acquisition, and is based on a formula based on the last fiscal year earnings of the assets. The non-acquiring member has 30 days to elect the financing method for the contributed assets following board approval of the valuation, and if no option is elected within 30 days the right to select the option is transferred to the contributing member. Following the financing election, the contribution or sale of the assets to the joint venture must be completed within 180 days. If not completed within that period, the non-acquiring member has the right for 365 days to require the ready-mix concrete and concrete block assets to be sold to a third party. Aggregates assets may be retained by the acquiring member if the non-acquiring member elects not to have the aggregates assets contributed to the joint venture.

In January 2008, we and Ready Mix USA agreed to expand the scope of the Ready-Mix USA LLC joint venture. As part of the transaction, which closed on January 11, 2008, we contributed assets valued at approximately U.S.$260 million to the joint venture and sold additional assets to the joint venture for approximately U.S.$120 million in cash. As part of the transaction, Ready Mix USA made a U.S.$125 million cash contribution to the joint venture and the joint venture made a U.S.$135 million special distribution to us. Ready Mix USA will manage all the newly acquired assets. Following the transaction, the joint venture continues to be owned 50.01% by Ready Mix USA and 49.99% by us. The assets contributed and sold by CEMEX include: 11 concrete plants, 12 limestone quarries, four concrete maintenance facilities, two aggregate distribution facilities and two administrative offices in Tennessee; three granite quarries and one aggregates distribution facility in Georgia; and one limestone quarry and one concrete plant in Virginia. All these assets were acquired by us through our acquisition of Rinker.

On September 18, 2007, we announced that we intend to begin the permitting process for the construction of a 1.7 million ton cement manufacturing facility near Seligman, Arizona, which is expected to begin operations by 2012. We expect our total capital expenditure in the construction of the Seligman Crossing Plant to amount to approximately U.S.$400 million over five years, including U.S.$0.6 million in 2007 and an expected U.S.$1.8 million during 2008. The state-of-the-art facility will manufacture cement to serve the growing needs of Arizona, including the Phoenix metropolitan area.

In February 2006, we announced a plan to construct a second kiln at our Balcones cement plant in New Braunfels, Texas in order to increase our cement production capacity to support strong demand amidst a shortfall in regional supplies of cement. The current production capacity of the Balcones cement plant is approximately 1.1 million tons per year. The construction of the new kiln, which is designed to increase our total production capacity in the Balcones cement plant to approximately 2.2 million tons per year, is expected to be completed in the third quarter of 2008. We expect our total capital expenditures in the construction of this new kiln will be approximately U.S.$340 million, including U.S.$27 million in 2006, U.S.$187 million in 2007 and an expected U.S.$126 million during 2008. We expect that this investment will be fully funded with free cash flow generated during the three-year construction period.

In October 2005, Rinker announced that it had commenced detailed plant engineering for the construction of a second kiln at the cement plant in Brooksville, Florida in order to increase the cement production capacity by 50%. The current production capacity of the Brooksville South plant is approximately 0.7 million tons per year. The construction of the new kiln is expected to be completed in the third quarter of 2008. We expect our total capital expenditures in the construction of this new kiln will be approximately U.S.$259 million, including U.S.$1.6 million in 2005, U.S.$58.2 million in 2006, U.S.$121 million in 2007 and an expected U.S.$78 million during 2008.

With the acquisition of Mineral Resource Technologies, Inc. in August 2003, we believe that we achieved a competitive position in the growing fly ash market. Fly ash is a mineral residue resulting from the combustion of powdered coal in electric generating plants. Fly ash has the properties of cement and may be used in the production of more durable concrete. Mineral Resource Technologies, Inc. is one of the four largest fly ash companies in the United States, providing fly ash to customers in 25 states. We also own regional pipe and precast businesses, along with concrete block and paver plants in the Carolinas and Florida.

The Cement Industry in the United States

According to the U.S. Census Bureau, total construction spending in the U.S. decreased 2.6% in 2007 compared to 2006. The decrease in total construction spending in 2007 was primarily driven by one of the worst housing downturns on record with residential construction down 18.1%, which was partially offset by strong growth in the industrial and commercial sector (up 18.0%) and the public sector (up 14.0%).

Demand for cement is derived from the demand for ready-mix concrete and concrete products which, in turn, is dependent on the demand for construction. The construction industry is composed of three major sectors, namely, the residential sector, the industrial-and-commercial sector, and the public sector. The public sector is the most cement intensive sector, particularly for infrastructure projects such as streets, highways and bridges.

Since the early 1990s, cement demand in the United States has become less vulnerable to recessionary pressures than in previous cycles, due to the growing importance of the generally counter-cyclical public sector. In 2007, according to our estimates, public sector spending accounted for approximately 56.1% of the total cement consumption in the U.S. but was not sufficient to offset the decline in residential construction. Strong cement demand over the past decade has driven industry capacity utilization up to maximum levels. According to the Portland Cement Association, average domestic capacity utilization has been higher than 92% in the last three years.

Competition

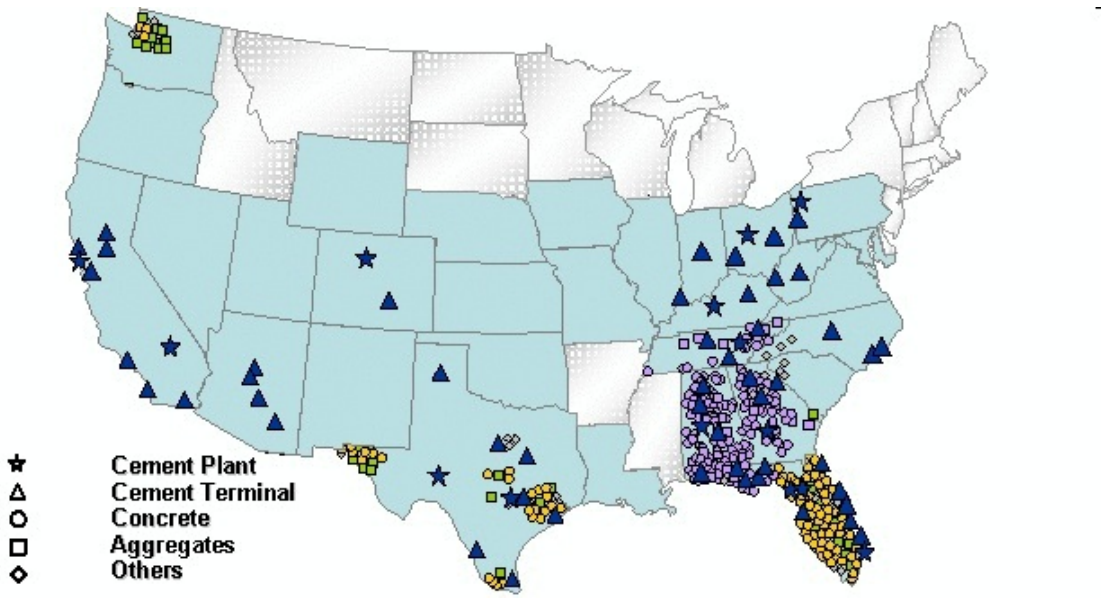
As a result of the lack of product differentiation and the commodity nature of cement, the cement industry in the U.S. is highly competitive. We compete with national and regional cement producers in the U.S. Our principal competitors in the United States are Holcim, Lafarge, Buzzi-Unicem, Heidelberg Cement and Ash Grove Cement.

The independent U.S. ready-mix concrete industry is highly fragmented, and few producers other than vertically integrated producers have annual sales in excess of U.S.$6 million or have a fleet of more than 20 mixers. Given that the concrete industry has historically consumed approximately 75% of all cement produced annually in the U.S., many cement companies choose to be vertically integrated.

Aggregates are widely used throughout the U.S. for all types of construction because they are the most basic materials for building activity. The U.S. aggregates industry is highly fragmented and geographically dispersed. According to the 2007 U.S. Geological Survey, approximately 5,370 companies operated approximately 9,660 quarries and pits.

Our United States Cement Operating Network

The map below reflects our cement plants and cement terminals in the United States (including the assets held through the Ready Mix USA LLC joint venture) as of December 31, 2007.



Products and Distribution Channels

Cement. Our cement operations represented approximately 31% of our U.S. operations' net sales before eliminations resulting from consolidation in 2007. We deliver a substantial portion of cement by rail. Occasionally, these rail shipments go directly to customers. Otherwise, shipments go to distribution terminals where customers pick up the product by truck or we deliver the product by truck. The majority of our cement sales are made directly to users of gray Portland and masonry cements, generally within a radius of approximately 200 miles of each plant.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 34% of our U.S. operations' net sales before eliminations resulting from consolidation in 2007. Our ready-mix concrete operations in the U.S. purchase most of their cement requirements from our U.S. cement operations and roughly half of their

aggregates requirements from our U.S. aggregates operations. In addition, our 49.99%-owned Ready Mix USA, LLC joint venture purchases most of its cement requirements from our U.S. cement operations. Our ready-mix products are mainly sold to residential, commercial and public contractors and to building companies.

Aggregates. Our aggregates operations represented approximately 16% of our U.S. operations' net sales before eliminations resulting from consolidation in 2007. At 2007 production levels, and based on 107 active locations, it is anticipated that approximately 90% of our construction aggregates reserves in the U.S. will last for 34 years or more. Our aggregates are consumed mainly by our internal operations and by our trade customers in the ready-mix, concrete products and asphalt industries. Ready Mix USA, LLC purchases most of its aggregates requirements from third parties.

Production Costs

The largest cost components of our plants are electricity and fuel, which accounted for approximately 38% of our U.S. operations' total production costs in 2007. We are currently implementing an alternative fuels program to gradually replace coal with more economic fuels such as petcoke and tires, which has resulted in reduced energy costs. By retrofitting our cement plants to handle alternative energy fuels, we have gained more flexibility in supplying our energy needs and have become less vulnerable to potential price spikes. In 2007, the use of alternative fuels offset the effect on our fuel costs of a significant increase in coal prices. Power costs in 2007 represented approximately 18% of our U.S. cement operations' cash manufacturing cost, which represents production cost before depreciation. We have improved the efficiency of our U.S. operations' electricity usage, concentrating our manufacturing activities in off-peak hours and negotiating lower rates with electricity suppliers.

Description of Properties, Plants and Equipment

As of December 31, 2007, we operated 15 cement manufacturing plants in the U.S., with a total installed capacity of 15.4 million tons per year, including nearly 0.7 million tons in proportional interests through minority holdings. As of that date, we operated a distribution network of 50 cement terminals, 10 of which are deep-water terminals. All our cement production facilities in 2007 were wholly-owned except for the Louisville, Kentucky plant, which is owned by Kosmos Cement Company, a joint venture in which we own a 75% interest and a subsidiary of Dyckerhoff AG owns a 25% interest, and the Demopolis, Alabama and Clinchfield, Georgia plants, which are owned by CEMEX Southeast, LLC, an entity in which we own a 50.01% interest and Ready Mix USA owns a 49.99% interest. As of December 31, 2007, we had 374 wholly-owned ready-mix concrete plants and 117 aggregates quarries.

As of December 31, 2007, we also had interests in 178 ready-mix concrete plants and 13 aggregates quarries, which are owned by Ready Mix USA, LLC, an entity in which Ready Mix USA owns a 50.01% interest and we own a 49.99% interest. As discussed above, in January 2008 we expanded the scope of this joint venture, contributing 12 concrete plants and 15 aggregates quarries to the joint venture.

As of December 31, 2007, we distributed fly ash through 16 terminals and 14 third-party-owned utility plants, which operate both as sources of fly ash and distribution terminals. As of that date, we also owned 175 concrete block, paver, pipe, precast, asphalt and gypsum products distribution facilities, and had interests in 19 concrete block, paver, pipe and precast facilities, which are owned by Ready Mix USA, LLC.

Capital Expenditures

We made capital expenditures of approximately U.S.$160 million in 2005, U.S.$344 million in 2006 and U.S.$496 million in 2007, in our U.S. operations. We currently expect to make capital expenditures of

approximately U.S.$507 million in our U.S. operations during 2008, including those related to the expansion of the Balcones and the Brooksville South cement plants, and the new Seligman Crossing cement plant, described above. We do not expect to be required to contribute any funds in respect of the assets of the companies jointly-owned with Ready Mix USA as capital expenditures during 2008.

Europe

For the year ended December 31, 2007, our business in Europe, which includes our operations in Spain, the United Kingdom and our Rest of Europe segment, as described below, represented approximately 37% of our net sales before eliminations resulting from consolidation. As of December 31, 2007, our business in Europe represented approximately 27% of our total installed capacity and approximately 22% of our total assets.

Our Spanish Operations

Overview

Our Spanish operations represented approximately 9% of our net sales in constant Peso terms, before eliminations resulting from consolidation, and approximately 8% of our total assets, for the year ended December 31, 2007.

As of December 31, 2007, we held 99.8% of CEMEX España, S.A., or CEMEX España, our operating subsidiary in Spain. Our cement activities in Spain are conducted by CEMEX España itself and Cementos Especiales de las Islas, S.A., or CEISA, a joint venture 50%-owned by CEMEX España and 50%-owned by Tudela Veguín, a Spanish cement producer. Our ready-mix concrete activities in Spain are conducted by Hormicemex, S.A., a subsidiary of CEMEX España, and our aggregates activities in Spain are conducted by Aricemex S.A., a subsidiary of CEMEX España. CEMEX España is also a holding company for most of our international operations.

In March 2006, we announced a plan to invest approximately €47 million in the construction of a new cement mill and dry mortar production plant in the Port of Cartagena in Murcia, Spain, including approximately €11 million in 2006, €19 million in 2007 and an expected €2 million during 2008. The first phase, which includes the cement mill with production capacity of nearly one million tons of cement per year, was completed in the last quarter of 2007. Execution of the second phase, which includes the new dry mortar plant with a production capacity of 200,000 tons of dry mortar per year, is at an initial stage, and the project is expected to be completed by early 2010.

Additionally, during the course of 2007 we increased our installed capacity for white cement at our Buñol plant, located in the Valencia region, through the installation of a new production line which became operational in the third quarter of 2007.

In February 2007, we announced that Cementos Andorra, a joint venture between us and the Burgos family, intends to build a new cement production facility in Teruel, Spain. The new cement plant is expected to have an annual capacity in excess of 650,000 tons and be completed in the second quarter of 2009. Our investment in the construction of the plant is expected to be approximately €84 million, including approximately €27 million in 2007 and an expected €56 million during 2008. We will hold a 99.34% interest in Cementos Andorra, and the Burgos family will hold a 0.66% interest.

The Spanish Cement Industry

According to the Spanish National Institute of Statistics, in 2007, the construction sector of the Spanish economy increased 4% compared to 2006, primarily as a result of a good civil works performance. According to the Asociación de Fabricantes de Cemento de España, or OFICEMEN, the Spanish cement trade organization, cement consumption in Spain in 2007 increased an estimated 0.3% compared to 2006.

During the past several years, the level of cement imports into Spain has been influenced by the strength of domestic demand and fluctuations in the value of the Euro against other currencies. According to OFICEMEN, cement imports increased 12.4% in 2005 and 9.5% in 2006 and decreased 10.5% in 2007. Clinker imports have been significant, with increases of 25% in 2005, 19.7% in 2006 and 26.8% in 2007. Imports primarily had an impact on coastal zones, since transportation costs make it less profitable to sell imported cement in inland markets.

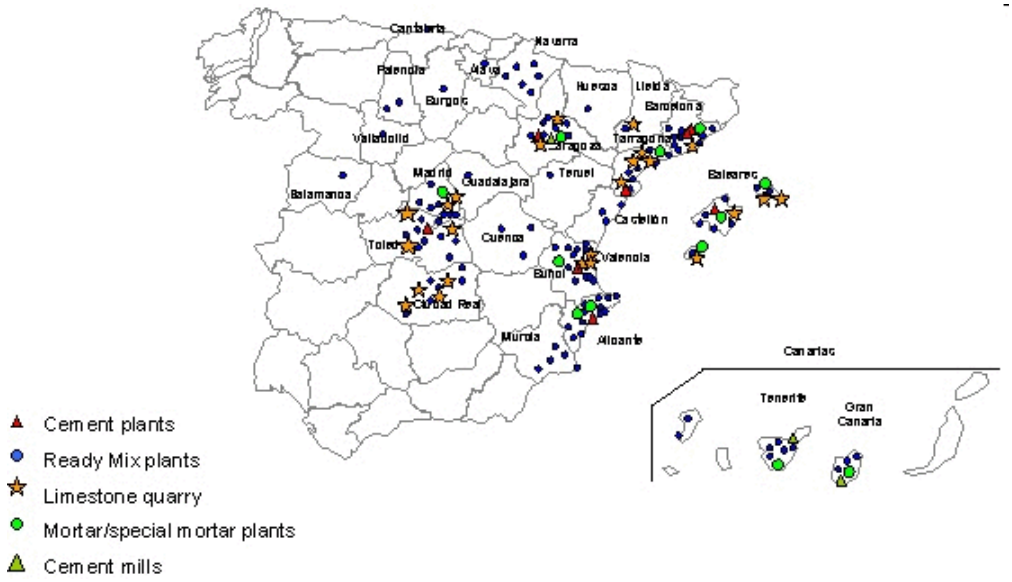
In the past, Spain has traditionally been one of the leading exporters of cement in the world exporting up to 6 million tons per year. In recent years, our Spanish operations' cement and clinker export volumes have fluctuated, reflecting the rapid changes of demand in the Mediterranean basin as well as the strength of the Euro and the competitiveness of the domestic market. These export volumes decreased 40% in 2005, increased 25% in 2006 and decreased 28% in 2007.

Competition

According to OFICEMEN, as of December 31, 2007, approximately 60% of installed capacity for production of clinker and cement in Spain was owned by five multinational groups, including CEMEX.

Competition in the ready-mix concrete industry is particularly intense in large urban areas. Our subsidiary Hormicemex has achieved a relevant market presence in areas such as the Baleares islands, the Canarias islands, Levante (includes the Castellón, Valencia, Alicante and Murcia regions),and Aragón (includes the Huesca, Zaragoza and Teruel regions). In other areas, such as central Spain and Cataluña (includes the Barcelona, Lleida and Tarragona regions), our market share is smaller due to greater competition in the relatively larger urban areas. The overall high degree of competition in the Spanish ready-mix concrete industry has in the past led to weak pricing. The distribution of ready-mix concrete remains a key component of CEMEX España's business strategy.

Our Spanish Operating Network



Products and Distribution Channels

Cement. Our cement operations represented approximately 52% of our Spanish operations' net sales before eliminations resulting from consolidation in 2007. CEMEX España offers various types of cement, targeting specific products to specific markets and users. In 2007, approximately 13% of CEMEX España's domestic sales volumes consisted of bagged cement through distributors, and the remainder of CEMEX España's domestic sales volumes consisted of bulk cement, primarily to ready-mix concrete operators, which include CEMEX España's own subsidiaries, as well as industrial customers that use cement in their production processes and construction companies.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 22% of our Spanish operations' net sales before eliminations resulting from consolidation in 2007. Our ready-mix concrete operations in Spain in 2007 purchased over 77% of their cement requirements from our Spanish cement operations, and approximately 48% of their aggregates requirements from our Spanish aggregates operations. Ready-mix concrete sales for public works represented 14% of our total ready-mix concrete sales, and sales for residential and non-residential buildings represented 86% of our total ready-mix concrete sales in 2007.

Aggregates. Our aggregates operations represented approximately 5% of our Spanish operations' net sales before eliminations resulting from consolidation in 2007.

Exports. Exports of cement by our Spanish operations represented approximately 1% of our Spanish operations' net sales before eliminations resulting from consolidation in 2007. Export prices are usually lower than domestic market prices, and costs are usually higher for export sales. Of our total export sales from Spain in 2007, 64% consisted of white cement and 36% consisted of gray cement. In 2007, 18% of our exports from Spain were to the United States, 46% to Africa and 36% to Europe.

Production Costs

We have improved the profitability of our Spanish operations by introducing technological improvements that have significantly reduced our energy costs, including the use of alternative fuels, in accordance with our cost reduction efforts. In 2007, we burned meal flour, organic waste, tires and plastics as fuel, achieving in 2007 a 8% substitution rate for petcoke in our gray clinker kilns. During 2008, we expect to increase the quantity of those alternative fuels reaching a substitution level of over 10%.

Description of Properties, Plants and Equipment

As of December 31, 2007, our Spanish operations operated eight cement plants located in Spain, with an installed cement capacity of 11.4 million tons, including 1.7 million tons of white cement. As of that date, we also owned four cement mills, one of which is held through CEISA, 27 distribution centers, including 9 land and 18 marine terminals, 114 ready-mix plants, 27 aggregates quarries and 14 mortar plants, including one which is held through CEISA and another in which we also hold a 50% participation.

As of December 31, 2007, we owned nine limestone quarries located in close proximity to our cement plants, which have useful lives ranging from 10 to 30 years, assuming 2007 production levels. Additionally, we have rights to expand those reserves to 50 years of limestone reserves, assuming 2007 production levels.

Capital Expenditures

We made capital expenditures of approximately U.S.$66 million in 2005, U.S.$162 million in 2006 and U.S.$213 million in 2007 in our Spanish operations. We currently expect to make capital expenditures of approximately U.S.$209 million in our Spanish operations during 2008, including those related to the construction of the new cement mill and dry mortar production plant in the Port of Cartagena, and the construction of the new cement production facility in Teruel, described above.

Our U.K. Operations

Overview

Our U.K. operations represented approximately 9% of our net sales in constant Peso terms, before eliminations resulting from consolidation, and approximately 5% of our total assets for the year ended December 31, 2007.

As of December 31, 2007, we held 100% of CEMEX Investments Limited (formerly RMC Group Limited), our operating subsidiary in the United Kingdom. We are a leading provider of building materials in the United Kingdom with vertically integrated cement, ready-mix concrete, aggregates and asphalt operations. We are also an important provider of concrete and pre-cast materials solutions such as concrete blocks, concrete block paving, roof tiles, flooring systems and sleepers for rail infrastructure.

The U.K. Cement Industry

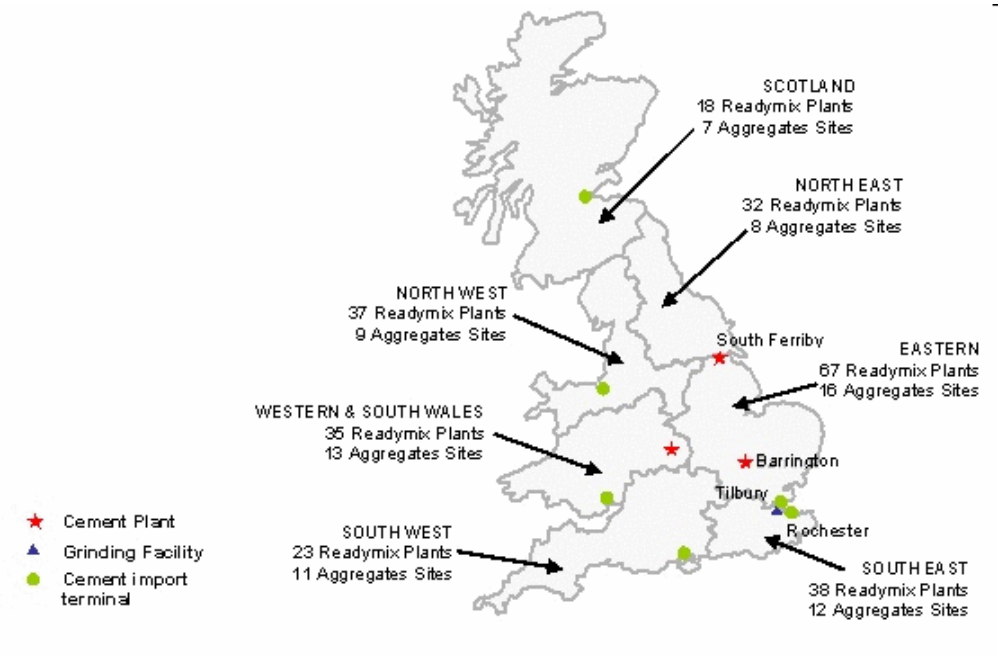
According to the U.K.'s Department of Trade and Industry, the annual GDP growth rate for the U.K. was 3.1% during 2007. Total construction output grew by 2.5% in 2007, as compared to 1.3% growth in 2006. The private housing sector declined by approximately 0.6%, and the public housing sector grew by approximately

16.7% in 2007, while the total public construction sector continued its declining trend. Infrastructure construction grew by 1.1% while public works other than public housing declined by 5.0% in 2007. Commercial and industrial construction activity continued to grow by 12.8% and 0.5%, respectively, in 2007. Repair and maintenance activity grew 0.3% in 2007.

Competition

Our primary competitors in the United Kingdom are Lafarge, Heidelberg, Hanson, Tarmac and Aggregate Industries (a subsidiary of Holcim), each with varying regional and product strengths.

Our U.K. Cement Operating Network



Products and Distribution Channels

Cement. Our cement operations represented approximately 15% of our U.K. operations' net sales before eliminations resulting from consolidation for the year ended December 31 2007. About 88% of our cement sales were of bulk cement, with the remaining 12% in bags. Our bulk cement is mainly sold to ready-mix concrete, concrete block and pre-cast product customers and contractors. Our bagged cement is primarily sold to national builders' merchants and to "do-it-yourself" superstores. During 2007, we imported 190 thousand tons of cement, an increase of 22% compared to our 2006 imports. This increase was due to a rise in our 2007 sales.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 31% of our U.K. operations' net sales before eliminations resulting from consolidation in 2007. Special products, including self-compacting concrete, fiber-reinforced concrete, high strength concrete, flooring concrete and filling concrete, represented 11% of our sales volume. Our ready-mix concrete operations in the U.K. in 2007 purchased approximately 74% of their cement requirements from our U.K. cement operations and approximately 70% of their

aggregates requirements from our U.K. aggregates operations. Our ready-mix concrete products are mainly sold to residential, commercial and public contractors.

Aggregates. Our aggregates operations represented approximately 25% of our U.K. operations' net sales before eliminations resulting from consolidation in 2007. In 2007, our U.K. aggregates sales were divided as follows: 57% were sand and gravel, 35% limestone and 8% hard stone. In 2007, 20% of our aggregates were obtained from marine sources along the U.K. coast. In 2007, approximately 44% of our U.K. aggregates production was consumed by our own ready-mix concrete operations as well as our asphalt, concrete block and pre-cast operations. We also sell aggregates to major contractors to build roads and other infrastructure projects.

Production Costs

Cement. In 2007, CEMEX saw improved productivity at all three of its U.K.cement plants which combined achieved world-class efficiency levels of 90.5%. This has resulted in an increase in cement production of 12% compared to 2006. We continued to implement our cost reduction programs and increased the use of alternative fuels by more than 52%.

Ready-Mix Concrete. In 2007, we increased the productivity of our ready-mix concrete plants by 4% based on volume produced. We also increased the utilization of our ready-mix concrete trucks, reducing the need to hire costly third party trucks.

Aggregates. In 2007, we increased the productivity of our quarries by 11% based on volume.

Description of Properties, Plants and Equipment

As of December 31, 2007, we operated three cement plants and a clinker grinding facility in the United Kingdom, with an installed cement capacity of 2.8 million tons per year. As of that date, we also owned six cement import terminals and operated 250 ready-mix concrete plants and 76 aggregates quarries in the United Kingdom. In addition, we had operating units dedicated to the asphalt, concrete blocks, concrete block paving, roof tiles, sleepers, flooring and other pre-cast businesses in the United Kingdom.

In order to ensure increased availability of blended cements, which are more sustainable based on their reduced clinker factor and use of by-products from other industries, we announced plans to construct a new grinding and blending facility at the Port of Tilbury, located on the Thames river east of London. The new facility is expected to be commissioned in the fourth quarter of 2008, will have an annual capacity of approximately 1.2 million tons per annum that will increase our U.K. cement capacity by 20%. We expect our total capital expenditure in the construction of this new grinding mill over the course of two years to be approximately U.S.$89 million, including U.S.$28 million in 2007 and an expected U.S.$61 million in 2008.

Capital Expenditures

We made capital expenditures of approximately U.S.$54 million in 2005, U.S.$115 million in 2006 and U.S.$133 million in 2007 in our U.K. operations. We currently expect to make capital expenditures of approximately U.S.$175 million in our U.K. operations during 2008, including those related to the new grinding mill and blending facility at the Port of Tilbury, described above.

Our Rest of Europe Operations

Our operations in the Rest of Europe, which, as of December 31, 2007, consisted of our operations in Germany, France, Ireland, Austria, Poland, Croatia, the Czech Republic, Hungary, Latvia and Italy, as well as our other European assets and our 34% minority interest in a Lithuanian company, represented approximately 19% of our 2007 net sales in constant Peso terms, before eliminations resulting from consolidation, and approximately 9% of our total assets in 2007.

Our German Operations

Overview

As of December 31, 2007, we held 100% of CEMEX Deutschland AG, our operating subsidiary in Germany. We are a leading provider of building materials in Germany, with vertically integrated cement, ready-mix concrete, aggregates and concrete products operations (consisting mainly of prefabricated concrete ceilings and walls). We maintain a nationwide network for ready-mix concrete and aggregates in Germany.

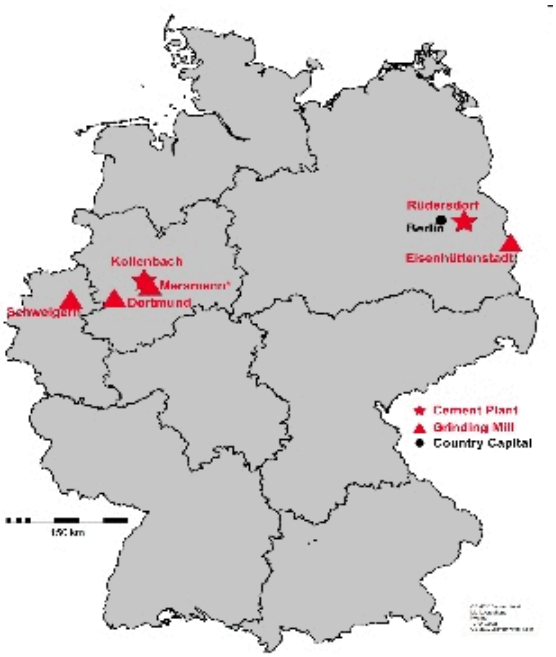
The German Cement Industry

According to Euroconstruct, total construction in Germany increased by 1% in 2007. Data from the Federal Statistical Office indicate an increase in construction investments of 2% for 2007, driven by increases in the non-residential and civil engineering sectors of 5% each; the residential sector declined. According to the German Cement Association, total cement consumption in Germany decreased by 5.7% to 27.3 millions tons in 2007. The concrete and aggregates markets showed similar declines with decreases of 6% and 2.8%, respectively.

Competition

Our primary competitors in the German cement market are Heidelberg, Dyckerhoff (a subsidiary of Buzzi-Unicem), Lafarge, Holcim and Schwenk, a local German competitor. The ready-mix concrete and aggregates markets in Germany are more fragmented, with more participation of local competitors.

Our German Operating Network



(*) In 2006, we closed the kiln at the Mersmann cement plant, and we do not contemplate resuming kiln operations at this plant, but grinding and packing activities remain operational.

Description of Properties, Plants and Equipment

As of December 31, 2007, we operated two cement plants in Germany (not including the Mersmann plant). As of December 31, 2007, our installed cement capacity in Germany was 5.6 million tons per year (excluding the Mersmann plant cement capacity). As of that date, we also operated four cement grinding mills, 185 ready-mix concrete plants, 40 aggregates quarries, and four land distribution centers and two maritime terminals in Germany.

Capital Expenditures

We made capital expenditures of approximately U.S.$20 million in 2005, U.S.$50 million in 2006 and U.S.$78 million in 2007 in our German operations, and we currently expect to make capital expenditures of approximately U.S.$66 million in 2008.

Our French Operations

Overview

As of December 31, 2007, we held 100% of RMC France SAS, our operating subsidiary in France. We are a leading ready-mix concrete producer and a leading aggregates producer in France. We distribute the majority of our materials by road and a significant quantity by waterways, seeking to maximize the use of this efficient and sustainable alternative.

The French Cement Industry

According to Euroconstruct, total construction output in France grew by 2.1% in 2007. The increase was primarily driven by increases of 11% and 6% in the public works segment and the non-residential sector, respectively. According to the French cement producers association, total cement consumption in France reached 24.7 million tons in 2007, an increase of 3.4 % compared to 2006.

Competition

Our main competitors in the ready-mix concrete market in France include Lafarge, Holcim, Italcementi and Vicat. Our main competitors in the aggregates market in France include Lafarge, Italcementi, Colas (Bouygues) and Eurovia (Vinci). Many of our major competitors in ready-mix concrete are subsidiaries of French cement producers, while we must rely on sourcing cement from third parties.

Description of Properties, Plants and Equipment

As of December 31, 2007, we operated 236 ready-mix concrete plants in France, one maritime cement terminal located in LeHavre, on the northern coast of France, and 44 aggregates quarries. As of that date, we also participated in 15 aggregates quarries through joint ventures.

Capital Expenditures

We made capital expenditures of approximately U.S.$20 million in 2005, U.S.$33 million in 2006 and U.S.$47 million in 2007 in our French operations, and we currently expect to make capital expenditures of approximately U.S.$50 million during 2008.

Our Irish Operations

As of December 31, 2007, we held 61.7% of Readymix Plc, our operating subsidiary in the Republic of Ireland. Our operations in Ireland produce and supply sand, stone and gravel as well as ready-mix concrete, mortar and concrete blocks. As part of our strategic plan, in September 2007, we divested parts of our pre-cast concrete products division to Acheson & Glover and in December 2007 we closed our pipes and tiles business units. As of December 31, 2007, we operated 46 ready-mix concrete plants, 27 aggregates quarries, and 16 block plants located in the Republic of Ireland, Northern Ireland and the Isle of Man. We import and distribute cement in the Isle of Man.

According to DKM Economic Consultants, total construction output in the Republic of Ireland is estimated to have decreased by 1.5% in 2007. The decrease was driven by a reduction of 9.4% in the residential sector, partially offset by increases of 25.4% and 2% in the non-residential sector and the infrastructure sector, respectively. We estimate that total cement consumption in the Republic of Ireland and Northern Ireland reached 7.0 million tons in 2007, an increase of 0.3% compared to total cement consumption in 2006.

Our main competitors in the ready-mix concrete and aggregates markets in Ireland are CRH and Kilsaran.

We made capital expenditures of approximately U.S.$9 million in 2005, U.S.$21 million in 2006 and U.S.$28 million in 2007 in our Irish operations, and we currently expect to make capital expenditures of approximately U.S.$42 million in our Irish operations during 2008.

Our Austrian Operations

As of December 31, 2007, we held 100% of CEMEX Austria plc, our operating subsidiary in Austria. We are a leading participant in the concrete and aggregates markets in Austria and also produce admixtures. As of December 31, 2007, we operated 46 ready-mix concrete plants and 29 aggregates quarries in Austria.

According to Euroconstruct, total construction output in Austria grew by 5.5% in 2007. The increase was primarily driven by an increase of 6.7% in public infrastructure (civil engineering) construction in 2007, after an increase of 6.2% in 2006. Demand for new housing construction and renovation also increased 5.7% due to economic upswings and demographic changes as a result of immigration. According to Euroconstruct, total cement consumption in Austria increased 3.0% in 2007.

Our main competitors in the ready-mix concrete and aggregates markets in Austria are Asamer, Strabag, Wopfinger and Lafarge.

We made capital expenditures of approximately U.S.$15 million in 2005, U.S.$23 million in 2006 million and U.S.$8 million in 2007 in our Austrian operations, and we currently expect to make capital expenditures of approximately U.S.$9 million in Austria during 2008.

Our Polish Operations

As of December 31, 2007, we held 100% of CEMEX Polska sp. z.o.o., our operating subsidiary in Poland. We are a leading provider of building materials in Poland serving the cement, ready-mix concrete and aggregates markets. As of December 31, 2007, we operated two cement plants in Poland, with a total installed cement capacity of 3.0 million tons per year. As of that date, we also operated one grinding mill, 40 ready-mix concrete plants and 11 aggregates quarries in Poland, including one in which we have a 50.1% interest. As of that date, we also operated 11 land distribution centers and two maritime terminals in Poland.

According to Central Statistical Office in Poland, total construction output in Poland increased by 15.7 % in 2007. In addition, according to the Polish Cement Association, total cement consumption in Poland reached 16.6 million tons in 2007, an increase of 15.4% compared to 2006.

Our primary competitors in the Polish cement, ready-mix concrete and aggregates markets are Heidelberg, Lafarge, CRH and Dyckerhoff.

We made capital expenditures of approximately U.S.$5 million in 2005, U.S.$13 million in 2006 and U.S.$37 million in 2007 in our Polish operations, and we currently expect to make capital expenditures of approximately U.S.$70 million in Poland during 2008.

Our South-East European Operations

As of December 31, 2007, we held 99.2% of Dalmacijacement d.d., our operating subsidiary in Croatia. In January 2008 we completed the acquisition of the 0.8% remaining equity interest, for a total amount of approximately € 3.2 million.

We are the largest cement producer in Croatia based on installed capacity as of December 31, 2007, according to our estimates. As of December 31, 2007, we operated three cement plants in Croatia, with an installed

capacity of 2.4 million tons per year. As of that date, we also operated 13 land distribution centers, three maritime cement terminals, two ready-mix concrete facilities and one aggregates quarry in Croatia, Bosnia, Slovenia, Serbia and Montenegro.

According to the Croatian Cement Association, total cement consumption only in Croatia reached 3.05 million tons in 2007, an increase of 8.7% compared to 2006.

Our primary competitors only in the Croatian cement market are Nexe and Holcim.

We made capital expenditures of approximately U.S.$5 million in 2005, U.S.$12 million in 2006 and U.S.$17 million in 2007 in our South-East European operations, and we currently expect to make capital expenditures of approximately U.S.$21 million in the region during 2008.

Our Czech Republic Operations

As of December 31, 2007, we held 100% of CEMEX Czech Republic, s.r.o., our operating subsidiary in the Czech Republic. We are a leading producer of ready-mix concrete and aggregates in the Czech Republic. We also distribute cement in the Czech Republic. As of December 31, 2007, we operated 47 ready-mix concrete plants and seven aggregates quarries in the Czech Republic. As of that date, we also operated one cement grinding mill and one cement terminal in the Czech Republic.

According to Euroconstruct, total construction output in the Czech Republic increased by 6.6% in 2007. The increase was primarily driven by growth of 7.6% in the residential construction sector. According to Euroconstruct, total cement consumption in the Czech Republic reached 5.1 million tons in 2007, an increase of 10.8% compared to 2006.

Our main competitors in the cement, ready-mix concrete and aggregates markets in the Czech Republic are Heidelberg, Dyckerhoff, Holcim and Lafarge.

We made capital expenditures of approximately U.S.$2 million in 2005, U.S.$5 million in 2006 and U.S.$11 million in 2007 in our Czech Republic operations, and we currently expect to make capital expenditures of approximately U.S.$17 million in the Czech Republic during 2008.

Our Hungarian Operations

As of December 31, 2007, we held 100% of Danubiusbeton Betonkészító Kft, our operating subsidiary in Hungary. As of December 31, 2007, we operated 35 ready-mix concrete plants and seven aggregates quarries in Hungary.

According to the Hungarian Statistical Office, total construction output in Hungary decreased by 14.1% in 2007. The decrease was primarily driven by a reduction of public infrastructure construction. Total cement consumption in Hungary reached 3.9 million tons in 2007, a decrease of 5% compared to 2006.

Our main competitors in the ready-mix concrete and aggregates markets in Hungary are Holcim, Heidelberg, Strabag and Lasselsberger.

We made capital expenditures of approximately U.S.$10 million in 2005, U.S.$7 million in 2006 and U.S.$12 million in 2007 in our Hungarian operations, and we currently expect to make capital expenditures of approximately U.S.$7 million in Hungary during 2008.

Our Latvian Operations

As of December 31, 2007, we held 100% of SIA CEMEX, our operating subsidiary in Latvia. We are the only cement producer and a leading ready-mix producer and supplier in Latvia. As of December 31, 2007, we operated one cement plant in Latvia with an installed cement capacity of 0.5 million tons per year. As of that date, we also operated four ready-mix concrete plants in Latvia.

In April 2006, we initiated a plan to expand our cement plant in Latvia in order to increase our cement production capacity by one million tons per year to support strong demand in the country. The construction is expected to be completed at the beginning of 2009. We expect our total capital expenditure in the capacity expansion over the course of three years will be approximately U.S.$258 million, which includes U.S.$11 million and U.S.$86 million invested during 2006 and 2007, respectively, and an expected U.S.$149 million during 2008.

We made capital expenditures of approximately U.S.$3 million in 2005, U.S.$19 million in 2006 and U.S.$100 million in 2007 in our Latvian operations, and we currently expect to make capital expenditures of approximately U.S.$161 million in our Latvian operations during 2008, including those related to the expansion of our cement plant described above.

Our Lithuanian Equity Investment

As of December 31, 2007, we owned a 34% interest in Akmenes Cementas AB, a Lithuanian cement producer, which operates one cement plant in Lithuania with an installed cement capacity of 1.3 million tons per year.

Our Italian Operations

As of December 31, 2007, we held 100% of Cementilce S.R.L., the holding company for our Italian operations. As of that date, we had four grinding mills in Italy, two of which have since been sold. Our first mill started operations at the end of the third quarter of 2005, and has an installed capacity of approximately 450,000 tons per year. Our second mill, which we sold to Italcementi in January 2008 for U.S.$76.4 million, began operations in the second quarter of 2006, and had an installed capacity of approximately 750,000 tons per year. Our third mill began operations in the last quarter of 2006 and has an installed capacity of approximately 420,000 tons per year. Our fourth mill, which we sold to Buzzi in February 2008 for U.S.$61.1 million, was completed in December 2007 and had an installed capacity of approximately 750,000 tons per year. As of March 1, 2008 , we had two grinding mills in Italy with a total installed capacity of 870,000 tons per year. Our operations in Italy enhance our trading operations in the Mediterranean region.

We made capital expenditures of approximately U.S.$33 million in 2005, approximately U.S.$26 million in 2006 and approximately U.S.$38 million in 2007 in our Italian operations. We currently expect to make capital expenditures of approximately U.S.$8 million in our Italian operations during 2008.

Our Other European Operations

As of December 31, 2007, we operated 16 marine cement terminals in Finland, Norway and Sweden through Embra AS, a leading bulk-cement importer in the Nordic region.

We made capital expenditures of approximately U.S.$5 million during 2006 and U.S.$1 million during 2007 in our other European operations. We currently expect to make capital expenditures of less than U.S.$1 million in our other European operations during 2008.

South America, Central America and the Caribbean

For the year ended December 31, 2007, our business in South America, Central America and the Caribbean, which includes our operations in Venezuela, Colombia, Argentina, Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico and Jamaica, as well as other assets in the Caribbean, represented approximately 9% of our net sales before eliminations resulting from consolidation. As of December 31, 2007, our business in South America, Central America and the Caribbean represented approximately 16% of our total installed capacity and approximately 7% of our total assets.

Our Venezuelan Operations

Overview

As of December 31, 2007, we held a 75.7% interest in CEMEX Venezuela, S.A.C.A., or CEMEX Venezuela, our operating subsidiary in Venezuela, which is listed on the Caracas Stock Exchange. As of December 31, 2007, CEMEX Venezuela was the largest cement producer in Venezuela, based on an installed capacity of 4.6 million tons. For the year ended December 31, 2007, our operations in Venezuela represented approximately 3% of our net sales before eliminations resulting from consolidation and approximately 2% of our total assets.

In March 2004, we launched the Construrama program in Venezuela. Through the Construrama program, we offer to a group of our Venezuelan distributors the opportunity to sell a variety of products under the Construrama brand name, a concept that includes the standardization of stores, image, marketing, products and services. As of December 31, 2007, 129 stores were integrated into the Construrama program in Venezuela.

The Venezuelan Cement Industry

According to the Venezuelan Cement Producer Association, cement consumption in Venezuela grew approximately 17.1% in 2007. In February 2003, Venezuelan authorities imposed foreign exchange controls and implemented price controls on many products, including cement. In 2007, the annual inflation rate in Venezuela increased to 22.5%. On January 31, 2007, the Venezuelan National Assembly passed an enabling law, granting President Hugo Chávez the power to govern by decree with the force of law for 18 months. On March 7, 2007, the Venezuelan government announced that the *bolívar* would be revalued at a ratio of 1 to 1000. In furtherance of Venezuela's announced policy to nationalize certain sectors of the economy, on June 18, 2008, the Nationalization Decree was promulgated, mandating that the cement production industry in Venezuela be reserved to the State and ordering the conversion of foreign-owned cement companies, including CEMEX Venezuela, into state-controlled companies with Venezuela holding an equity interest of at least 60%. See "Item 4—Regulatory Matters and Legal Proceedings—CEMEX Venezuela Nationalization."

Competition

As of December 31, 2007, the Venezuelan cement industry included five cement producers, with a total installed capacity of approximately 10.1 million tons, according to our estimates. Our global competitors, Holcim and Lafarge, own controlling interests in Venezuela's second and third largest cement producers, respectively, and are also subject to the nationalization of the cement industry announced by President Hugo Chávez on April 3, 2008.

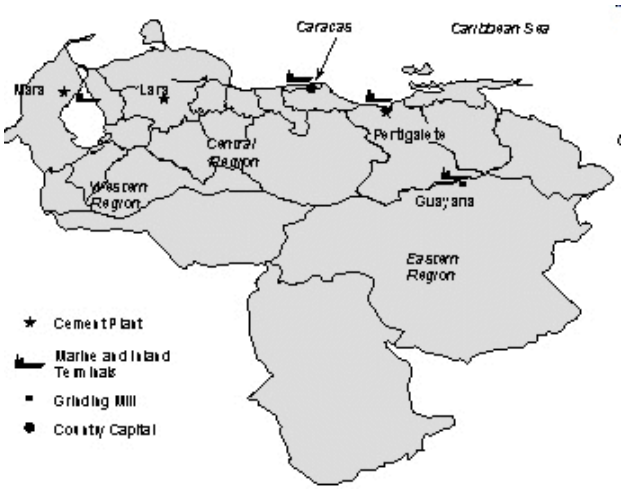
In 2007, the ready-mix concrete market accounted for only about 13% of cement consumption in Venezuela, according to our estimates. We believe that Venezuela's construction companies, which typically prefer to install their own ready-mix concrete plants on-site, are the most significant barrier to penetration of the ready-mix concrete sector, with the result that on-site ready-mix concrete mixing represents a high percentage of total ready-mix concrete production.

Other than CEMEX Venezuela, there are two major ready-mix concrete companies in Venezuela, Premezclado Caribe, which is owned by Holcim, and Premex, which is owned by Lafarge. The rest of the ready-mix concrete sector in Venezuela is highly fragmented.

As of December 31, 2007, CEMEX Venezuela was the leading Venezuelan domestic supplier of cement, based on our estimates of sales of gray and white cement in Venezuela. In addition, CEMEX Venezuela was the leading domestic supplier of ready-mix concrete in 2007 with 33 ready-mix concrete production plants throughout Venezuela.

Our Venezuelan Operating Network

As shown below, CEMEX Venezuela's three cement plants and one grinding facility are located near the major population centers and the coast of Venezuela.



Products and Distribution Channels

Transport by land is handled partially by CEMEX Venezuela. During 2007, approximately 40.5% of CEMEX Venezuela's total domestic sales were transported through its own fleet of trucks. CEMEX Venezuela also serves a significant number of its retail customers directly through its wholly-owned distribution centers. CEMEX Venezuela's cement is transported either in bulk or in bags.

Cement. Our cement operations represented approximately 65% of our Venezuelan operations' net sales before elimination resulting from consolidation for the year ended December 31, 2007.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 28% of our Venezuelan operations' net sales before eliminations resulting from consolidation in 2007.

Aggregates. Our aggregates operations represented approximately 3% of our Venezuelan operations' net sales before eliminations resulting from consolidation in 2007.

Exports

During 2007, exports from Venezuela represented approximately 12% of CEMEX Venezuela's net sales before elimination resulting from consolidation. CEMEX Venezuela's main export markets historically have been the Caribbean and the east coast of the United States. In 2007, approximately 9% of our exports from Venezuela were to the United States, and 91% were to South America, Central America and the Caribbean.

Description of Properties, Plants and Equipment

As of December 31, 2007, CEMEX Venezuela operated three wholly-owned cement plants, Lara, Mara and Pertigalete, with a combined installed cement capacity of approximately 4.6 million tons. As of that date, CEMEX Venezuela also operated the Guayana grinding facility with a cement capacity of approximately 375,000 tons. As of December 31, 2007, CEMEX Venezuela owned 33 ready-mix concrete production facilities, one dry mortar plant, 10 land distribution centers and seven limestone quarries with reserves sufficient for over 100 years at 2007 production levels.

The Lara and Mara plants and one production line at the Pertigalete plant use the wet process; the other production line at the Pertigalete plant uses the dry process. All the plants use primarily natural gas as fuel, but a small percentage of diesel fuel is also used at the Lara plant. CEMEX Venezuela has its own electricity generating facilities, which are powered by natural gas and diesel fuel.

As of December 31, 2007, CEMEX Venezuela owned and operated four port facilities, three marine terminals and one river terminal. One port facility is located at the Pertigalete plant, one at the Mara plant, one at the Catia La Mar terminal on the Caribbean Sea near Caracas, and one at the Guayana Plant on the Orinoco River in the Guayana Region.

Capital Expenditures

We made capital expenditures of approximately U.S.$23 million in 2005, U.S.$41 million in 2006 and U.S.$47 million in 2007 in our Venezuelan operations. Prior to the nationalization announcement, we had expected to make capital expenditures of approximately U.S.$22 million in our Venezuelan operations during 2008.

Our Colombian Operations

Overview

As of December 31, 2007, we owned approximately 99.7% of CEMEX Colombia, S.A., or CEMEX Colombia, our operating subsidiary in Colombia. As of December 31, 2007, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed capacity according to the Colombian Institute of Cement Producers. For the year ended December 31, 2007, our operations in Colombia, represented approximately 2% of our net sales before eliminations resulting from consolidation and approximately 2% of our total assets.

CEMEX Colombia has a significant market share in the cement and ready-mix concrete market in the "Urban Triangle" of Colombia comprising the cities of Bogotá, Medellín and Cali. During 2007, these three metropolitan areas accounted for approximately 45% of Colombia's cement consumption. CEMEX Colombia's Ibague plant, which uses the dry process and is strategically located in the Urban Triangle, is Colombia's largest and had an installed capacity of 2.5 million tons as of December 31, 2007. CEMEX Colombia, through its Bucaramanga and Cúcuta plants, is also an active participant in Colombia's northeastern market. CEMEX Colombia's strong position in the Bogotá ready-mix concrete market is largely due to its access to a ready supply of aggregates deposits in the Bogotá area.

The Colombian Cement Industry

According to the Colombian Institute of Cement Producers, the installed capacity for cement in Colombia in 2007 was 16.0 million tons. According to that organization, total cement consumption in Colombia reached 9.1 million tons during 2007, an increase of 13.5%, while cement exports from Colombia reached 2.0 million tons. We estimate that close to 50% of cement in Colombia is consumed by the self-construction sector, while the housing sector accounts for 28% of total cement consumption and has been growing in recent years. The other construction segments in Colombia, including the public works and commercial sectors, account for the balance of cement consumption in Colombia.

Competition

The "Grupo Empresarial Antioqueño," or Argos, owns or has interests in 11 of Colombia's 18 cement plants. Argos has established a leading position in the Colombian coastal markets through Cementos Caribe in Barranquilla, Compañía Colclinker in Cartagena and Tolcemento in Tolú. The other principal cement producer is Holcim Colombia.

Our Colombian Operating Network

Products and Distribution Channels

Cement. Our cement operations represented approximately 53% of our Colombian operations' net sales before eliminations resulting from consolidation for the year ended December 31, 2007.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 27% of our Colombian operations' net sales before eliminations resulting from consolidation in 2007.

Aggregates. Our aggregates operations represented approximately 5% of our Colombian operations' net sales before eliminations resulting from consolidation in 2007.

Description of Properties, Plants and Equipment

As of December 31, 2007, CEMEX Colombia owned six cement plants, having a total installed capacity of 4.8 million tons per year. Three of these plants utilize the wet process and three plants utilize the dry process. CEMEX Colombia also has an internal electricity generating capacity of 24.7 megawatts through a leased facility. As of December 31, 2007, CEMEX Colombia owned seven land distribution centers, one mortar plant, 32 ready-mix concrete plants, one concrete products plant and seven aggregates operations. As of that date, CEMEX Colombia also owned five limestone quarries with minimum reserves sufficient for over 60 years at 2007 production levels.

Capital Expenditures

We made capital expenditures of approximately U.S.$7 million in 2005, U.S.$31 million in 2006 and U.S.$15 million in 2007 in our Colombian operations. We currently expect to make capital expenditures of approximately U.S.$23 million in our Colombian operations during 2008.

Our Costa Rican Operations

As of December 31, 2007, we owned a 99.1% interest in CEMEX (Costa Rica), S.A., or CEMEX Costa Rica, our operating subsidiary in Costa Rica and a leading cement producer in the country. As of December 31, 2007, CEMEX Costa Rica operated one cement plant in Costa Rica, with an installed capacity of 0.9 million tons. As of that date, CEMEX Costa Rica also operated a grinding mill in the capital city of San José. As of December 31, 2007, CEMEX Costa Rica operated seven ready-mix plants, one aggregate quarry, and one land distribution center.

During 2007, exports of cement by our Costa Rican operations represented approximately 7% of our total cement production in Costa Rica. In 2007, 3% of our exports from Costa Rica were to Nicaragua, 47% to El Salvador and 50% to Panama.

Approximately 1.5 million tons of cement were sold in Costa Rica during 2007, according to the *Cámara de la Construcción de Costa Rica*, the Costa Rican construction industry association. The Costa Rican cement market is a predominantly retail market, and we estimate that over three quarters of cement sold is bagged cement.

The Costa Rican cement industry includes two producers, CEMEX Costa Rica and Holcim Costa Rica.

We made capital expenditures of approximately U.S.$5 million in 2005, U.S.$7 million in 2006 and U.S.$5 million in 2007 in our Costa Rican operations. We currently expect to make capital expenditures of approximately U.S.$7 million in our Costa Rican operations during 2008.

Our Dominican Republic Operations

As of December 31, 2007, we held, through CEMEX Venezuela, 99.9% of CEMEX Dominicana, S.A., or CEMEX Dominicana, our operating subsidiary in the Dominican Republic and a leading cement producer in the country. In April 2008, we acquired this interest from CEMEX Venezuela. CEMEX Dominicana's sales network covers the country's main consumption areas, which are Santo Domingo, Santiago de los Caballeros, La Vega, San Pedro de Macoris, Azúa and Bavaro. CEMEX Dominicana also has an 18-year lease arrangement with the Dominican Republic government related to the mining of gypsum, which enables CEMEX Dominicana to supply all local and regional gypsum requirements.

In 2007, Dominican Republic cement consumption reached 3.6 million tons. Our principal competitors in the Dominican Republic are Domicem, an Italian cement producer that started cement production in 2005; Cementos Cibao, a local competitor; Cemento Colón, an affiliated grinding operation of Holcim; Cementos Santo Domingo, a cement grinding partnership between a local investor and Cementos La Union from Spain; and Cementos Andinos, a Colombian cement producer which has an installed grinding operation, and partially constructed cement kiln but was out of the market for most of 2007.

As of December 31, 2007, CEMEX Dominicana operated one cement plant in the Dominican Republic, with an installed capacity of 2.6 million tons per year, and held a minority interest in one grinding mill. As of that date, CEMEX Dominicana also operated eight ready-mix concrete plants, one aggregates quarry, three land distribution centers and two marine terminals.

We made capital expenditures of approximately U.S.$87 million in 2005, U.S.$27 million in 2006 and U.S.$11 million in 2007 in our Dominican Republic operations. We currently expect to make capital expenditures of approximately U.S.$15 million in our Dominican Republic operations during 2008.

Our Panamanian Operations

As of December 31, 2007, we held, through CEMEX Venezuela, a 99.5% interest in Cemento Bayano, S.A., or Cemento Bayano, our operating subsidiary in Panama and a leading cement producer in the country. In April 2008, we acquired this interest from CEMEX Venezuela. As of December 31, 2007, Cemento Bayano operated one cement plant in Panama, with an installed capacity of 0.5 million tons per year. As of that date, Cemento Bayano also owned and operated 13 ready-mix concrete plants, two aggregates quarries and three land distribution centers.

Approximately 1.4 million cubic meters of ready-mix concrete were sold in Panama during 2007, according to the General Comptroller of the Republic of Panama (*Contraloría General de la República de Panamá*). Panamanian cement consumption increased 14.9% in 2007, according to our estimates. The Panamanian cement industry includes two cement producers, Cemento Bayano and Cemento Panamá, an affiliate of Holcim and Colombian Cementos Argos.

On February 6, 2007, we announced that we intend to build a new kiln at our Bayano plant in Panama, and the project is currently under construction. The new kiln is expected to increase the Bayano plant's annual clinker production capacity by approximately 1.1 million tons giving a total capacity of 1.6 million tons of clinker per year. Cement milling production capacity increased to 1.4 million tons per year with a new mill which started operating in February 2008. Construction of the new kiln is expected to be completed by mid 2009 with an investment of approximately U.S.$200 million, which includes U.S.$55 million made in 2007 and an expected U.S.$96 million during 2008.

We made capital expenditures of approximately U.S.$5 million in 2005, U.S.$26 million in 2006 and U.S.$63 million in 2007 in our Panamanian operations. We currently expect to make capital expenditures of approximately U.S.$102 million in our Panamanian operations during 2008, including those related to the construction of the new kiln described above.

Our Nicaraguan Operations

As of December 31, 2007, we owned 100% of CEMEX Nicaragua, S.A., or CEMEX Nicaragua, our operating subsidiary in Nicaragua. As of that date, CEMEX Nicaragua leased and operated one cement plant with an installed capacity of 0.5 million tons. Since March 2003, CEMEX Nicaragua has also leased a 100,000 ton milling plant in Managua, which has been used exclusively for petcoke milling.

According to our estimates, approximately 0.67 million tons of cement were sold in Nicaragua during 2007. Two market participants compete in the Nicaraguan cement industry: CEMEX Nicaragua and Holcim.

In the first half of 2006, we added two ready-mix concrete plants to our ready-mix concrete business in Nicaragua. We now operate one fixed ready-mix concrete plant and four mobile plants in the country. According to our estimates, approximately 144.600 cubic meters of ready-mix concrete were sold in Nicaragua during 2007. At the end of 2006, we also bought the first aggregates quarry for CEMEX in Nicaragua. We now operate two aggregates quarries in the country. According to our estimates, approximately 4.0 million tons of aggregates were sold in Nicaragua during 2007.

We made capital expenditures of approximately U.S.$7 million in 2005, U.S.$6 million in 2006 and U.S.$5 million in 2007 in our Nicaraguan operations. We currently expect to make capital expenditures of approximately U.S.$3 million in our Nicaraguan operations during 2008.

Our Puerto Rican Operations

As of December 31, 2007, we owned 100% of CEMEX de Puerto Rico, Inc., or CEMEX Puerto Rico, our operating subsidiary in Puerto Rico. As of December 31, 2007, CEMEX Puerto Rico operated one cement plant, with an installed cement capacity of approximately 1.2 million tons per year. As of that date, CEMEX Puerto Rico also owned and operated 17 ready-mix concrete plants, one aggregates quarry that was acquired in November 2006 for approximately U.S.$13 million, and two land distribution centers.

In 2007, Puerto Rican cement consumption reached 1.581 million tons. The Puerto Rican cement industry in 2007 was comprised of two cement producers, CEMEX Puerto Rico, and San Juan Cement Co., an affiliate of Italcementi, and Antilles Cement Co., an independent importer.

We made capital expenditures of approximately U.S.$10 million in 2005, U.S.$33 million in 2006 and U.S.$19 million in 2007 in our Puerto Rican operations. We currently expect to make capital expenditures of approximately U.S.$7 million in our Puerto Rican operations during 2008.

Our Guatemalan Operations

In January 2006, we acquired a 51% equity interest in a cement-grinding mill facility in Guatemala for approximately U.S.$17 million. As of December 31, 2007, the cement-grinding mill had an installed capacity of 500,000 tons per year. In addition, we also owned and operated three land distribution centers and a clinker silo close to a maritime terminal in Guatemala.

We made capital expenditures of approximately U.S.$1 million in 2007 in Guatemala, and we currently expect to make capital expenditures of approximately U.S.$2 million during 2008.

Our Other South America, Central America and the Caribbean Operations

As of December 31, 2007, we held 100% of Readymix Argentina S.A., which operates four ready-mix concrete plants in Argentina.

We believe that the Caribbean region holds considerable strategic importance because of its geographic location. As of December 31, 2007, we operated a network of eight marine terminals in the Caribbean region, which facilitated exports from our operations in several countries, including Mexico, Dominican Republic, Venezuela, Costa Rica, Puerto Rico, Spain, Colombia and Panama. Three of our marine terminals are located in the main cities of Haiti, two are in the Bahamas, one is in Bermuda, one is in Manaus, Brazil and one is in the Cayman Islands.

As of December 31, 2007, we had minority positions in Trinidad Cement Limited, with cement operations in Trinidad and Tobago, Barbados and Jamaica, as well as a minority position in Caribbean Cement Company Limited in Jamaica, National Cement Ltd. in the Cayman Islands and Bermuda Cement Co. in Bermuda. As of December 31, 2007, we also held a 100% interest in Rugby Jamaica Lime & Minerals Limited, which operates a calcinated lime plant in Jamaica with a capacity of 120,000 tons per year.

We made capital expenditures in our other operations in South America, Central America and the Caribbean of approximately U.S.$2 million in 2006 and approximately U.S.$3 million in 2007.

Africa and the Middle East

For the year ended December 31, 2007, our business in Africa and the Middle East, which includes our operations in Egypt, the United Arab Emirates and Israel, represented approximately 3% of our net sales before eliminations resulting from consolidation. As of December 31, 2007, our business in Africa and the Middle East represented approximately 5% of our total installed capacity and approximately 2% of our total assets.

Our Egyptian Operations

As of December 31, 2007, we had a 95.8% interest in Assiut Cement Company, or Assiut, our operating subsidiary in Egypt. As of December 31, 2007, we operated one cement plant in Egypt, with an installed capacity of approximately 5.0 million tons. This plant is located approximately 200 miles south of Cairo and serves the upper Nile region of Egypt, as well as Cairo and the delta region, Egypt's main cement market. In addition, as of December 31, 2007, we operated three ready-mix concrete plants and six land distribution centers in Egypt. For the year ended December 31, 2007, our operations in Egypt, represented approximately 1% of our net sales before eliminations resulting from consolidation and approximately 1% of our total assets.

According to our estimates, the Egyptian market consumed approximately 34.5 million tons of cement during 2007. Cement consumption increased by 14.3% in 2007, mainly driven by big real state projects and housing.

As of December 31, 2007, the Egyptian cement industry had a total of nine cement producers, with an aggregate annual installed cement capacity of approximately 43 million tons. According to the Egyptian Cement Council, during 2007, Holcim (minority shareholder in Egyptian Cement Company), Lafarge (Alexandria Portland Cement and Beni Suef Cement), CEMEX (Assiut) and Italcementi (Suez Cement, Tourah Cement and Helwan Portland Cement), four of the largest cement producers in the world, represented approximately 79% of the total installed capacity in Egypt. Other significant competitors in the Egyptian market are Ameriyah (Cimpor), National, Sinai, Misr Beni Suef and Misr Quena Cement Companies.

For the year ended December 31, 2007, our cement operations represented approximately 92% and ready-mix concrete represented approximately 8% of our Egyptian operations' net sales before eliminations resulting from consolidation.

We made capital expenditures of approximately U.S.$9 million in 2005, U.S.$16 million in 2006 and U.S.$27 million in 2007 in our Egyptian operations. We currently expect to make capital expenditures of approximately U.S.$80 million in our Egyptian operations during 2008.

Our United Arab Emirates (UAE) Operations

As of December 31, 2007, we held a 49% equity interest (and 100% economic benefit) in three UAE companies: CEMEX Topmix LLC and CEMEX Supermix LLC, two ready-mix holding companies, and CEMEX Falcon LLC, which specializes in trading. We are not allowed to have a majority interest in these companies since UAE law requires 51% ownership by UAE nationals. However, through agreements with other shareholders in these companies, we have purchased the remaining 51% of the economic benefits in each of the companies. As a result, we own a 100% economic interest in all three companies. As of December 31, 2007, we operated 14 ready-mix concrete plants in the UAE, serving the markets of Dubai, Abu Dhabi, and Sharjah.

In March 2006, we announced a plan to invest approximately U.S.$50 million in the construction of a new grinding facility for cement and slag in Dubai. The construction of the new grinding facility is expected to be

completed in the third quarter of 2008 and will increase our total grinding capacity in the region to approximately 1.6 million tons per year.

We made capital expenditures of approximately U.S.$4 million in 2005, U.S.$24 million in 2006 and U.S.$55 million in 2007 in our UAE operations, including those related to the construction of the new grinding facility in Dubai described above. We currently expect to make capital expenditures of approximately U.S.$22 million in our UAE operations during 2008.

Our Israeli Operations

As of December 31, 2007, we held 100% of CEMEX Holdings (Israel) Ltd., our operating subsidiary in Israel. We are a leading producer and supplier of raw materials for the construction industry in Israel. In addition to ready-mix concrete products, we produce a diverse range of building materials and infrastructure products in Israel. As of December 31, 2007, we operated 59 ready-mix concrete plants, one concrete products plant and one admixtures plant in Israel.

As of December 31, 2007, we also held a 50% interest in Lime & Stone (L&S) Ltd., a leading aggregates producer in Israel and an important supplier of lime, asphalt and blocks. On May 18, 2008, we acquired the remaining 50% interest in Lime & Stone (L&S) Ltd. for a total amount of U.S.$41 million. As of December 31, 2007, through Lime & Stone (L&S) Ltd., we operated nine aggregates quarries, two asphalt plants, one lime factory and two blocks factories.

We made capital expenditures of approximately U.S.$3 million in 2005, U.S.$7 million in 2006 and U.S.$5 million in 2007 in our Israeli operations, and we currently expect to make capital expenditures of approximately U.S.$6 million in our Israeli operations during 2008.

Australia and Asia

For the year ended December 31, 2007, our operations in Australia and Asia, which includes our recently acquired operations in Australia (which financial results have been consolidated starting on July 1, 2007), our operations in the Philippines, Thailand and Malaysia, as well as our other assets in Asia, represented approximately 5% of our net sales before eliminations resulting from consolidation. As of December 31, 2007, our operations in Australia and Asia represented approximately 8% of our total installed capacity and approximately 7% of our total assets. During 2006, we sold our 25.5% interest in the Indonesian cement producer PT Semen Gresik for approximately U.S.$346 million (Ps4,053 million) including dividends declared of approximately U.S.$7 million (Ps82 million).

Our Australian Operations

Overview

On August 28, 2007, we completed the acquisition of 100% of the Rinker shares for a total consideration of approximately Ps.169.5 billion (approximately U.S.$15.5 billion) (including the assumption of approximately Ps.13.9 billion (approximately U.S.$1.3 billion) of Rinker's debt). We conduct our operations in Australia through CEMEX Australia Pty Limited (known, before March 1, 2008, as Rinker Australia Pty Limited or also known as Readymix), our operating subsidiary. CEMEX Australia is a vertically integrated heavy building materials business with leading market positions in Australia. As of December 31, 2007, we held 100% of CEMEX Australia. At that date, CEMEX Australia operated 256 ready mix plants, 90 quarries and sand mines and 16 concrete pipe and

product plants. Concrete pipe and products are produced by the CEMEX Australia's Humes business. As of December 31, 2007, CEMEX Australia also held a 25% interest in Australia's largest cement manufacturer, Cement Australia. The Cement Australia joint venture has the capacity to produce over three million metric tons of cement a year from four plants in Gladstone, Rockhampton, Kandos and Railton. Cement Australia also operates 17 land distribution centers and 7 marine terminals.

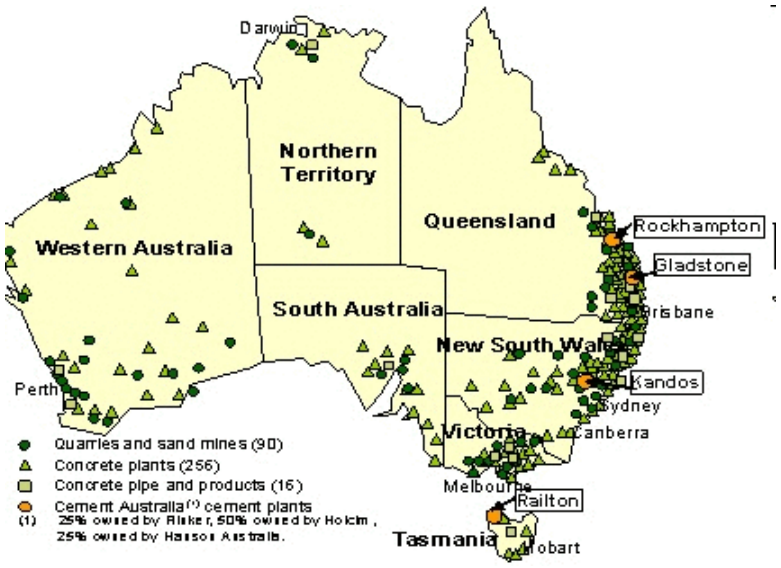
The Australian Construction and Building Industry

Based on estimates by the Australian Bureau of Statistics, total Australian construction and building market spending increased by an annual growth rate of 5.9% between the years ended December 31, 1996 and December 31, 2006. For the year ended December 31, 2007, the Australian Bureau of Statistics estimated that total construction spending by segment was about 34% for residential, 23% for commercial and 43% for civil. Total construction spending increased by 6.1% for the year ended December 31, 2007 compared to the previous year. Residential spending was up by 1.4%, commercial spending by 7.0% and civil spending by 9.6%.

Competition

As of December 31, 2007, CEMEX Australia's major competitors in the Australian aggregates and ready mix markets were Boral and Hanson Australia (a 100%-owned Heidelberg Cement subsidiary). The main competitor in the concrete pipe and products market was Rocla Pipeline Products and there were also small companies who competed in individual regional sectors of that market. As of December 31, 2007, CEMEX Australia's main competitors in the Australian cement market were Blue Circle Southern Cement (a 100% owned Boral subsidiary) and Adelaide Brighton Limited.

Our Australian Operating Network



Description of Properties, Plants and Equipment

As of December 31, 2007, our Australian operations included 90 quarries and sand mines, 256 ready mix plants, 16 concrete pipe and product plants in Australia. We also held a 25% interest in the Cement Australia joint venture, which operated four cement plants, with a total cement installed capacity of approximately 3.8 million tons per year, and seven cement terminals.

For the year ended December 31, 2007, our ready mix operations represented 51% of our Australian net sales, and aggregates represented 33% of net sales before eliminations resulting from consolidation. We made capital expenditures of approximately U.S.$31 million in 2007 in our Australian operations, and we currently expect to make capital expenditures of approximately U.S.$99 million in our Australian operations during 2008.

Our Philippine Operations

As of December 31, 2007, on a consolidated basis through various subsidiaries, we held 100% of the economic benefits of our two operating subsidiaries in the Philippines, Solid and APO Cement Corporation (APO). For the year ended December 31, 2007, our operations in the Philippines represented approximately 1% of our net sales before eliminations resulting from consolidation and approximately 1% of our total assets.

According to Cement Manufacturers' Association of the Philippines (CEMAP), cement consumption in the Philippine market, which is primarily retail, totaled 12.7 million tons during 2007. Philippine demand for cement increased by approximately 11% in 2007. Domestic cement consumption in the Philippines has declined during 6 of the last 10 years.

As of December 31, 2007, the Philippine cement industry had a total of 17 cement plants. Annual installed clinker capacity is 20 million tons, according to CEMAP. Major global cement producers own approximately 92% of this capacity. As of December 31, 2007, our major competitors in the Philippine cement market were Holcim, which had interests in four local cement plants, and Lafarge, which had interests in six local cement plants.

As of December 31, 2007, our Philippine operations included three cement plants with a total capacity of 5.6 million tons per year, one aggregates quarry, six land distribution centers and four marine distribution terminals.

For the year ended December 31, 2007, our cement operations represented 100% of our Philippine operations' net sales before eliminations resulting from consolidation.

We made capital expenditures of approximately U.S.$4 million in 2005, U.S.$11 million in 2006 and U.S.$15 million in 2007 in our Philippine operations. We currently expect to make capital expenditures of approximately U.S.$11 million in our Philippine operations during 2008.

Our Thai Operations

As of December 31, 2007, we held, on a consolidated basis, 100% of the economic benefits of CEMEX (Thailand) Co. Ltd., or CEMEX (Thailand), our operating subsidiary in Thailand. As of December 31, 2007, CEMEX (Thailand) owned one cement plant in Thailand, with an installed capacity of approximately 0.9 million tons.

According to our estimates, at December 31, 2007, the cement industry in Thailand had a total of 14 cement plants, with an aggregate annual installed capacity of approximately 55.5 million tons. We estimate that there are five major cement producers in Thailand, four of which represent 96% of installed capacity and 94% of the market. Our major competitors in the Thai market, which have a significantly larger presence than CEMEX (Thailand), are Siam Cement, Holcim, TPI Polene and Italcementi.

We made capital expenditures of approximately U.S.$4 million in 2005, U.S.$4 million in 2006 and U.S.$ 4 million in 2007 in our Thai operations. We currently expect to make capital expenditures of approximately U.S.$3 million in our Thai operations during 2008.

Our Malaysian Operations

As of December 31, 2007, we held 100% of RMC Industries (Malaysia) Sdn Bhd, our operating subsidiary in Malaysia. We are a leading ready-mix concrete producer in Malaysia, with a significant share in the country's major urban centers. As of December 31, 2007, we operated 17 ready-mix concrete plants, five asphalt plants and three aggregates quarries in Malaysia.

Our main competitors in the ready-mix concrete and aggregates markets in Malaysia are YTL, Lafarge and Hanson.

We made capital expenditures of approximately U.S.$1 million in 2005, U.S.$2 million in 2006 and U.S.$2 million in 2007 in our Malaysian operations. We currently expect to make capital expenditures of approximately U.S.$3 million in our Malaysian operations during 2008.

Other Asian Operations

Since April 2001, we have been operating a grinding mill near Dhaka, Bangladesh. As of December 31, 2007, this mill had a production capacity of 550,000 tons per year. A majority of the supply of clinker for the mill is produced by our operations in the region. In addition, since June 2001, we have also operated a cement terminal in the port of Taichung located on the west coast of Taiwan.

As of December 31, 2007, we also operated four ready mix concrete plants in China, located in the northern cities of Tianjin and Qingdao, which we acquired through the Rinker acquisition.

We made capital expenditures in our other Asian operations of approximately U.S.$1 million in 2006 and U.S.$5 million in 2007, and we currently expect to make capital expenditures in these operations of approximately U.S.$1 million in 2008.

Our Trading Operations

In 2007, we traded approximately 13.4 million tons of, cementitious materials, including 11.6 million tons of cement and clinker, in line with our 2006 trading volume. Approximately 54% of the cement and clinker trading volume in 2007 consisted of exports from our operations in Costa Rica, Dominican Republic, Croatia, Egypt, Germany, Mexico, the Philippines, Poland, Puerto Rico, Spain and Venezuela. The remaining approximate 46% was purchased from third parties in countries such as Belgium, China, Egypt, France, Israel, Japan, Lithuania, South Korea, Taiwan, Thailand and Turkey. As of December 31, 2007, we had trading activities in 106 countries. In 2007, we traded approximately 1.8 million metric tons of granulated blast furnace slag, a non-clinker cementitious material.

Our trading network enables us to maximize the capacity utilization of our facilities worldwide while reducing our exposure to the inherent cyclicality of the cement industry. We are able to distribute excess capacity to regions around the world where there is demand. In addition, our worldwide network of strategically located marine terminals allows us to coordinate maritime logistics on a global basis and minimize transportation expenses. Our trading operations also enable us to explore new markets without significant initial capital expenditure.

Freight rates have substantially increased in recent years. Our trading operations, however, have obtained significant savings by contracting maritime transportation far in advance and using our own and chartered fleet, which transported approximately 30% of our trading volume during 2007.

In addition, based on our spare fleet capacity we provide freight service to third parties, thus providing us with valuable shipping market information and generating additional revenues.

Regulatory Matters and Legal Proceedings

A description of material regulatory and legal matters affecting us is provided below.

Tariffs

The following is a discussion of tariffs on imported cement in our major markets.

Mexico

Mexican tariffs on imported goods vary by product and have been as high as 100%. In recent years, import tariffs have been substantially reduced and currently range from none at all for raw materials to over 20% for finished products, with an average weighted tariff of approximately 3.7%. As a result of the North American Free Trade Agreement, or NAFTA, as of January 1, 1998, the tariff on cement imported into Mexico from the United States or Canada was eliminated. However, a tariff in the range of 7% ad valorem will continue to be imposed on cement produced in all other countries unless tariff reduction treaties are implemented or the Mexican government unilaterally reduces that tariff. While the reduction in tariffs could lead to increased competition from imports in our Mexican markets, we anticipate that the cost of transportation from most producers outside Mexico to central Mexico, the region of highest demand, will remain an effective barrier to entry.

United States

There are no tariffs on cement imported into the United States from any country, except Cuba and North Korea.

Europe

Member countries of the European Union are subject to the uniform European Union commercial policy. There is no tariff on cement imported into a country that is a member of the European Union from another member country or on cement exported from a European Union country to another member country. For cement imported into a member country from a non-member country, the tariff is currently 1.7% of the customs value. Any country with preferential treatment with the European Union is subject to the same tariffs as members of the European Union. Most Eastern European producers exporting cement into European Union countries currently pay no tariff.

Environmental Matters

We are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These standards expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with divested assets and past activities, even where conducted by prior owners or operators and, in some jurisdictions, without regard to fault or the lawfulness of the original activity.

To prevent, control and remediate environmental problems and maintain compliance with regulatory requirements, we maintain an environmental policy designed to monitor and control environmental matters. Our environmental policy requires each subsidiary to respect local laws and meet our own internal standards to minimize the use of non-renewable resources and the generation of hazardous and other wastes. We use processes that are designed to reduce the impact of our operations on the environment throughout all the production stages in all our operations worldwide. We believe that we are in substantial compliance with all material environmental laws applicable to us.

We regularly incur capital expenditures that have an environmental component or that are impacted by environmental regulations. However, we do not keep separate accounts for such mixed capital and environmental expenditures. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or are incurred to mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred. For the years ended December 31, 2005, 2006 and 2007, our environmental capital expenditures and remediation expenses were not material. However, our environmental expenditures may increase in the future.

The following is a discussion of the environmental regulation and matters in our major markets.

Mexico

We were one of the first industrial groups in Mexico to sign an agreement with the *Secretaría del Medio Ambiente y Recursos Naturales*, or SEMARNAT, the Mexican government's environmental ministry, to carry out voluntary environmental audits in our 15 Mexican cement plants under a government-run program. In 2001, the Mexican environmental protection agency in charge of the voluntary environmental auditing program, the

Procuraduría Federal de Protección al Ambiente, or PROFEPA, which is part of SEMARNAT, completed auditing our 15 cement plants and awarded all our plants, including our Hidalgo plant, a *Certificado de Industria Limpia*, Clean Industry Certificate, certifying that our plants are in full compliance with environmental laws. The Clean Industry Certificates are strictly renewed every two years. As of this date, all of the cement plants have a Clean Industry Certificate. The Certificates for Atotonilco, Huichapan, Mérida, Yaqui, Hermosillo, Tamuín, Valles, Zapotiltic and Torreón were renewed at the end of 2006; the Certificates for Barrientos, Tepeaca and Guadalajara were renewed at the end of 2007; the Certificate for Monterrey is valid until February 6, 2010 and the Certificate for Ensenada is valid until September 5, 2008. Now that operations at the Hidalgo plant have resumed, we carried out a voluntary environmental audit by PROFEPA in September 2006, which granted Hidalgo a Clean Industry Certificate in September 2007.

For over a decade, the technology for recycling used tires into an energy source has been employed in our Ensenada and Huichapan plants. Our Monterrey and Hermosillo plants started using tires as an energy source in September 2002 and November 2003, respectively. In 2004, our Yaqui, Tamuín, Guadalajara and Barrientos plants also started using tires as an energy source, and by the end of 2006, all our cement plants in Mexico were using tires as an alternative fuel. Municipal collection centers in Tijuana, Mexicali, Ensenada, Mexico City, Reynosa, Nuevo Laredo and Guadalajara currently enable us to recycle an estimated 10,000 tons of tires per year. Overall, approximately 3.34% of the total fuel used in our 15 operating cement plants in Mexico during 2007 was comprised of alternative substituted fuels.

Between 1999 and March 2008, our Mexican operations have invested approximately U.S.$49.6 million in the acquisition of environmental protection equipment and the implementation of the ISO 14001 environmental management standards of the International Organization for Standardization, or ISO. The audit to obtain the renewal of the ISO 14001 certification took place during April 2006. All our operating cement plants in Mexico and an aggregates plant in Monterrey have obtained the renewal of the ISO 14001 certification for environmental management systems, including the Hidalgo plant.

United States

CEMEX, Inc. is subject to a wide range of U.S. Federal, state and local laws, regulations and ordinances dealing with the protection of human health and the environment. These laws are strictly enforced and can lead to significant monetary penalties for noncompliance. These laws regulate water discharges, noise, and air emissions, including dust, as well as the handling, use and disposal of hazardous and non-hazardous waste materials. These laws also create a shared liability by responsible parties for the cost of cleaning up or correcting releases to the environment of designated hazardous substances. We therefore may have to remove or mitigate the environmental effects of the disposal or release of these substances at CEMEX, Inc.'s various operating facilities or elsewhere. We believe that our current procedures and practices for handling and managing materials are generally consistent with the industry standards and legal and regulatory requirements, and that we take appropriate precautions to protect employees and others from harmful exposure to hazardous materials.

Several of CEMEX, Inc.'s previously owned and currently owned facilities have become the subject of various local, state or Federal environmental proceedings and inquiries in the past. While some of these matters have been settled, others are in their preliminary stages and may not be resolved for years. The information developed to date on these matters is not complete. CEMEX, Inc. does not believe it will be required to spend significantly more on these matters than the amounts already recorded in our consolidated financial statements included elsewhere in this annual report. However, it is impossible for CEMEX, Inc. to determine the ultimate cost that it might incur in connection with such environmental matters until all environmental studies and investigations, remediation work, negotiations with other parties that may be responsible, and litigation against other potential sources of recovery have been completed. With respect to known environmental contingencies, CEMEX, Inc. has recorded provisions for estimated probable liabilities, and we do not believe that the ultimate resolution of such matters will have a material adverse effect on our financial results.

As of March 31, 2008, CEMEX, Inc. and its subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$50.3 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, regarding the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with or litigation against potential sources of recovery have been completed.

Rinker Materials of Florida, Inc., a subsidiary of CEMEX, Inc., holds one and is the beneficiary of one other of 10 federal quarrying permits granted for the Lake Belt area in South Florida. The permit held by Rinker covers Rinker's SCL and FEC quarries. Rinker's Krome quarry is operated under one of the other federal quarry permits. The FEC quarry is the largest of Rinkers' quarries measured by volume of aggregates mined and sold. Rinker's Miami cement mill is located at the SCL quarry and is supplied by that quarry. A ruling was issued on March 22, 2006 by a judge of the U.S. District Court for the Southern District of Florida in connection with litigation brought by environmental groups concerning the manner in which the permits were granted. Although not named as a defendant, Rinker has intervened in the proceedings to protect its interests. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the relevant governmental agencies in connection with the issuance of the permits. The judge remanded the permits to the relevant governmental agencies for further review, which review the governmental agencies have indicated in a recent court filing should take until the end of July 2008 to conclude. The judge also conducted further proceedings to determine the activities to be conducted during the remand period. In July 2007, the judge issued a ruling that halted quarrying operations at three non-Rinker quarries. The judge left in place Rinker's Lake Belt permits until the relevant government agencies complete their review. In a May 2008 ruling, the federal appellate court determined that the district court judge did not apply the proper standard of review to the permit issuance decision of the governmental agency, vacated the district court's prior order, and remanded the proceeding to the district court to apply the proper standard of review. If the Lake Belt permits were ultimately set aside or quarrying operations under them restricted, Rinker would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect profits from our Florida operations. Any adverse impacts on the Florida economy arising from the cessation or significant restriction of quarrying operations in the Lake Belt could also have a material adverse effect on our financial results.

Europe

In 2003, the European Union adopted a directive implementing the Kyoto Protocol on climate change and establishing a greenhouse gas emissions allowance trading scheme within the European Union. The directive requires Member States to impose binding caps on carbon dioxide emissions from installations involved in energy activities, the production and processing of ferrous metals, the mineral industry (including cement production) and the pulp, paper or board production business. Under this scheme, companies with operations in these sectors receive from the relevant Member States allowances that set limitations on the levels of greenhouse gas emissions from their installations. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Companies can also use credits issued from the use of the flexibility mechanisms under the Kyoto protocol to fulfill their European obligations. These flexibility mechanisms provide that credits (equivalent to allowances) can be obtained by companies for projects that reduce greenhouse gas emissions in emerging markets. These projects are referred to as Clean Development Mechanism ("CDM") or joint implementation projects depending on the countries where they take place. Failure to meet the emissions caps is subject to heavy penalties.

Companies can also use, up to a certain level, credits issued under the flexible mechanisms of the Kyoto protocol to fulfill their European obligations. Credits for emission reduction projects obtained under these mechanisms are recognized, up to a certain level, under the European emission trading scheme as allowances. To obtain these emission reduction credits, companies must comply with very specific and restrictive requirements from the United Nations Convention on Climate Change (UNFCC).

As required by the directive, each of the Member States established a National Allocations Plan, or NAP, setting out the allowance allocations for each industrial facility for Phase I, from 2005 to 2007. Based on the NAP established by the Member States of the European Union for the 2005 to 2007 period and our actual production, on a consolidated basis after trading allowances between our operations in countries with a deficit of allowances and our operations in countries with an excess of allowances, and after some external operations, we had a surplus of allowances of approximately 1,050,054 tons of carbon dioxide in this Phase I.

For Phase II, comprising 2008 through 2012, however, there has been a reduction in the allowances granted by the Member States that have already approved their NAP. There have been significant delays in the development and approval of the second phase NAPs for other countries, and therefore it is premature to draw conclusions regarding the aggregate position of all our European cement plants. If final NAPs result in a consolidated deficit in our carbon dioxide allowances, we believe we may be able to reduce the impact of such deficit by either reducing carbon dioxide emissions in our facilities or by obtaining additional emission credits through the implementation of CDM projects. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase emission credits in the market, the cost of which may have an impact on our operating results. As of December 31, 2007, the market value of carbon dioxide allowances for Phase I was €0.03 per ton. As of April 30, 2008, the market value of carbon dioxide allowances for Phase II was approximately €24.77 per ton per ton.

The U.K. government's NAP for Phase II of the trading scheme (2008 to 2012) has been approved by the European Commission. Under this NAP, our cement plant in Rugby has only been allocated 80% of the allowances it has under the current NAP, representing a shortfall of 228,414 allowances per year, while competitor plants have been awarded additional allowances compared to Phase I (2005 to 2007). The estimated cost of purchasing allowances to make up for this shortfall is approximately €4 million per year over the five-year period of Phase II, depending on the prevailing market price. Legal challenges to the allocation were pursued both in the U.K. domestic courts and the European Court of First Instance, but these challenges have now been withdrawn.

The Spanish NAP has been finally approved by the Spanish Government, reflecting the conditions that were set forth by the European Commission. The allocations made to our installations allow us to foresee a reasonable availability of allowances; nevertheless, there remains the uncertainty regarding the allocations that, against the reserve for new entrants, we intend to request for the new cement plant in Andorra (Teruel), currently under construction and that it is scheduled to start operating in April 2009.

Latvian and Polish NAPs for Phase II of the trading scheme have been reviewed by the European Commission. However, final approvals are conditioned on major changes. Until each country publishes its allocation per site, it is premature for us to draw conclusions concerning our situation or to fine-tune our strategy.

German NAP and allocation by plant for Phase II of the trading scheme has been issued by law and are final. The German determinations do not have any adverse effect on our budgeted German operations.

On May 29, 2007, the Polish government filed an appeal before the Court of First Instance in Luxemburg regarding the European Commission's rejection of the initial version of the Polish NAP. The Court has denied Poland's request for a quick path verdict in the case, keeping the case in the regular proceeding path. Therefore, the Polish government has started to prepare Polish internal rules on division of allowance at the level already accepted by the European Commission. Seven major Polish cement producers, representing 98% of Polish cement production

(including CEMEX Polska), have also filed seven separate appeals before the Court of First Instance regarding the European Commission's rejection.

The Latvian government filed an appeal in August 2007 before the Court of First Instance in Luxembourg regarding the European Commission's rejection of the initial version of the Latvian NAP for the years 2008 to 2012.

In Great Britain, future expenditure on closed and current landfill sites has been assessed and quantified over the period in which the sites are considered to have the potential to cause environmental harm, generally consistent with the regulator view of up to 60 years from the date of closure. The assessed expenditure relates to the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure. The costs have been quantified on a net present value basis in the amount of approximately £122 million, and an accounting provision for this sum has been made at December 31, 2007.

Anti-Dumping

U.S. Anti-Dumping Rulings—Mexico

Our exports of Mexican gray cement from Mexico to the United States have been subject to an anti-dumping order that was imposed by the Commerce Department on August 30, 1990. Pursuant to this order, firms that import gray Portland cement from our Mexican operations in the United States must make cash deposits with the U.S. Customs Service to guarantee the eventual payment of anti-dumping duties. As a result, since that year and until April 3, 2006, we have paid anti-dumping duties for cement and clinker exports to the United States at rates that have fluctuated between 37.49% and 80.75% over the transaction amount. Beginning in August 2003, we paid anti-dumping duties at a fixed rate of approximately U.S.$52.41 per ton, which decreased to U.S.$32.85 per ton starting December 2004 and to U.S.$26.28 per ton in January 2006. Over the past decade, we have used all available legal resources to petition the Commerce Department to revoke the anti-dumping order, including the petitions for "changed circumstances" reviews from the International Trade Commission, or ITC, and the appeals to NAFTA described below. As described below, during the first quarter of 2006, the U.S. and Mexican governments entered into an agreement pursuant to which restrictions imposed by the United States on Mexican cement imports will be eased during a three-year transition period and completely eliminated following the transition period.

U.S./Mexico Anti-Dumping Settlement Agreement

On January 19, 2006, officials from the Mexican and the United States governments announced that they had reached an agreement in principle that will bring to an end the long-standing dispute over anti-dumping duties on Mexican cement exports to the United States. According to the agreement, restrictions imposed by the United States will first be eased during a three-year transition period and completely eliminated in early 2009 if Mexican cement producers abide by its terms during the transition period, allowing cement from Mexico to enter the U.S. without duties or other limits on volumes. In 2006, Mexican cement imports into the U.S. were subject to volume limitations of three million tons per year. During the second and third year of the transition period, this amount may be increased or decreased in response to market conditions, subject to a maximum increase or decrease of 4.5%. For the second year of the transition period, the amount was increased by 2.7% while for the third year of the transition period, the amount was decreased by 3.1%. Quota allocations to companies that import Mexican cement into the United States are made on a regional basis. The anti-dumping duty during the three-year transition period was lowered to U.S.$3.00 per ton, effective as of April 3, 2006, from the previous amount of U.S.$26.28 per ton.

On March 6, 2006, the Office of the United States Trade Representative and the Commerce Department entered into an agreement with the Mexican *Secretaría de Economía*, providing for the settlement of all administrative reviews and all litigation pending before NAFTA and World Trade Organization panels challenging various anti-dumping determinations involving Mexican cement. As part of the settlement, the Commerce

Department agreed to compromise its claims for duties with respect to imports of Mexican cement. The Commerce Department and the *Secretaría de Economía* will monitor the regional export limits through export and import licensing systems. The agreement provided that upon the effective date of the agreement, on April 3, 2006, the Commerce Department would order the U.S. Customs Service to liquidate all entries covered by all the completed administrative reviews for the periods from August 1, 1995 through July 31, 2005, plus the unreviewed entries made between August 1, 2005 and April 2, 2006, and refund the cash deposits in excess of 10 cents per metric ton. As a result of this agreement, refunds from the U.S. government associated with the historic anti-dumping duties are shared among the various Mexican and American cement industry participants. As of March 31, 2008, we had received approximately U.S.$111 million in refunds under the agreement. We do not expect to receive further refunds.

As of March 31, 2008, the accrued liability for dumping duties was U.S.$3.2 million to cover the unliquidated liability for the fifth and seventh periods of review which were finalized by the U.S. Customs Service before the agreements between the U.S. and Mexican Governments were entered as described above. As a result of the settlement all the liabilities accrued for past anti-dumping duties have been eliminated.

Anti-Dumping in Taiwan

Five Taiwanese cement producers — Asia Cement Corporation, Taiwan Cement Corporation, Lucky Cement Corporation, Hsing Ta Cement Corporation and China Rebar — filed before the Tariff Commission under the Ministry of Finance (MOF) of Taiwan an anti-dumping case involving imported gray Portland cement and clinker from the Philippines and Korea.

In July 2001, the MOF informed the petitioners and the respondent producers in exporting countries that a formal investigation had been initiated. Among the respondents in the petition were APO, Rizal and Solid, our indirect subsidiaries. In July 2002, the MOF notified the respondent producers that a dumping duty would be imposed on Portland cement and clinker imports from the Philippines and South Korea beginning on July 19, 2002. The duty rate imposed on imports from APO, Rizal and Solid was fixed at 42%.

In September 2002, APO, Rizal and Solid filed before the Taipei High Administrative Court an appeal in opposition to the anti-dumping duty imposed by the MOF. In August 2004, we received a copy of the decision of the Taipei Administrative High Court, which was adverse to our appeal. The decision has since become final. This anti-dumping duty is subject to review by the government after five years following its imposition. If following that review the government determines that the circumstances giving rise to the anti-dumping order have changed and that the elimination of the duty would not harm the domestic industry, the government may decide to revoke the anti-dumping duty. Based on a petition filed by Asian Cement Corporation, Taiwan Cement Corporation, Lucky Cement Corporation, and Hsing-Ta Cement Co. Ltd. in April 2007, the MOF decided to institute the investigation on whether to continue to impose the antidumping duty on Type I and Type II of Portland Cement and of its clinker ("Product") upon the expiration of the five-year period of the duty imposition and issued a public announcement on May 2, 2007, requesting interested parties to present their opinions. In response, APO and Solid submitted a written statement objecting to the continuance of the anti-dumping duty order. On October 22, 2007, the MOF notified interested parties that because of the need for further investigation, the investigation period was extended to March 1, 2008.

On February 26, 2008, the MOF announced that it would instruct the Ministry of Economic Affairs (MOEA) to continue its investigation to determine whether or not the domestic industry would be damaged if the government were to revoke the anti-dumping duty. On April 10, 2008, the International Trade Commission (ITC) of the MOEA made a determination that the revocation of the anti-dumping duty would not likely lead to continuation or recurrence of injury to the domestic industry. As required by the Implementation Regulation on the Imposition of Countervailing and Antidumping Duties, the MOEA notified the MOF of ITC's determination. We received a letter,

dated May 5, 2008, from the MOF, stating that the anti-dumping duty imposed on gray portland cement and clinker imports from the Philippines and South Korea will be terminated starting May 5, 2008.

Tax Matters

On April 3, 2007, the Mexican tax authority (*Secretaria de Hacienda y Crédito Público*) issued a decree providing for a tax amnesty program, which allowed for the settlement of previously issued tax assessments, and which we could apply to tax assessments of which we were notified in May 2006. We decided to take advantage of this program.

As of December 31, 2007, we and some of our subsidiaries in Mexico had been notified by the Mexican tax authority of several tax assessments related to different tax periods in a total amount of approximately Ps145 million (U.S.$13 million). The tax assessments were based primarily on investments made in entities incorporated in foreign countries with preferential tax regimes (currently known as *Regímenes Fiscales Preferentes*). We filed an appeal for each of these tax assessments before the Mexican federal tax court.

On April 11, 2008 we were notified that we obtained a favorable definitive resolution on our appeals, reducing the tax assessments mentioned above by approximately Ps109 million (U.S.$10 million), to a total amount of Ps36 million (U.S.$3 million).

Pursuant to amendments to the Mexican income tax law (*Ley del Impuesto sobre la Renta*), which became effective on January 1, 2005, Mexican companies with direct or indirect investments in entities incorporated in foreign countries whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico will be required to pay taxes in Mexico on passive income such as dividends, royalties, interest, capital gains and rental fees obtained by such foreign entities, provided that the income is not derived from entrepreneurial activities in such countries (income derived from entrepreneurial activities is not subject to tax under these amendments). The tax payable by Mexican companies in respect of the 2005 tax year pursuant to these amendments was due upon filing their annual tax returns in March 2006. We believe these amendments are contrary to Mexican constitutional principles, and on August 8, 2005, we filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. On December 23, 2005, we obtained a favorable ruling from the Mexican federal court that the amendments were unconstitutional; however, the Mexican tax authority has appealed this ruling, which is pending resolution. If the final ruling is not favorable to us, these amendments may have a material impact on us.

In addition, on March 20, 2006, we filed another motion in the Mexican federal courts challenging the constitutionality of the amendments. On June 29, 2006, we obtained a favorable ruling from the Mexican federal court stating that the amendments were unconstitutional. The Mexican tax authority has appealed the ruling, which is pending resolution.

The Mexican Congress approved several amendments to the Mexican Asset Tax Law (*Ley del Impuesto al Activo*) that came into effect on January 1, 2007. As a result of such amendments, all Mexican corporations, including us, were no longer allowed to deduct their liabilities from the calculation of the asset tax. We believe that the Asset Tax Law, as amended, is against the Mexican constitution. We have challenged the Asset Tax Law through appropriate judicial action (*juicio de amparo*).

The asset tax was imposed at a rate of 1.25% on the value of most of the assets of a Mexican corporation. The asset tax was "complementary" to the corporate income tax (*impuesto sobre la renta*) and, therefore, was payable only to the extent it exceeded payable income tax.

In 2008, the Asset Tax Law was abolished and a new federal tax applicable to all Mexican corporations was enacted, known as the *Impuesto Empresarial a Tasa Única* (Single Rate Corporate Tax), or IETU, which is a form of alternative minimum tax. See Item 10- Additional Information – Taxation.

Philippines

As of March 31, 2008, the Philippine Bureau of Internal Revenue (BIR), had assessed APO, Solid, IQAC, ALQC and CSPI, our operating subsidiaries in the Philippines, for deficiency taxes covering taxable years 1998-2005 amounting to a total of approximately 1,994 million Philippine Pesos (approximately U.S.$47.75 million as of March 31, 2008, based on an exchange rate of Philippine Pesos 41.76 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on March 31, 2008 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines).

The majority of the tax assessments result primarily from the disallowance of APO's income tax holiday incentives for taxable years 1999 to 2001 (approximately Philippine Pesos 1,078 million or U.S.$25.8 million as of March 31, 2008, based on an exchange rate of Philippine Pesos 41.76 to U.S.$1.00). We have contested the BIR's assessment, arising from the disallowance of the ITH incentive, with the Court of Tax Appeals (CTA). The initial Division ruling of the CTA was unfavorable, but is subject to further appeal with the CTA as a whole. The assessment is now currently on appeal with the CTA En Banc. A motion was filed with the CTA, requesting the court to hold APO totally not liable for alleged income tax liabilities for all the years covered and to this end cancel and withdraw APO's deficiency income tax assessments for taxable years 1999, 2000 and 2001 on the basis of APO's availment of the tax amnesty described below. As of March 31, 2008, resolution on the aforementioned motion is still pending.

Tax Amnesty

The Philippine operating subsidiaries, APO, Solid, IQAC, ALQC and CSPI, have decided to apply for, and avail themselves of, the tax amnesty under R.A. No. 9480, otherwise known as "An Act Enhancing the Revenue Administration and Collection by Granting an Amnesty on all Unpaid Internal Revenue Taxes Imposed by the National Government for Taxable Year 2005 and Prior Years". The above operating companies submitted all the necessary documents and fully paid the amnesty tax according to law and its implementing rules and regulations. The availment of the amnesty made the Philippine operating subsidiaries immune from their alleged tax liabilities and penalties (civil, criminal, or administrative) arising from failure to pay the tax for 2005 and prior years. This includes APO's alleged income tax liability for 1999, 2000, 2001 which is pending with the CTA. The amnesty program, however, does not cover withholding tax liabilities.

The impact of the availment of the amnesty on assessments pending with the CTA has been recognized by the Court of Tax Appeals in a decision rendered in the case of Metrobank v. CIR, CTA EB No. 269, CTA Case No. 6504, promulgated on March 28, 2008. In the said case, the CTA ruled that in view of taxpayer's compliance with the tax amnesty, the court considered the pending tax assessment case closed and terminated, and the tax deficiencies extinguished.

On the basis of the above, we believe that these outstanding Philippine tax assessments should not have a material adverse effect on CEMEX.

Polish Antitrust Investigation

During the period from May 31, 2006 to June 2, 2006, officers of the Polish Competition and Consumer Protection Office, or the Protection Office, assisted by police officers, conducted a search in the Warsaw office of

CEMEX Polska, one of our indirect subsidiaries in Poland, and in offices of other cement producers in Poland. The search took place as a part of the exploratory investigation that the head of the Polish Competition and Consumer Protection Office started on April 26, 2006. On January 2, 2007, CEMEX Polska received a notification from the Protection Office informing about the formal initiation of an antitrust proceeding against all cement producers in Poland, including CEMEX Polska and another of our indirect subsidiaries in Poland. In the notification it was assumed that there was an agreement between all cement producers in Poland regarding prices and other sales conditions of cement, an agreed division of the market with respect to the sale and production of cement, and the exchange of confidential information, all of which limited competition in the Polish market with respect to the production and sale of cement. On January 22, 2007, CEMEX Polska filed its response to the notification, denying firmly that it has committed the practices listed by the Protection Office in the notification. In its response, CEMEX Polska also included various formal comments and objections gathered during the proceeding, as well as facts supporting its position and proving that its activities were in line with competition law. The proceeding is still carried by the Protection Office. The Protection Office extended the date of the completion of the antitrust proceeding until July 2, 2008 due to the complexity of the case. Further extension of the proceeding is expected due to the fact the Protection Office has not yet completed formal works on records collected from all participants of the proceeding.

According to Polish competition law, the maximum fine could reach up to 10% of the total revenues of the company for the calendar year preceding the imposition of the fine. Based on revenues for the year ended December 31, 2007 and exchange rates prevailing at that date, CEMEX Polska could face up to 109.8 million Polish Zloty (approximately U.S.$44.7 million) in fines. We believe, at this stage, there are no justified factual grounds to expect fines to be imposed on CEMEX Polska.

CEMEX Venezuela Nationalization

In furtherance of Venezuela's announced policy to nationalize certain sectors of the economy, on June 18, 2008, the Nationalization Decree was promulgated, mandating that the cement production industry in Venezuela be reserved to the State and orders the conversion of foreign-owned cement companies, including CEMEX Venezuela, into state-controlled companies with Venezuela holding an equity interest of at least 60%. The Nationalization Decree provides for the formation of a transition committee to be integrated with the board of directors of the relevant cement company to guaranty the transfer of control over all activities of the relevant cement company to Venezuela by December 31, 2008. The Nationalization Decree further establishes a deadline of August 17, 2008 for the shareholders of foreign-owned cement companies, including CEMEX Venezuela, to reach an agreement with the Government of Venezuela on the compensation for the nationalization of their assets. The Nationalization Decree also provides that this deadline may be extended by mutual agreement of the Government of Venezuela and the relevant shareholder. Pursuant to the Nationalization Decree, if an agreement is not reached, Venezuela shall assume exclusive operational control of the relevant cement company and the Venezuelan National Executive shall decree the expropriation of the relevant shares according to the Venezuelan expropriation law.

No assurance can be given that an agreement with the Government of Venezuela will be reached. The Government of Venezuela has been advised by our subsidiaries in Spain and The Netherlands that are investors in CEMEX Venezuela that these subsidiaries reserve their rights to bring expropriation claims in arbitration under the Bilateral Investment Treaties Venezuela signed with those countries.Any significant political instability or political instability and economic volatility in the countries in South America, Central America and the Caribbean in which we have operations may have an impact on cement prices and demand for cement and ready-mix concrete, which may adversely affect our results of operations.

As of December 31, 2007, CEMEX Venezuela, S.A.C.A. was the holding entity of several of CEMEX's investments in the region, including CEMEX's operations in the Dominican Republic and Panama, as well as CEMEX's minority investment in Trinidad. In the wake of statements by the Government of Venezuela about the nationalization of assets in Venezuela, in April 2008, CEMEX concluded the transfer of all material non-Venezuelan investments to CEMEX España for approximately U.S.$355 million plus U.S.$112 million of net debt, having distributed all accrued profits from the non-Venezuelan investments to the stockholders of CEMEX Venezuela amounting to approximately U.S.$132 million. At this time, the net impact or the outcome of the nationalization on CEMEX's consolidated financial results cannot be reasonably estimated. The approximate net assets of CEMEX's Venezuelan operations under Mexican FRS at December 31, 2007 were approximately Ps8,973 million.

On June 13, 2008, the Venezuelan securities authority initiated an administrative proceeding against CEMEX Venezuela, claiming that the company did not sufficiently inform its shareholders and the securities authority in connection with the transfer of the non-Venezuelan assets described above. We are currently reviewing

the factual and legal considerations relative to this proceeding and will respond within the applicable legal time period.

Other Legal Proceedings

In May 1999, several companies filed a civil liability suit in the civil court of the circuit of Ibague, Colombia, against two of our Colombian subsidiaries, alleging that these subsidiaries were responsible for deterioration of the rice production capacity of the land of the plaintiffs caused by pollution from our cement plants located in Ibague, Colombia. On January 13, 2004, CEMEX Colombia was notified of the judgment the court entered against CEMEX Colombia, which awarded damages to the plaintiffs in the amount of 21,114 million Colombian Pesos (approximately U.S.$12.2 million as of June 4, 2008, based on an exchange rate of CoP1730 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on June 4, 2008, as published by the *Banco de la República de Colombia*, the central bank of Colombia). On January 15, 2004, CEMEX Colombia appealed the judgment. The appeal was admitted and the case was sent to the *Tribunal Superior de Ibagué*, where CEMEX Colombia filed, on March 23, 2004, a statement of the arguments supporting its appeal. The case is currently under review by the appellate court. We expect this proceeding to continue for several years before final resolution.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for alleged damages caused by the breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP127,242 million (approximately U.S.$73.5 million as of June 4, 2008, based on an exchange rate of CoP1730 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on June 4, 2008, as published by the *Banco de la República de Colombia*, the central bank of Colombia). On February 23, 2006, CEMEX was notified of the judgment of the court, dismissing the claims of the plaintiffs. The case is currently under review by the appellate court.

On August 5, 2005, a lawsuit was filed against a subsidiary of CEMEX Colombia, claiming that it was liable along with the other members of the *Asociación Colombiana de Productores de Concreto*, or ASOCRETO, a union formed by all the ready-mix concrete producers in Colombia, for the premature distress of the roads built for the mass public transportation system of Bogotá using ready-mix concrete supplied by CEMEX Colombia and other ASOCRETO members. The plaintiffs allege that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs seek the repair of the roads in a manner which guarantees their service during the 20-year period for which they were originally designed, and estimate that the cost of such repair will be approximately U.S.$45 million. The lawsuit was filed within the context of a criminal investigation of two ASOCRETO officers and other individuals, alleging that the ready-mix concrete producers were liable for damages if the ASOCRETO officers were criminally responsible. The court completed the evidentiary stage, and on August 17, 2006 dismissed the charges against the members of ASOCRETO.

The other defendants (one ex-director of the Distrital Institute of Development, the legal representative of the constructor and the legal representative of the contract auditor) were formally accused. The decision was appealed, and on December 11, 2006, the decision was reversed and the two ASOCRETO officers were formally accused as participants (determiners) in the execution of a state contract without fulfilling all legal requirements thereof. The first public hearing took place on November 20, 2007. In this hearing the judge dismissed an annulment petition filed by the ASOCRETO officers. The petition was based on the fact that the officers were formally accused of a different crime than the one they were being investigated for. This decision was appealed, but the decision was confirmed by the Superior Court of Bogota. On January 21, 2008, CEMEX Colombia was subject to a judicial order, issued by the court, sequestering a quarry called El Tujuelo, as security for a possible future money judgment to be rendered against CEMEX Colombia in these proceedings. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required within a period of 10 days to deposit with the Court in cash CoP$337,800 million (approximately U.S.$195 million as of June 4, 2008, based on an exchange rate of CoP1730 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on June 4, 2008, as published by the *Banco de la República de Colombia*, the central bank of Colombia), instead of being allowed to post an insurance policy to secure such recovery. CEMEX Colombia asked for reconsideration, and the court allowed CEMEX to present an insurance policy. Nevertheless, CEMEX appealed this decision, in order to reduce the amount of the insurance policy, and also requested that the guarantee be covered by all defendants in the case. The measure does not affect the normal activity of the quarry. At this stage, we are not able to assess the likelihood of an adverse result or the potential damages which could be borne by CEMEX Colombia.

In 2006 CEMEX and the Indonesian government agreed to settle their arbitration case before the ICSID. In this regard, CAH and the Indonesian government filed on July 29, 2006 a joint letter to the ICSID, requesting the issuance of an Award on Agreed Terms. On February 23, 2007, the Arbitral Tribunal issued an award embodying the parties' settlement agreement.

On August 5, 2005, Cartel Damages Claims, SA, or CDC, filed a lawsuit in the District Court in Düsseldorf, Germany against CEMEX Deutschland AG and other German cement companies. CDC is seeking €102 million in respect of damage claims by 28 entities relating to alleged price and quota fixing by German cement companies between 1993 and 2002, which entities had assigned their claims to CDC. CDC is a Belgian company established by two lawyers in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany's Federal Cartel Office with the express purpose of purchasing potential damages claims from cement consumers and pursuing those claims against the cartel participants. In January 2006, another entity assigned alleged claims to CDC, and the amount of damages being sought by CDC increased to €113.5 million plus interest. On February 21, 2007, the District Court of Düsseldorf decided to allow this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants appealed. The appeal hearing took place on April 22, 2008, and the appeal was dismissed on May 14, 2008. The lawsuit will proceed at the level of court of first instance. As of the date of this annual report the defendants are assessing whether or not to file a complaint before the Federal High Court. In the meantime, CDC had acquired new assigners and announced an increase in the claim to €131 million. As of March 31, 2008, we had accrued liabilities regarding this matter for a total amount of approximately €20 million.

After an extended consultation period, in April 2006, the cities of Kastela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to Dalmacijacement, our subsidiary in Croatia, by the Government of Croatia in September 2005. During the consultation period, Dalmacijacement submitted comments and suggestions to the Master Plans, but these were not taken into account or incorporated into the Master Plan by Kastela and Solin. Most of these comments and suggestions were intended to protect and preserve the rights of Dalmacijacement´s mining concession granted by the Government of Croatia in September 2005. Immediately after publication of the Master Plans, Dalmacijacement filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions. The legal actions taken and filed by Dalmacijacement were as follows: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning Dalmacijacement's constitutional claim for decrease and obstruction of rights earned by investment, and seeking prohibition of implementation of the Master Plans; (ii) on May 17, 2006, a possessory action against the cities of Kastela and Solin seeking the enactment of interim measures

prohibiting implementation of the Master Plans and including a request to implead the Republic of Croatia into the proceeding on our side, and (iii) on May 17, 2006, an administrative proceeding before the State Lawyer, seeking a declaration from the Government of Croatia confirming that Dalmacijacement acquired rights under the mining concessions. Dalmacijacement received State Lawyer's opinion which confirmes the Dalmacijacement's acquired rights according to the previous decisions ("old concession"). The municipal court in Solin issued a first instance judgment dismissing our possessory action. We filed an appeal against that judgment. The appeal has been resolved by County Court, affirming the judgment and rendering it final. The Municipal Court in Kaštela has issued a first instance judgment dismissing our possessory action. We have filed an appeal against said judgment. Currently it is difficult for Dalmacijacement to ascertain the approximate economic impact of these measures by Kastela and Solin. These cases are currently under review by the courts and applicable administrative entities in Croatia, and it is expected that these proceedings will continue for several years before resolution.

Club of Environmental Protection, a Latvian environmental protection organization, has initiated a court administrative proceeding against the amended environmental pollution permit for the Broceni Cement Plant in Latvia, owned by CEMEX SIA. This case is currently under review by the first instance of the administrative court, and it is expected that the case will continue for a few years if the parties appeal further to the next court instances. Dispute of the decision shall not suspend the operation and validity of the permit during the court proceedings, allowing CEMEX SIA to continue to operate fully. If the court decides to cancel or invalidate the permit, CEMEX SIA will not be allowed to perform the activities covered by the permit. The permit subject to this proceeding was issued for the existing cement line, which will be fully substituted in 2009 by a new cement line currently under construction at the Broceni plant.

On December 8, 2006, the United States District Court, District of Puerto Rico, issued a summons against Ready Mix Concrete, Inc. and Puerto Rican Cement Company, Inc., in the amount of U.S.$21 million, after an employee of the Puerto Rico Highway Authority was injured by a truck owned and operated by CEMEX. On April 21, 2007, the First Instance Court for the Commonwealth of Puerto Rico issued a summons against Hormigonera Mayagüezana Inc., seeking damages in the amount of U.S.$39 million, after the death of two people in an accident in which a Hormigonera Mayagüezana Inc. concrete mixer truck was involved. As of March 31, 2008 both cases are still pending trial.

On July 23, 2007, American Waste Management and Recycling, Inc. filed a lawsuit in the United States District Court for the District of Puerto Rico against CEMEX Puerto Rico and Canopy Ecoterra Corp. alleging breach of contract, collection of monies, and damages in the amount of U.S.$10 million, plus the amount a jury could award regarding the value of the irreparable harm and other damages that are unable to be quantified. At issue is an alleged contract in which plaintiff dismantled structures located at the CEMEX Plant in Ponce, and purchase the scrap metal resulting from the harvesting and dismantling of such structures. On January 10, 2008, the District Court for the District of Puerto Rico entered judgment dismissing the action without prejudice of state court jurisdiction. Since the Plaintiff did not appeal this decision the judgment became final.

On October 4, 2007 all Egyptian cement producers (including CEMEX) were referred to the public prosecutor for an alleged agreement on price fixing. The country manager and director of sales of CEMEX Egypt were both named as defendants. The case was referred to criminal court on February 13, 2008. If producers are found guilty, the maximum penalty for each entity could be 10 million Egyptian pounds (approximately US$ 1.8 million). Hearings on this matter have taken place, during which witnesses were heard and defenses were presented. The final court hearing was held on June 9, 2008, where the parties submitted their final statements of defense. At this hearing, the court announced that it will render its final judgment on August 25, 2008.

On July 13, 2007, the Australian Takeovers Panel published a declaration of unacceptable circumstances, namely, that CEMEX's May 7, 2007 announcement that it would allow Rinker shareholders to retain the final dividend of $0.25 per share constituted a departure from CEMEX's announcement on April 10, 2007 that its offer of US$15.85 per share was its "best and final offer". The Panel ordered CEMEX to pay compensation of $0.25 per share to Rinker shareholders who sold their shares during the period from April 10 to May 7, 2007, net of any purchases that were made. CEMEX believes that the market was fully informed by its announcements on April 10,

2007, and notes that the Takeovers Panel has made no finding that CEMEX breached any law. CEMEX has lodged a request for a review of the Panel decision. On July 20, 2007, the Review Panel made an interim order staying the operation of the orders until further notice. Although there is insufficient information about the exact figure, CEMEX estimates that the amount it would have to pay if the Panel's orders were affirmed is approximately AU$29 million.

As of the date of this annual report, we are involved in various legal proceedings involving product warranty claims, environmental claims, indemnification claims relating to acquisitions and similar types of claims brought against us that have arisen in the ordinary course of business. We believe we have made adequate provisions to cover both current and contemplated general and specific litigation risks, and we believe these matters will be resolved without any significant effect on our operations, financial position or results of operations.

Item 4A Unresolved Staff Comments

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Not applicable.

Item 5 Operating and Financial Review and Prospects

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Cautionary Statement Regarding Forward Looking Statements

This annual report contains forward-looking statements that reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. In this annual report, the words "expects," "believes," "anticipates," "estimates," "intends," "plans," "probable" and variations of such words and similar expressions are intended to identify forward-looking statements. Such statements necessarily involve risks and uncertainties that could cause actual results to differ materially from those anticipated. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could impact us or our subsidiaries, include:

- the cyclical activity of the construction sector;
- competition;
- general political, economic and business conditions;
- weather and climatic conditions;
- national disasters and other unforeseen events; and
- the other risks and uncertainties described under Item 3 "— Key Information — Risk Factors" and elsewhere in this annual report.

Readers are urged to read this entire annual report and carefully consider the risks, uncertainties and other factors that affect our business. The information contained in this annual report is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements. Readers should review future reports filed by us with the U.S. Securities and Exchange Commission.

This annual report also includes statistical data regarding the production, distribution, marketing and sale of cement, ready-mix concrete, clinker and aggregates. We generated some of these data internally, and some were obtained from independent industry publications and reports that we believe to be reliable sources. We have not independently verified these data nor sought the consent of any organizations to refer to their reports in this annual report.

Overview

The following discussion should be read in conjunction with our consolidated financial statements included elsewhere in this annual report. Our financial statements have been prepared in accordance with Mexican FRS, which differ in significant respects from U.S. GAAP. See note 25 to our consolidated financial statements, included elsewhere in this annual report, for a description of the principal differences between Mexican FRS and U.S. GAAP as they relate to us.

Mexico experienced annual inflation rates of 3.0% in 2005, 4.1% in 2006 and 4.0% in 2007. Mexican FRS requires that our consolidated financial statements during the periods presented recognize the effects of inflation. Consequently, financial data for all periods in our consolidated financial statements and throughout this annual report, except as otherwise noted, have been restated in constant Mexican Pesos as of December 31, 2007. They have been restated using the CEMEX weighted average inflation factors, as explained in note 3B to our consolidated financial statements included elsewhere in this annual report. Beginning January 1, 2008, however, under Mexican FRS inflation accounting will be applied only in high inflation environments. See note 3X to our consolidated financial statements.

The percentage changes in cement sales volumes described in this annual report for our operations in a particular country or region include the number of tons of cement and/or the number of cubic meters of ready-mix concrete sold to our operations in other countries and regions. Likewise, unless otherwise indicated, the net sales financial information presented in this annual report for our operations in each country or region includes the Mexican Peso amount of sales derived from sales of cement and ready-mix concrete to our operations in other countries and regions, which have been eliminated in the preparation of our consolidated financial statements included elsewhere in this annual report.

The following table sets forth selected financial information as of and for each of the three years ended December 31, 2005, 2006 and 2007 by principal geographic segment expressed as an approximate percentage of our total consolidated group. Through the RMC acquisition, we acquired new operations in the United States, Spain, Africa and the Middle East and Asia, which had a significant impact on our operations in those segments, and we acquired operations in the United Kingdom and the Rest of Europe, in which segments we did not have operations prior to the RMC acquisition. The financial information as of and for the year ended December 31, 2005 in the table below includes the consolidation of RMC's operations for the ten-month period ended December 31, 2005, and the financial information as of and for the year ended December 31, 2006 in the table below includes the consolidation of RMC's operations for the entire year ended December 31, 2006. Through the Rinker acquisition, we acquired new operations in the United States, which have had a significant impact on our operations in that segment, and we acquired operations in Australia, in which segment we did not have operations prior to the Rinker acquisition. The financial information as of and for the year ended December 31, 2007 in the table below includes the consolidation of Rinker's operations for the six-month period ended December 31, 2007. We operate in countries and regions with economies in different stages of development and structural reform, with different levels of fluctuation in exchange rates, inflation and interest rates. These economic factors may affect our results of operations and financial condition depending upon the depreciation or appreciation of the exchange rate of each country and region in which we operate compared to the Mexican Peso and the rate of inflation of each of these countries and regions. The variations in (1) the exchange rates used in the translation of the local currency to Mexican Pesos, and (2) the rates of inflation used for the restatement of our financial information to constant Mexican Pesos, as of the latest balance sheet presented, may affect the comparability of our results of operations and consolidated financial position from period to period.

	% Mexico	% United States	% Spain	% United Kingdom	% Rest of Europe	% South America, Central America and the Caribbean	% Africa and the Middle East	% Australia and Asia	% Others	Combined	Eliminations	Consolidated
	(in millions of constant Mexican Pesos as of December 31, 2007, except percentages)											
Net Sales For the Period Ended(1):												
December 31, 2005	19%	25%	9%	9%	16%	8%	4%	2%	8%	207,699	(15,307)	192,392
December 31, 2006	18%	21%	9%	10%	20%	8%	4%	2%	8%	234,155	(20,388)	213,767
December 31, 2007	16%	22%	9%	9%	19%	9%	3%	5%	8%	253,937	(17,268)	236,669
Operating Income For the Period Ended(2):												
December 31, 2005	41%	27%	14%	2%	7%	9%	4%	2%	(6)%	31,227	—	31,227
December 31, 2006	38%	29%	16%	1%	6%	12%	5%	2%	(9)%	34,505	—	34,505
December 31, 2007	39%	18%	19%	(1)%	10%	18%	5%	6%	(14)%	32,448	—	32,448
Total Assets at: (2)												
December 31, 2005	18%	23%	10%	9%	11%	10%	3%	6%	10%	336,081	—	336,081
December 31, 2006	18%	23%	10%	8%	13%	10%	3%	6%	9%	351,083	—	351,083
December 31, 2007	11%	46%	8%	5%	9%	7%	2%	7%	5%	542,314	—	542,314

(1) Percentages by reporting segment are determined before eliminations resulting from consolidation.
(2) Percentages by reporting segment are determined before eliminations resulting from consolidation.

Critical Accounting Policies

We have identified below the accounting policies we have applied under Mexican FRS that are critical to understanding our overall financial reporting.

Income Taxes

Our operations are subject to taxation in many different jurisdictions throughout the world. Under Mexican FRS, we recognize deferred tax assets and liabilities using a balance sheet methodology, which requires a determination of the permanent and temporary differences between the financial statements carrying amounts and the tax basis of assets and liabilities. Our worldwide tax position is highly complex and subject to numerous laws that require interpretation and application and that are not consistent among the countries in which we operate. Significant judgment is required to appropriately assess the amounts of tax assets and liabilities. We record tax assets when we believe that the recoverability of the asset is determined to be more likely than not in accordance with established accounting principles. If this determination cannot be made, a valuation allowance is established to reduce the carrying value of the asset.

Our overall strategy is to structure our worldwide operations to minimize or defer the payment of income taxes on a consolidated basis. Many of the activities we undertake in pursuing this tax reduction strategy are highly complex and involve interpretations of tax laws and regulations in multiple jurisdictions and are subject to review by the relevant taxing authorities. It is possible that the taxing authorities could challenge our application of these regulations to our operations and transactions. The taxing authorities have in the past challenged interpretations that we have made and have assessed additional taxes. Although we have from time to time paid some of these additional assessments, in general we believe that these assessments have not been material and that we have been successful in sustaining our positions. No assurance can be given, however, that we will continue to be as successful as we have been in the past or that pending appeals of current tax assessments will be judged in our favor.

Recognition of the effects of inflation

Until December 31, 2007, under Mexican FRS, the financial statements of each subsidiary were restated to reflect the loss of purchasing power (inflation) of its functional currency. Newly issued Mexican Financial Reporting Standard B-10, *Inflation effects* ("MFRS B-10"), effective beginning January 1, 2008, establishes significant changes to inflationary accounting in Mexico. The most significant changes are:

- Inflationary accounting will be only applied in a high-inflation environment, defined by MFRS B-10 as existing when the cumulative inflation for the preceding three years equals or exceeds 26%. Until December 31, 2007, inflationary accounting was applied to all of our subsidiaries regardless the inflation level of their respective country. Beginning in 2008, only the financial statements of those subsidiaries whose functional currency corresponds to a country under high inflation will be restated to take account of inflation,

- The new standard eliminates the alternative to restate inventories using specific cost indexes, as well as the rule to restate fixed assets of foreign origin using the factor that considers the inflation of the country of origin of the asset and the variation in the foreign exchange rate between the currency of the country of origin and the country holding the asset. MFRS B-10 establishes the use of the factors derived from the general price indexes of the country holding the assets as the sole alternative for restatement.,

- MFRS B-10 eliminates the requirement to restate the amounts of the income statement for the period (constant peso amounts), as well as the comparative financial statements for prior periods, into constant peso amounts as of the most recent balance sheet date. Beginning in 2008, the income statement for subsequent periods will be presented in nominal values, and, as long as the cumulative inflation for the preceding three years in Mexico is below 26%, the financial statements for periods prior to 2008 will be presented in constant pesos as of December 31, 2007, the last date when inflationary accounting was applied generally.

- When moving from a high-inflation to a low-inflation environment, MFRS B-10 provides that the restatement adjustments as of the date of discontinuing the inflationary accounting should prevail as part of the carrying amounts. When moving from a low-inflation to a high-inflation environment, the initial restatement factor for properties, machinery and equipment, as well as for intangible assets, should consider the cumulative inflation since the last time inflationary accounting was discontinued. Upon adoption of new MFRS B-10, the accumulated result for holding non-monetary assets, included within "Deficit in equity restatement" (see note 16B to the financial statements included elsewhere in this annual report), should be reclassified to "Retained earnings". As of December 31, 2007, most of our subsidiaries operate in low-inflation environments; therefore, restatement of their historical cost financial statements to take account of inflation will be suspended starting January 1, 2008. We do not anticipate that the adoption of new MFRS B-10 will have a material adverse effect on our results of operations.

Under inflationary accounting until December 31, 2007, the inflation effects arising from holding monetary assets and liabilities were reflected in the income statements as monetary position result. Inventories, fixed assets and deferred charges, with the exception of fixed assets of foreign origin and the equity accounts, were restated to account for inflation using the consumer price index applicable in each country. Fixed assets of foreign origin were restated using the inflation index of the assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the functional currency. The result was reflected as an increase or decrease in the carrying value of each item, and was presented in consolidated stockholders' equity in the line item "Effects from Holding Non-Monetary Assets." Income statement accounts were also restated for inflation into constant Mexican Pesos as of the reporting date.

Foreign currency translation

As mentioned above, until December 31, 2007, the financial statements of consolidated foreign subsidiaries were restated for inflation in their functional currency based on the subsidiary country's inflation rate. Subsequently, the restated financial statements were translated into Mexican Pesos using the foreign exchange rate at the end of the corresponding reporting period for balance sheet and income statement accounts.

In connection with the changes in inflationary accounting under Mexican FRS, concurrent with the use of nominal amounts during low-inflation periods, beginning January 1, 2008, the translation of foreign currency financial statements into Mexican pesos will be made using the foreign exchange rate at the end of the corresponding reporting period for balance sheet and the exchange rates at the end of each month for the income statement accounts. For subsidiaries operating in high-inflation environments, the financial statements will be first restated into constant amounts in their functional currency, and then translated into Mexican pesos using the exchange rate at the reporting date for balance sheet and income statement accounts.

Derivative financial instruments

As mentioned in note 3L to our consolidated financial statements included elsewhere in this annual report, in compliance with the guidelines established by our risk management committee, we use derivative financial instruments such as interest rate and currency swaps, currency and stock forward contracts, and other instruments, in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) our net assets in foreign subsidiaries and (iii) future exercises of options under our executive stock option programs. These instruments have been negotiated with institutions with significant financial capacity; therefore, we consider the risk of non-compliance with the obligations agreed to by such counterparties to be minimal.

Derivative financial instruments are recognized as assets or liabilities in the balance sheet at their estimated fair value and the changes in such fair values are recognized in the income statement for the period in which they occur, except for changes in the fair value of derivative instruments that are designated and effective as hedges of the variability in the cash flows associated with existing assets or liabilities and/or forecasted transactions. Some of our instruments have been designated as accounting hedges of debt or equity instruments (see note 3L to our consolidated financial statements included elsewhere in this annual report).

Interest accruals generated by interest rate swaps and cross currency swaps are recognized as financial expense, adjusting the effective interest rate of the related debt. Interest accruals from other hedging derivative instruments are recorded within the same item when the effects of the primary instrument subject to the related hedging transactions are recognized. See notes 12C, D and E to our consolidated financial statements included elsewhere in this annual report.

Pursuant to the accounting principles established by Mexican FRS, our balance sheets and income statements are subject to volatility arising from variations in interest rates, exchange rates, share prices and other conditions established in our derivative instruments. The estimated fair value represents the amount at which a financial asset could be bought or sold, or a financial liability could be extinguished at the reporting date, between willing parties in an arm's length transaction. Occasionally, there is a reference market that provides the estimated fair value; in the absence of a market, such value is determined by the net present value of projected cash flows or through mathematical valuation models. The estimated fair values of derivative instruments determined by us and used by us for recognition and disclosure purposes in the financial statements and their notes, are supported by the confirmations of these values received from the counterparties to these financial instruments; nonetheless, significant judgment is required to account appropriately for the effects of derivative financial instruments in the financial statements.

The estimated fair values of derivative financial instruments fluctuate over time, and are based on estimated settlement costs or quoted market prices. These values should be viewed in relation to the fair values of the underlying instruments or transactions, and as part of our overall exposure to fluctuations in foreign exchange rates, interest rates and prices of shares. The notional amounts of derivative instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure through our use of derivatives. The amounts exchanged are determined on the basis of the notional amounts and other variables included in the derivative instruments.

Impairment of long-lived assets

Our balance sheet reflects significant amounts of long-lived assets (mainly fixed assets and goodwill) associated with our operations throughout the world. Many of these amounts have resulted from past acquisitions, which have required us to reflect these assets at their fair market values at the dates of acquisition. According to their characteristics and the specific accounting rules related to them, we assess the recoverability of our long-lived assets periodically and at least once a year, as is the case for goodwill and other intangible assets of indefinite life, or whenever events or circumstances arise that we believe trigger a requirement to review such carrying values, as is the case with property, machinery and equipment and intangible assets of definite life.

Goodwill is evaluated for impairment by determining the value in use (fair value) of the reporting units, which consists of the discounted amount of estimated future cash flows to be generated by such reporting units to which goodwill relates. A reporting unit refers to a group of one or more cash generating units. Each reporting unit, for purposes of the impairment evaluation, consists of all operations in each country. An impairment loss is recognized if such discounted cash flows are lower than the net book value of the reporting unit. In applying the value in use (fair value) method, we determine the discounted amount of estimated future cash flows over a period of 5 years.

For the years ended December 31, 2005, 2006 and 2007, the geographic segments we reported in note 18 to our consolidated financial statements included elsewhere in this annual report, each integrated by multiple cash generating units, also represent our reporting units for purposes of testing goodwill for impairment. Based on our analysis, we concluded that the operating components that integrate the reported segments have similar economic characteristics, by considering: a) the reported segments are the level used by us to organize and evaluate our activities in the internal information system, b) the homogenous nature of the items produced and traded in each operative component, which are all used by the construction industry, c) the vertical integration in the value chain of the products comprising each component, d) the type of clients, which are substantially similar in all components, e) the operative integration among operating components, evidenced by the adoption of shared service centers, and f) the compensation system of any of our country operations is based on the consolidated results of the geographic segment and not on the particular results of the components.

Impairment evaluations are significantly sensitive, among other factors, to the estimation of future prices of our products, the development of operating expenses, local and international economic trends in the construction industry, as well as the long-term growth expectations in the different markets. Likewise, the discount rates and the rates of growth in perpetuity used have an effect on such impairment evaluations. We use specific discount rates for each reporting unit, which consider the weighted average cost of capital of each geographic segment. This determination requires substantial judgment and is highly complex when considering the many countries in which we operate, each of which has its own economic circumstances that have to be monitored. Additionally, we monitor the lives assigned to these long-lived assets for purposes of depreciation and amortization, when applicable. This determination is subjective and is integral to the determination of whether an impairment has occurred.

Valuation reserves on accounts receivable and inventories

On a periodic basis, we analyze the recoverability of our accounts receivable and our inventories (supplies, raw materials, work-in-process and finished goods), in order to determine if due to credit risk or other factors in the case of our receivables and due to weather or other conditions in the case of our inventories, some receivables may not be recovered or certain materials in our inventories may not be utilizable in the production process or for sale purposes. If we determine such a situation exists, book values related to the non-recoverable assets are adjusted and charged to the income statement through an increase in the doubtful accounts reserve or the inventory obsolescence reserve, as appropriate. These determinations require substantial management judgment and are highly complex when considering the various countries in which we have operations, each having its own economic circumstances that require continuous monitoring, and our numerous plants, deposits, warehouses and quarries. As a result, final losses from doubtful accounts or inventory obsolescence could differ from our estimated reserves.

Asset retirement obligations

We recognize unavoidable obligations, legal or constructive, to restore operating sites upon retirement of tangible long-lived assets at the end of their useful lives. These obligations represent the net present value of estimated future cash flows to be incurred in the restoration process, and are initially recognized against the related assets' book value. The additional asset is depreciated during its remaining useful life. The increase of the liability, by the passage of time, is charged to the income statement of the period. Adjustments to the obligation for changes in the estimated cash flows or the estimated disbursement period are made against fixed assets, and depreciation is modified prospectively.

Asset retirement obligations are related mainly to future costs of demolition, cleaning and reforestation, so that at the end of their operation, raw materials extraction sites, maritime terminals and other production sites are left in acceptable condition. Significant judgment is required in assessing the estimated cash outflows that will be disbursed upon retirement of the related assets. See notes 3M and 13 to our consolidated financial statements included elsewhere in this annual report.

Transactions in our own stock

From time to time we have entered into various transactions involving our own stock. These transactions have been designed to achieve various financial goals but were primarily executed to give us a means of satisfying future transactions that may require us to deliver significant numbers of shares of our own stock. These transactions are described in detail in the notes to our consolidated financial statements included elsewhere in this annual report. We have viewed these transactions as hedges against future exposure even though they do not meet the definition of hedges under accounting principles. There is significant judgment necessary to properly account for these transactions, as the obligations underlying the related transactions are required to be reflected at market value, with the changes in such value reflected in our income statement. These transactions raise the possibility that we could be required to reflect losses on the transactions in our own shares without having a converse reflection of gains on the transactions under which we would deliver such shares to others. See notes 3U and 17 to our consolidated financial statements included elsewhere in this annual report.

Results of Operations

Consolidation of Our Results of Operations

Our consolidated financial statements, included elsewhere in this annual report, include those subsidiaries in which we hold a majority interest or which we otherwise control. The financial statements of joint ventures, which are those entities in which we and third-party investors have agreed to exercise joint control, are consolidated

through the proportional integration method considering our interest in the results of operations, assets and liabilities of such entities. Full consolidation or the equity method, as applicable, is applied for those joint ventures in which one of the venture partners controls the entity's administrative, financial and operating policies.

Investments in associates (see note 9A to our consolidated financial statements) are accounted for by the equity method, when CEMEX holds between 10% and 50% of the issuer's capital stock and does not have effective control. Under the equity method, after acquisition, the investment's original cost is adjusted for the proportional interest of the holding company in the associate's equity and earnings, considering the effects of inflation.

All significant intercompany balances and transactions have been eliminated in consolidation.

For the periods ended December 31, 2005, 2006, and 2007 our consolidated results reflect the following transactions:

- On August 28, 2007, we completed the acquisition of 100% of the Rinker shares for a total consideration of approximately U.S.$14.2 billion (approximately Ps155.6 billion) (excluding the assumption of approximately U.S.$1.3 billion (approximately Ps13.9 billion) of Rinker's debt). For accounting purposes, July 1, 2007 was established as Rinker's acquisition date and we began consolidating the financial results of Rinker on such date. Our consolidated financial statements for the year ended December 31, 2007 include Rinker's results of operations for the six-month period ended December 31, 2007 only. For its fiscal year ended March 31, 2007, Rinker reported consolidated revenues of approximately U.S.$5.3 billion. Approximately U.S.$4.1 billion of these revenues were generated in the United States, and approximately U.S.$1.2 billion were generated in Australia and China. As of that date, Rinker had more than 13,000 employees. During such fiscal period, Rinker produced approximately 2 million tons of cement, 93 million tons of aggregates and sold close to 13 million cubic meters of ready-mix concrete. In Australia, Rinker's main activities are oriented to the production and sale of ready-mix concrete and other construction materials.

- As required by the Antitrust Division of the United States Department of Justice, pursuant to a divestiture order in connection with the Rinker acquisition, in December 2007, CEMEX sold to the Irish producer CRH plc, ready-mix concrete and aggregates plants in Arizona and Florida for approximately U.S.$250 million of which approximately U.S.$30 million corresponded to the sale of assets from CEMEX's pre-Rinker acquisition operations.

- On December 22, 2005, we terminated our 50/50 joint ventures with Lafarge Asland in Spain and Portugal, which we acquired in the RMC acquisition. Under the terms of the termination agreement, Lafarge Asland received a 100% interest in both joint ventures and we received approximately U.S.$61 million in cash, as well as 29 ready-mix concrete plants and five aggregates quarries in Spain. Our consolidated financial statements for the year ended December 31, 2005 include our 50% interest in the results of operations relating to these joint venture assets through the proportionate consolidation method for the period from March 1, 2005 through December 22, 2005 only.

- On August 29, 2005, we sold RMC's operations in the Tucson, Arizona area, consisting of several ready-mix concrete and related assets, to California Portland Cement Company for a purchase price of approximately U.S.$16 million. Our income statement for the year ended December 31, 2005 includes the results of operations relating to these assets for the period from March 1, 2005 through August 29, 2005 only.

- On July 1, 2005, we and Ready Mix USA established two jointly-owned limited liability companies, CEMEX Southeast, LLC, a cement company, and Ready Mix USA, LLC, a ready-mix concrete

company, to serve the construction materials market in the southeast region of the United States. Under the terms of the limited liability company agreements and related asset contribution agreements, we contributed two cement plants (Demopolis, Alabama and Clinchfield, Georgia) and 11 cement terminals to CEMEX Southeast, LLC, representing approximately 98% of its contributed capital, while Ready Mix USA contributed cash to CEMEX Southeast, LLC representing approximately 2% of its contributed capital. In addition, we contributed our ready-mix concrete, aggregates and concrete block assets in the Florida panhandle and southern Georgia to Ready Mix USA, LLC, representing approximately 9% of its contributed capital, while Ready Mix USA contributed all its ready-mix concrete and aggregate operations in Alabama, Georgia, the Florida panhandle and Tennessee, as well as its concrete block operations in Arkansas, Tennessee, Mississippi, Florida and Alabama to Ready Mix USA, LLC, representing approximately 91% of its contributed capital. We own a 50.01% interest, and Ready Mix USA owns a 49.99% interest, in the profits and losses and voting rights of CEMEX Southeast, LLC, while Ready Mix USA owns a 50.01% interest, and we own a 49.99% interest, in the profits and losses and voting rights of Ready Mix USA, LLC. In a separate transaction, on September 1, 2005, we sold 27 ready-mix concrete plants and four concrete block facilities located in the Atlanta, Georgia metropolitan area to Ready Mix USA, LLC for approximately U.S.$125 million. For the years ended December 31, 2007, 2006 and 2005, we had control of, and consolidated, CEMEX Southeast, LLC, while our interest in Ready Mix USA, LLC was accounted for by the equity method since it was controlled by Ready Mix USA. Our consolidated income statement for the year ended December 31, 2005 include the results of operations relating to the assets we contributed to Ready Mix USA, LLC for the period from January 1, 2005 through July 1, 2005 only and the results of operations relating to the assets we sold to Ready Mix USA, LLC for the period from March 1, 2005 through September 1, 2005 only, since we acquired those assets in the RMC acquisition.

- In July 2005, we acquired 15 ready-mix concrete plants through the purchase of Concretera Mayaguezana, a ready-mix concrete producer located in Puerto Rico, for approximately Ps326 million (U.S.$30 million). Our consolidated income statement for the year ended December 31, 2005 include the results of operations relating to the assets for the period from July 1, 2005 through December 31, 2005 only.

- In July 2005, we sold a cement terminal to the City of Detroit for approximately U.S.$24 million. Our consolidated income statement for the year ended December 31, 2005 includes the results of operations relating to this cement terminal for the six-month period ended June 30, 2005 only.

- On March 31, 2005, we sold our Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim Participações S.A., a cement company in Brazil, for approximately U.S.$389 million. The combined capacity of the two cement plants sold was approximately two million tons per year, and the operations of these plants represented approximately 9% of our U.S. operations' operating cash flow for the year ended December 31, 2004. Our consolidated income statement for the year ended December 31, 2005 includes the results of operations relating to these assets for the three-month period ended March 31, 2005 only.

- On March 1, 2005, we completed our acquisition of RMC for a total purchase price of approximately U.S.$4.3 billion, excluding approximately U.S.$2.2 billion of assumed debt. Our consolidated income statement for the year ended December 31, 2005 includes RMC's results of operations for the ten-month period ended December 31, 2005. RMC, headquartered in the United Kingdom, was one of Europe's largest cement producers and one of the world's largest suppliers of ready-mix and aggregates, with operations in 22 countries, primarily in Europe and the United States, and employed over 26,000 people. The assets acquired included 13 cement plants with an approximate installed capacity of 17 million tons, located in the United Kingdom, the United States, Germany, Croatia, Poland and Latvia.

Selected Consolidated Income Statement Data

The following table sets forth our selected consolidated income statement data for each of the three years ended December 31, 2005, 2006, and 2007 expressed as a percentage of net sales.

	Year Ended December 31,		
	2005	**2006**	**2007**
Net sales	100.0	100.0	100.0
Cost of sales	(60.5)	(63.8)	(66.6)
Gross profit	39.5	36.2	33.4
Administrative and selling expenses	(12.8)	(13.4)	(14.0)
Distribution expenses	(10.5)	(6.7)	(5.7)
Total operating expenses	(23.3)	(20.1)	(19.7)
Operating income	16.2	16.1	13.7
Other expenses, net	(2.2)	(0.3)	(1.4)
Comprehensive financing result:			
Financial expense	(3.4)	(2.7)	(3.7)
Financial income	0.3	0.3	0.4
Results from financial instruments	2.5	(0.1)	1.0
Foreign exchange result	(0.5)	0.1	(0.1)
Monetary position result	2.8	2.2	2.9
Net comprehensive financing result	1.7	(0.2)	0.5
Equity in income of associates	0.6	0.7	0.6
Income before income tax	16.3	16.3	13.4
Income taxes	(2.2)	(2.6)	(2.0)
Consolidated net income	14.1	13.7	11.4
Minority interest net income	0.3	0.7	0.4
Majority interest net income	13.8	13.0	11.0

Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

Overview

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2007 compared to the year ended December 31, 2006 in our domestic cement and ready-mix concrete sales volumes as well as export sales volumes of cement and domestic cement and ready-mix concrete average prices for each of our geographic segments.

	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Prices in Local Currency(1)	
Geographic Segment	**Cement**	**Ready-Mix Concrete**	**Cement**	**Cement**	**Ready-Mix Concrete**
North America					
Mexico	+4%	+8%	-21%	-1%	+2%
United States(2)	-8%	+13%	N/A	+4%	+1%
Europe					
Spain	-5%	-4%	-28%	+9%	+7%
UK	+12%	-2%	N/A	+8%	+4%
Rest of Europe	+5%	Flat	N/A	+15%	+5%
South/Central America and the Caribbean(3)					
Venezuela	+16%	+10%	-51%	+5%	+26%
Colombia	+19%	+24%	N/A	+17%	+12%

Rest of South/Central America and the Caribbean(4)	-3%	+7%	N/A	+23%	+11%
Africa and the Middle East(5)					
Egypt	+8%	+16%	-100%	+9%	+14%
Rest of Africa and the Middle East(6)	N/A	-2%	N/A	N/A	+13%
Australia and Asia(7)					
Australia	N/A	N/A	N/A	N/A	N/A
Philippines	+12%	N/A	-9%	+5%	N/A
Rest of Asia(8)	+18%	+11%	N/A	+10%	+10%

N/A = Not Applicable

(1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of Europe region, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change of prices in Dollar terms (except for the Rest of Europe region, which represent the weighted average change of prices in Euros) based on total sales volumes in the region.

(2) Our cement and ready-mix concrete sales volumes and average prices in the United States for the year ended December 31, 2007 include the sales volumes and average prices of the cement and ready-mix concrete operations in the United States we acquired as a result of the Rinker acquisition for the six-month period ended December 31, 2007, except that the sales volumes and average prices relating to the assets we were required to divest as a result of the Rinker acquisition by the Antitrust Division of the United States Department of Justice, are included only for the periods from January 1, 2007 through November 30, 2007 (with respect to the assets subject to divestiture owned by us prior to our acquisition of Rinker) and from July 1, 2007 through November 30, 2007 (with respect to the assets subject to divestiture owned by Rinker prior to our acquisition of Rinker).

(3) Our South America, Central America and the Caribbean segment includes our operations in Venezuela, Colombia and the operations listed in note 4 below; however, in above table, our operations in Venezuela and Colombia are presented separately from our other operations in the segment for purposes of presentation of our operations in the region.

(4) Our Rest of South/Central America and the Caribbean segment includes our operations in Costa Rica, Panama, the Dominican Republic, Nicaragua, Puerto Rico, Jamaica and Argentina and our trading activities in the Caribbean.

(5) Our Africa and the Middle East segment includes our operations in Egypt and the operations listed in note 6 below.

(6) Our Rest of Africa and the Middle East segment includes the operations in the United Arab Emirates and Israel.

(7) Our Australia and Asia segment includes the operations in Australia as well as limited operations in China we acquired as a result of the Rinker acquisition for the six-month period ended December 31, 2007, our operations in the Philippines and the operations listed in note 8 below.

(8) Our Rest of Asia segment includes our operations in Malaysia, Thailand, Bangladesh and other assets in the Asian region.

On a consolidated basis, our cement sales volumes increased approximately 2%, from 85.7 million tons in 2006 to 87.3 million tons in 2007, and our ready-mix concrete sales volumes increased approximately 9%, from 73.6 million cubic meters in 2006 to 80.5 million cubic meters in 2007. Our net sales increased approximately 11% from Ps213,767 million in 2006 to Ps236,669 million in 2007, and our operating income decreased approximately 6% from Ps34,505 million in 2006 to Ps32,448 million in 2007.

Approximately 69% of the increase in the cement sales volumes during 2007 compared to 2006 resulted from the consolidation of Rinker's operations for six months during 2007 compared to 2006. All the increase in ready-mix concrete sales volumes during 2007 compared to 2006 resulted from the consolidation of Rinker's operations for six months during 2007 compared to 2006. All the increase in net sales during 2007 compared to 2006 resulted from the consolidation of Rinker's operations for six-months in 2007 compared to 2006. Both our and Rinker's United States operations experienced significant declines in net sales in 2007, as described below.

The following tables present selected condensed financial information of net sales and operating income for each of our geographic segments for the years ended December 31, 2006 and 2007. Variations in net sales determined on the basis of constant Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso, as well as the effects of inflation as applied to the Mexican Peso amounts using our weighted average inflation factor; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Geographic Segment	Net Sales: Variations in Local Currency (1)	Net Sales: Fluctuations, Net of Inflation Effects Approximate Currency	Net Sales: Variations in Constant Mexican Pesos	For the Year Ended December 31, 2006	For the Year Ended December 31, 2007
				(In millions of constant Mexican Pesos as of December 31, 2007)	
North America					
Mexico	+7%	-9%	-2%	42,577	41,814
United States(2)	+18%	-6%	+12%	48,911	54,607
Europe					
Spain	+4%	+5%	+9%	21,834	23,781
United Kingdom	Flat	-6%	-6%	23,854	22,432
Rest of Europe	+4%	+1%	+5%	44,691	47,100
South/Central America and the Caribbean(3)					
Venezuela	+22%	-4%	+18%	6,217	7,317
Colombia	+38%	+5%	+43%	4,206	6,029
Rest of South / Central America and the Caribbean(4)	+22	-3%	+19%	9,046	10,722
Africa and Middle East(5)					
Egypt	+10%	-6%	+4%	3,577	3,723
Rest of Africa and the Middle East(6)	+3%	-6%	-3%	4,794	4,666
Australia and Asia(7)					
Australia (8)	N/A	N/A	N/A	—	8,633
Philippines	+9%	+12%	+21%	2,620	3,173
Rest of Asia(9)	+24%	-2%	+22%	1,694	2,068
Others(10)	-5%	-6%	-11%	20,134	17,872
			+8%	234,155	253,937
Eliminations from consolidation				(20,388)	(17,268)
Consolidated net sales			+11%	213,767	236,669

	Operating Income				
Geographic Segment	Variations in Local Currency (1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Constant Mexican Pesos	For the Year Ended December 31, 2006	2007
				(In millions of constant Mexican Pesos as of December 31, 2007)	
North America					
Mexico	+3%	-8%	-5%	13,210	12,549
United States(2)	-31%	-9%	-41%	10,092	5,966
Europe					
Spain	+4%	+3%	+7%	5,637	6,028
United Kingdom	-418%	+28%	-390%	154	(446)
Rest of Europe	+22%	+26%	+48%	2,220	3,281
South/Central America and the Caribbean(3)					
Venezuela	+14%	-4%	+10%	1,799	1,971
Colombia	+78%	+1%	+79%	1,138	2,037
Rest of South/Central America and the Caribbean(4)	+59%	-10%	+49%	1,322	1,975
Africa and Middle East(5)					
Egypt	+12%	-8%	+4%	1,475	1,534
Rest of Africa and the Middle East(6)	-146%	+3%	-143%	120	(51)
Australia and Asia(7)					
Australia (8)	N/A	N/A	N/A	—	1,177
Philippines	+13%	+4%	+17%	726	851
Rest of Asia(9)	+157%	-4%	+153%	(62)	33
Others(10)	-32%	-2%	-34%	(3,326)	(4,457)
Consolidated operating income			-6%	34,505	32,448

N/A = Not Applicable

(1) For purposes of a geographic segment consisting of a region, the net sales and operating income data in local currency terms for each individual country within the region are first translated into Dollar terms at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change in Dollar terms based on net sales and operating income for the region.

(2) Our net sales and operating income in the United States for the year ended December 31, 2007 include the results of the cement and ready-mix concrete operations in the United States we acquired as a result of the Rinker acquisition for the six-month period ended December 31, 2007, except that the sales volumes and average prices relating to the assets we were required to divest as a result of the Rinker acquisition by the Antitrust Division of the United States Department of Justice, are included only for the periods from January 1, 2007 through November 30, 2007 (with respect to the assets subject to divestiture owned by us prior to our acquisition of Rinker) and from July 1, 2007 through November 30, 2007 (with respect to the assets subject to divestiture owned by Rinker prior to our acquisition of Rinker).

(3) Our South America, Central America and the Caribbean segment includes our operations in Venezuela, Colombia and the operations listed in note 4 below; however, in above table, our operations in Venezuela and Colombia are presented separately from our other operations in the segment.

(4) Our Rest of South/Central America and the Caribbean segment includes our operations in Costa Rica, Panama, the Dominican Republic, Nicaragua, Puerto Rico, Jamaica and Argentina and our trading activities in the Caribbean.

(5) Our Africa and the Middle East segment includes our operations in Egypt and the operations listed in note 6 below.

(6) Our Rest of Africa and the Middle East segment includes our operations in the United Arab Emirates and Israel.

(7) Our Australia and Asia segment includes our operations in Australia described in note 8 below, our operations in the Philippines and the operations described in note 9 below.

(8) Australia includes our operations in Australia we acquired as a result of the Rinker acquisition for the six-month period ended December 31, 2007.

(9) Our Rest of Asia segment includes our operations in Malaysia, Thailand, Bangladesh and other assets in the Asian region.

(10) Our Others segment includes our worldwide maritime trade operations, our information solutions company and other minor subsidiaries.

Net Sales

Our net sales increased approximately 11% from Ps213,767 million in 2006 to Ps236,669 million in 2007 in constant Peso terms. The increase in net sales was entirely attributable to the consolidation of Rinker's operations for six months in 2007. On a pro forma basis excluding the consolidation of Rinker's operations for six months in 2007, our consolidated net sales would have decreased by approximately 1% in 2007 as compared to the previous year, mainly as a result of the decline in sales volumes in our United States operations as explained below. This decline was partially offset by higher sales volumes and prices in our operations in most of our markets. Of our consolidated net sales before eliminations resulting from consolidation in 2006 and 2007, including the last six months of Rinker in 2007, approximately 37% and 36%, respectively, were derived from sales of cement, approximately 30% and 32%, respectively, from sales of ready-mix concrete and approximately 33% and 32%, respectively, from sales of other construction materials, including aggregates, services and our Others segment business.

Through the Rinker acquisition, we acquired additional operations in the United States, which had a significant impact on our operations in that geographic segment, and we acquired operations in Australia, a geographic segment in which we did not have operations prior to the Rinker acquisition, as well as limited operations in China. The operating data set forth below in the discussion of our United States operations for 2006 and during the first six months of 2007 reflect operating data for those operations prior to our acquisition of Rinker.

Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales on a geographic segment basis.

Mexico

Our Mexican operations' domestic cement sales volumes increased approximately 4% in 2007 compared to 2006, and ready-mix concrete sales volumes increased approximately 8% during the same period. The main drivers of the increase in domestic sales volumes during the year were government infrastructure spending and residential construction. Our Mexican operations' net sales represented approximately 16% of our total net sales in 2007, in constant Peso terms, before elminations resulting from consolidation. Our Mexican operations' cement export volumes, which represented approximately 7% of our Mexican cement sales volumes in 2007, decreased approximately 21% in 2007 compared to 2006, primarily as a result of lower export volumes to the United States. Of our Mexican operations' total cement export volumes during 2007, 82% was shipped to the United States, 15% to Central America and the Caribbean and 3% to South America. Our Mexican operations' average domestic cement sales price decreased approximately 1% in 2007 compared to 2006 in constant Peso terms (increased approximately 3% in nominal Peso terms). Our Mexican operations' average sales price of ready-mix concrete increased approximately 2% in constant Peso terms (increased approximately 6% in nominal Peso terms) over the same period. For the year ended December 31, 2007, cement represented approximately 58%, ready-mix concrete represented approximately 27% and our other business represented approximately 16% of our Mexican operations' net sales before eliminations resulting from consolidation.

As a result of the decrease in average sales price of domestic cement partially offset by the increases in domestic cement and ready-mix concrete sales volumes and sales price of ready-mix concrete, our net sales in Mexico, in constant Peso terms, decreased approximately 2% (increased approximately 7% in nominal Peso terms) in 2007 compared to 2006.

United States

Our U.S. operations' cement sales volumes, which include cement purchased from our other operations and the operations we acquired from Rinker, which were consolidated in our U.S. operations' results for the six-month

period ended December 31, 2007, decreased approximately 8% in 2007 compared to 2006. Our U.S. operations' ready-mix concrete sales volumes increased approximately 13% during the same period. As noted above, these U.S. sales volumes also include pre-divestiture volumes from the assets we divested on November 30, 2007 pursuant to the U.S. antitrust consent decree we entered into in connection with the Rinker acquisition. The decrease in cement sales volumes resulted primarily from the continued decline in the U.S. residential sector. Aditionally, volumes were adversely affected by unfavorable weather conditions, primarily in California, Arizona and Florida. These effects were partially offset by the consolidation of Rinker's U.S. operations for the six-month period ended December 31, 2007 (representing approximately 6% of our U.S. cement sales volumes and approximately 18% of our U.S. ready-mix concrete sales volumes). The increase in ready-mix concrete sales volumes in 2007 compared to 2006 resulted primarily from the consolidation of Rinker's U.S. operations for the six-month period ended December 31, 2007 partially offset by the on-going downturn in the residential sector. The duration of the ongoing market correction and the timing of the recovery in the residential sector in the United States continue to be uncertain. Our U.S. operations' net sales represented approximately 22% of our total net sales in 2007, in constant Peso terms, before eliminations resulting from consolidation. Our U.S. operations' average sales price of cement increased approximately 4% in Dollar terms in 2007 compared to 2006, and the average sales price of ready-mix concrete increased approximately 1% in Dollar terms over the same period. For the year ended December 31, 2007, cement represented approximately 31%, ready-mix concrete represented approximately 34% and our other business represented approximately 35% of our U.S. operations' net sales before eliminations resulting from consolidation.

As a result of the increases in ready-mix concrete sales volumes (primarily driven by the consolidation of the Rinker operations for the six-month period ended December 31, 2007), and the average sales prices of domestic cement and ready-mix concrete, despite the decrease in domestic cement sales volumes, net sales in the United States, in Dollar terms, increased approximately 18% (increased approximately 12% in constant Peso terms) in 2007 compared to 2006.

Spain

Our Spanish operations' domestic cement sales volumes decreased approximately 5% in 2007 compared to 2006, and ready-mix concrete sales volumes decreased approximately 4% during the same period. The decreases in sales volumes resulted primarily from the continued deceleration in the residential sector and a decrease in major infrastructure projects from pre-election levels. Our Spanish operations' net sales represented approximately 9% of our total net sales in 2007, in constant Peso terms, before eliminations resulting from consolidation. Our Spanish operations' cement export volumes, which represented approximately 1% of our Spanish cement sales volumes in 2007, decreased approximately 28% in 2007 compared to 2006, primarily due to decreases in African and United States demand. Of our Spanish operations' total cement export volumes in 2007, 36% was shipped to Europe and the Middle East, 46% to Africa, and 18% to the United States. Our Spanish operations' average domestic sales price of cement increased approximately 9% in Euro terms in 2007 compared to 2006, and the average price of ready-mix concrete increased approximately 7% in Euro terms over the same period. For the year ended December 31, 2007, cement represented approximately 52%, ready-mix concrete represented approximately 22% and our other business represented approximately 26% of our Spanish operations' net sales before eliminations resulting from consolidation.

As a result of the increases in average domestic sales prices of cement and ready-mix concrete, partially offset by the decreases in domestic cement and ready-mix concrete sales volumes and the decline in cement export volumes, net sales in Spain, in Euro terms, increased approximately 4% (increased approximately 9% in constant Peso terms) in 2007 compared to 2006.

United Kingdom

Our United Kingdom operations' domestic cement sales volumes increased approximately 12% in 2007 compared to 2006, and ready-mix concrete sales volumes decreased approximately 2% during the same period. The increases in domestic cement sales volumes were primarily driven by infrastructure projects relating to industrial,

commercial and residential construction. The infrastructure sector continued with its recovery trend. Our United Kingdom operations' net sales for the year ended December 31, 2007 represented approximately 9% of our net sales in constant Peso terms, before eliminations resulting from consolidation, for 2007. Our United Kingdom operations' average domestic sales price of cement increased approximately 8% in British pounds sterling terms in 2007 compared to 2006, and the average price of ready-mix concrete increased approximately 4% in British pounds sterling terms over the same period. For the year ended December 31, 2007, cement represented approximately 15%, ready-mix concrete represented approximately 31% and our aggregates and other business represented approximately 54% of our United Kingdom operations' net sales before eliminations resulting from consolidation.

The decrease in ready-mix concrete sales volumes were offset by the increases in domestic cement sales volumes and the average sales prices of domestic cement and ready-mix concrete, and, as a result, net sales from our United Kingdom operations in British sterling pounds remained flat (decreased approximately 6% in constant Peso terms) in 2007 compared to 2006.

Rest of Europe

Our operations in our Rest of Europe segment in 2007 consisted of our operations in Germany, France, Croatia, Poland, Latvia, the Czech Republic, Ireland, Italy, Austria, Hungary, Portugal, Denmark, Finland, Norway and Sweden. Our Rest of Europe operations' net sales for the year ended December 31, 2007 represented approximately 19% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Domestic cement sales volumes in the Rest of Europe region increased approximately 5% in 2007 compared to 2006, while ready-mix concrete sales volumes remained flat during the same period. The increase in domestic cement sales volumes was primarily attributable to the increase in the demand in most of our Rest of Europe operations, mainly in Croatia, Poland and France.

As a result of the increase in domestic cement sales volumes, our Rest of Europe operations' net sales, in Euro terms, increased approximately 4% in 2007 compared to 2006. Our Rest of Europe operations' average domestic sales price of cement increased approximately 15% in Euro terms in 2007 compared to 2006, and the average price of ready-mix concrete increased approximately 5% in Euro terms over the same period. For the year ended December 31, 2007, cement represented approximately 23%, ready-mix concrete represented approximately 47% and our other business represented approximately 30% of our Rest of Europe operations' net sales before eliminations resulting from consolidation. Set forth below is a discussion of sales volumes and average prices in Germany and France, the most significant countries in our Rest of Europe segment, based on net sales.

In Germany, domestic cement sales volumes decreased approximately 6% in 2007 compared to 2006, and ready-mix concrete sales volumes decreased approximately 9% during the same period. These decreases were primarily due to a decline in the residential sector partially offset by increased activity in the non-residential and civil engineering sectors. Our German operations' average domestic sales price of cement increased approximately 9% in Euro terms in 2007 compared to 2006, and the average price of ready-mix concrete increased approximately 1% in Euro terms over the same period. As a result of the decreases in domestic cement and ready-mix concrete sales volumes, which were partially offset by increases in domestic cement and ready-mix concrete sales prices, net sales in Germany, in Euro terms, decreased approximately 3% in 2007 compared to 2006.

In France, ready-mix concrete sales volumes increased approximately 5% in 2007 compared to 2006, primarily driven by the infrastructure sector, which is showing strong activity in anticipation of local elections in 2008, an to a lesser extent, the non-residential sector. Our French operations' average ready-mix concrete sales price increased approximately 4% in Euro terms in 2007 compared to 2006. As a result of the increase in ready-mix concrete sales volumes and sales prices, net sales in France, in Euro terms, increased approximately 7% in 2007 compared to 2006.

For the reasons mentioned above, net sales before eliminations resulting from consolidation in our Rest of Europe operations, in Euro terms, increased approximately 4% (increased approximately 5% in constant Peso terms) in 2007 compared to 2006.

South America, Central America and the Caribbean

Our operations in South America, Central America and the Caribbean in 2007 consisted of our operations in Venezuela, Colombia, Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico, Jamaica and Argentina, as well as several cement terminals and other assets in other Caribbean countries and our trading operations in the Caribbean region. Most of these trading operations consist of the resale in the Caribbean region of cement produced by our operations in Venezuela and Mexico.

Our South America, Central America and the Caribbean operations' domestic cement sales volumes increased 8% in 2007 compared to 2006, and ready-mix concrete sales volumes increased 13% over the same period. The increases in sales volumes were primarily attributable to increased sales volumes in our Venezuelan and Colombian operations described below, as well as increased sales volumes in most of our markets in Central America and the Caribbean. Our South America, Central America and the Caribbean operations' average domestic sales price of cement increased approximately 20% in Dollar terms in 2007 compared to 2006, while the average sales price of ready-mix concrete also increased approximately 20% in Dollar terms over the same period. For the year ended December 31, 2007, our South America, Central America and the Caribbean operations represented approximately 9% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. As a result of the increases in domestic cement and ready-mix concrete sales volumes and the average sales prices of domestic cement and ready-mix concrete, net sales in our South America, Central America and the Caribbean operations, in Dollar terms, increased approximately 28% in 2007 compared to 2006. For the year ended December 31, 2007, cement represented approximately 65%, ready-mix concrete approximately 25% and our other businesses approximately 10% of our South America, Central America and the Caribbean operations' net sales before eliminations resulting from consolidation. Set forth below is a discussion of sales volumes in Venezuela and Colombia, the most significant countries in our South America, Central America and the Caribbean segment, based on net sales.

Our Venezuelan operations' domestic cement sales volumes increased approximately 16% in 2007 compared to 2006, and ready-mix concrete sales volumes increased approximately 10% during the same period. The increases in volumes resulted primarily from increased demand in the public sector and the self-construction sector. For the year ended December 31, 2007, Venezuela represented approximately 3% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Venezuelan operations' cement export volumes, which represented approximately 12% of our Venezuelan cement sales volumes in 2007, decreased approximately 51% in 2007 compared to 2006 primarily due to increased domestic demand. Of our Venezuelan operations' total cement export volumes during 2007, 9% was shipped to North America and 91% to South America and the Caribbean. Our Venezuelan operations' average domestic sales price of cement increased approximately 5% in Bolivar terms in 2007 compared to 2006, and the average sales price of ready-mix concrete increased approximately 26% in Bolivar terms over the same period. As a result of the increases in domestic cement and ready-mix concrete sales volumes and the increase in the average domestic cement and ready-mix concrete sales prices, despite the decrease in cement exports, net sales, before eliminations resulting from consolidation, of our Venezuelan operations, in Bolivar terms, increased approximately 22% (increased approximately 18% in constant Peso terms) in 2007 compared to 2006. For the year ended December 31, 2007, cement represented approximately 65%, ready-mix concrete approximately 28% and our other businesses approximately 7% of our Venezuelan operations' net sales before eliminations resulting from consolidation. In furtherance of Venezuela's announced policy to nationalize certain sectors of the economy, on June 18, 2008, the Nationalization Decree was promulgated, mandating that the cement production industry in Venezuela be reserved to the State and ordering the conversion of foreign-owned cement companies, including CEMEX Venezuela, into state-controlled companies with Venezuela holding an equity interest of at least 60%. See "Item 4—Regulatory Matters and Legal Proceedings—CEMEX Venezuela Nationalization."

Our Colombian operations' cement volumes increased approximately 19% in 2007 compared to 2006, and ready-mix concrete sales volumes increased approximately 24% during the same period. The increases in sales

volumes resulted primarily from increased demand in the infrastructure, self-construction and industrial sectors as a result of economic growth in Colombia. For the year ended December 31, 2007, Colombia represented approximately 2% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Colombian operations' average domestic sales price of cement increased approximately 17% in Colombian Peso terms in 2007 compared to 2006, and the average price of ready-mix concrete increased approximately 12% in Colombian Peso terms over the same period. As a result of the increase in the average domestic sales prices of cement and ready-mix concrete and the increase in domestic cement and ready-mix concrete sales volumes, net sales of our Colombian operations, in Colombian Peso terms, increased approximately 38% (increased approximately 43% in constant Peso terms) in 2007 compared to 2006. For the year ended December 31, 2007, cement represented approximately 53%, ready-mix concrete approximately 27% and our other businesses approximately 20% of our Colombian operations' net sales before eliminations resulting from consolidation.

Our Rest of South and Central America and the Caribbean operations' domestic cement volumes decreased approximately 3% in 2007 compared to 2006, and ready-mix concrete sales volumes increased approximately 7% during the same period. For the year ended December 31, 2007, the Rest of South and Central America and the Caribbean represented approximately 4% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Rest of South and Central America and the Caribbean operations' average domestic sales price of cement increased approximately 23% in Dollar terms in 2007 compared to 2006, and the average sales price of ready-mix concrete increased approximately 11% in Dollar terms over the same period. As a result of the increase in the ready-mix concrete sales valumes and the increases in the average domestic cement and ready-mix concrete sales prices, net sales, before eliminations resulting from consolidation, of our Rest of South and Central America and the Caribbean operations, in Dollar terms, increased approximately 22% (increased approximately 19% in constant Peso terms) in 2007 compared to 2006, despite the decrease in domestic cement sales volumes. For the year ended December 31, 2007, cement represented approximately 72%, ready-mix concrete approximately 23% and our other businesses approximately 5%, of our Rest of South and Central America and the Caribbean operations' net sales before eliminations resulting from consolidation.

As a result of the increases in domestic cement and ready-mix concrete sales volumes, and the average sales prices of domestic cement and ready-mix concrete, net sales in our South America, Central America and the Caribbean operations, in Dollar terms, increased approximately 28% (increased approximately 24% in constant Peso terms) in 2007 compared to 2006, despite a decrease in our Venezuelan operations' cement export volumes.

Africa and the Middle East

Our operations in Africa and the Middle East consist of our operations in Egypt, the United Arab Emirates (UAE) and Israel. Our Africa and the Middle East operations' domestic cement sales volumes increased approximately 8% in 2007 compared to 2006, and ready-mix concrete sales volumes remained flat during the same period. The increase in domestic cement sales volumes mainly was driven by the increased demand in Egypt described below. For the year ended December 31, 2007, Africa and the Middle East represented approximately 3% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Africa and the Middle East operations' average domestic sales price of cement increased approximately 11% in Dollar terms in 2007 compared to 2006, and the average domestic sales price of ready-mix concrete increased approximately 13% in Dollar terms over the same period. For the year ended December 31, 2007, cement represented approximately 40%, ready-mix concrete approximately 51% and our other businesses approximately 9% of our African and the Middle East operations' net sales before eliminations resulting from consolidation.

Our Egyptian operations' domestic cement sales volumes increased approximately 8% in 2007 compared to 2006, and ready-mix concrete sales volumes increased approximately 16% during the same period. The increases in sales volumes resulted primarily from the favorable economic environment in Egypt, mainly in the residential sector. For the year ended December 31, 2007, Egypt represented approximately 1% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. The average domestic sales price of cement increased approximately 9% in Egyptian pound terms in 2007 compared to 2006, and the average domestic sales price of

ready-mix concrete increased approximately 14% in Egyptian pound terms. During 2007 our Egyptian operations did not export any cement as production was directed to meet increased domestic demand. As a result of the increases in domestic cement and ready-mix concrete sales volumes and average prices, net sales of our Egyptian operations, in Egyptian pound terms, increased approximately 10% in 2007 compared to 2006. For the year ended December 31, 2007, cement represented approximately 91%, ready-mix concrete approximately 8% and our other businesses approximately 1% of our Egyptian operations' net sales before eliminations resulting from consolidation.

Our operations in Rest of Africa and the Middle East consist of the ready-mix concrete operations in the UAE and Israel. Our Rest of Africa and the Middle East operations' ready-mix concrete sales volumes decreased approximately 2% in 2007 compared to 2006, and the average ready-mix concrete sales price increased approximately 13%, in Dollar terms, in 2007 compared to 2006. For the year ended December 31, 2007, the UAE and Israel represented approximately 2% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. As a result of the increase in ready-mix concrete average sales price, net sales of our Rest of Africa and the Middle East operations, in Dollar terms, increased approximately 3% (decreased approximately 3% in constant Peso terms) in 2007 compared to 2006. For the year ended December 31, 2007, ready-mix concrete represented approximately 84% and our other businesses approximately 16% of our UAE and Israel operations' net sales before eliminations resulting from consolidation.

As a result of the increases in domestic cement and ready-mix sales volumes and the average domestic sales prices of cement and ready-mix in our Egyptian operations, net sales before eliminations resulting from consolidation in our Africa and the Middle East operations, in Dollar terms, increased approximately 7% (remained flat in constant Peso terms) in 2007 compared to 2006, despite the decline in cement export volumes of our Egyptian operations and the decrease in average ready-mix concrete sales price in our Rest of Africa and the Middle East operations.

Australia and Asia

Our operations in Australia and Asia consist of (i) our Rinker's Australian operations, which are consolidated in our results of operations for the six-month period ended December 31, 2007 (CEMEX did not have operations in Australia prior to the acquisition of Rinker), and (ii) our operations in the Philippines, Thailand, Bangladesh, Taiwan, Malaysia, and the operations we acquired from Rinker in China, which are also consolidated in our results of operations for the six-month period ended December 31, 2007. Our Australian and Asian operations' domestic cement sales volumes increased approximately 7% in 2007 compared to 2006, primarily due to increased demand in the Philippines discussed below, and an increase of approximately 15%, in Dollar terms, in the average domestic sales price of cement in the region during the same period. Our Australian and Asian operations' ready-mix concrete sales volumes increased significantly by 297% in 2007 compared to 2006, primarily due to the consolidation of our Australian operations acquired from Rinker for the six-month period ended December 31, 2007. The average sales price of ready-mix concrete in our Australian and Asian operations increased significantly, by approximately 181% in Dollar terms in 2007 compared to 2006, primarily as a result of the inclusion of Australia in these operations. Approximately 96% of the increase in ready-mix concrete sales volumes in our Australia and Asia operations during 2007 compared to 2006 resulted from the consolidation of our Australian operations acquired from Rinker for the six-month period ended December 31, 2007.

For the year ended December 31, 2007, Australia and Asia represented approximately 5% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Asian operations' cement export volumes, which represented approximately 22% of our Asian operations' cement sales volumes in 2007, decreased approximately 9% in 2007 compared to 2006 primarily due to a decrease in our exports to Africa. Of our Asian operations' total cement export volumes during 2007, approximately 96% was shipped to Europe and 4% to the Southeast Asia region. For the year ended December 31, 2007, cement represented approximately 25%, ready-mix concrete approximately 40% and our other businesses approximately 35% of our Australian and Asian operations' net sales before eliminations resulting from consolidation.

Through the Rinker acquisition, we acquired additional operations in Australia, which had a significant impact on our Australian and Asian operations. We did not have operations in Australia prior to our recent acquisition of Rinker. The discussion below regarding the Australian ready-mix concrete operations in 2006 and from January 2007 to June 2007 represent operating data for those operations prior to our acquisition of Rinker.

Our Australian operations' net sales for the year ended December 31, 2007 represented approximately 3% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Australian operations' ready-mix concrete sales volumes represented 4% in 2007 of our total ready-mix concrete sales volumes. The main drivers of ready-mix concrete demand in Australia are the commercial and civil construction sectors. For the year ended December 31, 2007, ready-mix concrete represented approximately 51%, aggregates represented approximately 33% and our other businesses approximately 16% of our Australian operations' net sales before eliminations resulting from consolidation.

Our Philippines operations' domestic cement volumes increased approximately 12% in 2007 compared to 2006. For the year ended December 31, 2007, the Philippines represented approximately 1% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Philippines operations' average domestic sales price of cement increased approximately 5% in Philippine Peso terms in 2007 compared to 2006. As a result of the increases in the average domestic sales price of cement and sales volumes, net sales of our Philippines operations, in Philippine Peso terms, increased approximately 8% (increased approximately 21% in constant Peso terms) in 2007 compared to 2006. For the year ended December 31, 2007, cement represented 100% of our Philippine operations' net sales before eliminations resulting from consolidation.

Our Rest of Asia operations' ready-mix concrete sales volumes, which include our Malaysian operations (representing nearly all our ready-mix concrete sales volumes in the Rest of Asia region) increased approximately 11% in 2007 compared to 2006. The average sales price of ready-mix concrete increased approximately 10%, in Dollar terms, during 2007. For the reasons mentioned above, net sales of our Rest of Asia operations, in Dollar terms, increased approximately 24% (increased approximately 22% in constant Peso terms) in 2007 compared to 2006. For the year ended December 31, 2007, cement represented approximately 34%, ready-mix concrete approximately 48% and our other businesses approximately 19% of our Rest of Asia operations' net sales before eliminations resulting from consolidation.

For the reasons described above, our Australian and Asian operations' net sales in Dollar terms, increased significantly by approximately 263% (increased approximately 222% in constant Peso terms) in 2007 compared to 2006. Approximately 89% of the increase in net sales in our Australian and Asian operations during 2007 compared to 2006 resulted from the consolidation of our Australian operations acquired from Rinker for the six-month period ended December 31, 2007.

Others

Our Others segment includes our worldwide cement, clinker and slag trading operations, our information solutions company and other minor subsidiaries. Net sales, before eliminations resulting from consolidation, in our Others segment decreased approximately 11% in 2007 compared to 2006 in constant Peso terms (decreased approximately 5% in Dollar terms), primarily as a result of a 21% decrease in our trading operations' net sales in 2007 compared to 2006, reflecting the decrease of demand for cement in the United States. For the year ended December 31, 2007, our trading operations' net sales represented approximately 53% of our Others segment's net sales.

Cost of Sales

Our cost of sales, including depreciation, increased approximately 16% from Ps136,447 million in 2006 to Ps157,696 million in 2007 in constant Peso terms. Approximately 91% of the increase is attributable to the consolidation of Rinker's operations for the last six months during 2007. On a pro forma basis excluding the consolidation of Rinker's operations for six months in 2007, our cost of sales would have increased by approximately 1% in 2007 as compared to the previous year, primarily due to higher energy, electricity and transportation costs. As a percentage of net sales, cost of sales, including Rinker's operations for the last six months in 2007, increased from 64% in 2006 to 67% in 2007.The increase in cost of sales as a percentage of net sales was primarily due to the consolidation of Rinker, which changed our product mix as we had a higher percentage of sales of ready-mix concrete, aggregates and other products having a higher cost of sales and a lower profit margin as compared to cement.

Gross Profit

Our gross profit increased approximately 2% from Ps77,320 million in 2006 to Ps78,973 million in 2007 in constant Peso terms. All the increase in our gross profit during 2007 compared to 2006, in constant Peso terms, resulted from the consolidation of Rinker's operations for six months during 2007 compared to 2006. On a pro forma basis excluding the consolidation of Rinker's operations for the last six months in 2007, our gross profit would have decreased by approximately 6% in 2007 as compared to the previous year mainly as a result of the reduction in net sales and the increase in cost of sales discussed above. For the reasons explained above, including Rinker's operations for the last six months in 2007, our gross margin decreased from 36% in 2006 to 33% in 2007.

Operating Expenses

Our operating expenses increased approximately 9% from Ps42,815 million in 2006 to Ps46,525 million in 2007 in constant Peso terms. Approximately 88% of the increase is attributable to the consolidation of Rinker's operations for the last six months in 2007. On a pro forma basis excluding the consolidation of Rinker's operations for the last six months in 2007, our operating expenses would have increased by approximately 1% in 2007 as compared to the previous year. As a percentage of net sales, our operating expenses remained flat in 2007 compared to 2006.

Operating Income

For the reasons mentioned previously, our operating income decreased approximately 6% from Ps34,505 million in 2006 to Ps32,448 million in 2007 in constant Peso terms. On a pro forma basis excluding the consolidation of Rinker's operations for the last six months in 2007, our operating income would have decreased by approximately 14% in 2007 as compared to the previous year. As a percentage of net sales, operating income, decreased from 16% in 2006 to 14% in 2007. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating income on a geographic segment basis.

Mexico

Our Mexican operations' operating income decreased approximately 5% (increased approximately 3% in nominal Peso terms) from Ps13,210 million in 2006 to Ps12,549 million in 2007 in constant Peso terms. The decrease in operating income was primarily due to increases in production cost and operating cost, coupled by decreases in the average prices of domestic cement and the decrease in our Mexican exports. The increases in production cost and operating cost were partially offset by increases in domestic cement and ready-mix concrete

sales volumes and average sales price of ready-mix concrete. As a percentage of net sales, in constant Peso terms, operating margin decreased from 31% in 2006 to 30% in 2007.

United States

Our U.S. operations' operating income decreased approximately 41% from Ps10,092 million in 2006 to Ps5,966 million in 2007 in constant Peso terms (decreased approximately 31% in Dollar terms). The decrease in operating income resulted primarily from the decrease in domestic cement sales volumes, partially offset by the consolidation of Rinker's U.S. operations for the last six months of 2007 (representing approximately 17% of our U.S. operations' operating income for the full year).

Spain

Our Spanish operations' operating income increased approximately 7% (increased approximately 4% in Euro terms) from Ps5,637 million in 2006 to Ps6,028 million in 2007 in constant Peso terms. The increase in operating income resulted primarily from the increases in the average domestic cement and ready-mix concrete sales prices. This increase was partially offset by decreases in domestic cement and ready-mix concrete sales volumes and by a decrease in exports.

United Kingdom

Our United Kingdom operations' operating income decreased significantly from an income of Ps154 million in 2006 to a loss of Ps446 million in 2007 in constant Peso terms (decreased approximately £27 million, or 418%, in British Pounds terms). The decrease in operating income resulted primarily from an increase in variable cost of sales driven by the increase in cost of fuels and electric power due to increases in international oil prices. The decrease was partially offset by increases in domestic cement sales volumes and the average sales prices of domestic cement and ready-mix concrete.

Rest of Europe

Our Rest of Europe operations' operating income increased approximately 48% from Ps2,220 million in 2006 to Ps3,281 million in 2007 in constant Peso terms (increased approximately 22% in Euro terms). The increase in operating income resulted primarily from the increase in domestic cement and ready-mix concrete sales prices in most of our markets as well as increased domestic cement sales volumes. These increases were partially offset by a decrease in our operating margin in our German operations.

South America, Central America and the Caribbean

Our South America, Central America and the Caribbean operations' operating income increased approximately 40% from Ps4,259 million in 2006 to Ps5,983 million in 2007 in constant Peso terms (increased approximately 51% in Dollar terms). The increase in operating income was primarily attributable to the significant increase in domestic cement and ready-mix concrete sales prices and volumes in our Colombian and Venezuelan operations as well as price and volume increases in our Dominican Republic operations. Approximately 53% of the increase in Dollar terms in our South America, Central America and the Caribbean operations was due to the increase in operating income in our Colombian operations.

Africa and the Middle East

Our Africa and the Middle East operations' operating income decreased approximately 7% from Ps1,595 million in 2006 to Ps1,483 million in 2007 in constant Peso terms (increased approximately 3% in Dollar terms). The increase in operating income in Dollar terms resulted primarily from the increase in our operating income in Egypt due to better price environment and the increases in domestic cement and ready-mix concrete sales volumes. These increases were partially offset by a decrease in our operating income in our UAE operations.

Australia and Asia

Our Australian and Asian operations' operating income increased significantly by approximately 210% from Ps664 million in 2006 to Ps2,061 million in 2007 in constant Peso terms. The increase in operating income resulted primarily from our operations in Australia, which are consolidated in our results of operations for six-month period ended December 31, 2007 (representing approximately 57% of our Australian and Asia operations' operating income for the year ended December 31, 2007). We did not have operations in Australia prior the acquisition of Rinker. These increases were complemented by an approximately 33% increase in our Asian operations' operating income, from Ps664 million in 2006 to Ps884 million in 2007 in constant Peso terms.

Others

Operating loss in our Others segment increased approximately 34% from an operating loss of Ps3,326 million in 2006 to an operating loss of Ps4,457 million in 2007 in constant Peso terms (increased approximately 32% in Dollar terms). The increase in operating loss was primarily attributable to the decrease in our trading operations' net sales in 2007 compared to 2006, reflecting the decrease in construction market demand for imported cement in the United States.

Other Expenses, Net

Our other expenses, net increased significantly, from Ps580 million in 2006 to Ps3,281 million in 2007 in constant Peso terms, primarily as a result of (i) lower gains on the sale of fixed assets, which decreased by approximately Ps650 million during 2007 as compared to the previous year, (ii) the one-time benefit in 2006 from the reversal of the anti-dumping duties accrual following the agreement entered into between the Mexican and U.S. governments that lowered the antidumping duties on Mexican cement imports into the United States beginning April 2006, which represented a gain of Ps1,839 million and (iii) additional amortization expense from customer related intangibles during 2007 for approximately Ps156 million that arose from the acquisition of Rinker. See notes 11 and 21B to our consolidated financial statements included elsewhere in this annual report. As a percentage of net sales, other expense, net, increased from 0.3% in 2006 to 1.4% in 2007.

Commencing on January 1, 2007, current and deferred Employees' Statutory Profit Sharing ("ESPS") is included in this line item. Until December 31, 2006, ESPS was presented in a specific line item within the income taxes section of the income statement. For the years ended December 31, 2006 and 2007, our other expenses, net includes aggregate current and deferred ESPS expenses of approximately Ps180 million and Ps246 million, respectively. The increase in ESPS in 2007 compared to 2006, was mainly driven by higher taxable income for profit sharing purposes in Mexico and Venezuela.

Comprehensive Financing Result

For the periods presented, pursuant to Mexican FRS, the comprehensive financing result should measure the real cost (gain) of an entity's financing, net of the foreign currency fluctuations and the inflationary effects on monetary assets and liabilities. In periods of high inflation or currency depreciation, significant volatility may arise and is reflected under this caption. For presentation purposes, comprehensive financing result includes:

- financial or interest expense on borrowed funds;
- financial income on cash and temporary investments;
- appreciation or depreciation resulting from the valuation of financial instruments, including derivative instruments and marketable securities, as well as the realized gain or loss from the sale or liquidation of such instruments or securities;
- foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- gains and losses resulting from having monetary liabilities or assets exposed to inflation (monetary position result).

	Year Ended December 31,	
	2006	2007
	(in millions of constant Pesos as of December 31, 2007)	
Comprehensive financing result:		
Financial expense	(5,785)	(8,809)
Financial income	536	862
Results from financial instruments	(161)	2,387
Foreign exchange result	238	(243)
Monetary position result	4,667	6,890
Net comprehensive financing result	(505)	1,087

Our net comprehensive financing result increased substantially, from a loss of Ps505 million in 2006 to an income of Ps1,087 million in 2007. The components of the change are shown above. Our financial expense was Ps8,809 million for 2007, an increase of approximately 52% from Ps5,785 million in 2006. The increase was primarily attributable to higher average levels of debt outstanding during 2007 compared to 2006 as a result of borrowings related to the Rinker acquisition. Our financial income increased approximately 61% from Ps536 million in 2006 to Ps862 million in 2007 as a result of higher levels of cash and investments in 2007 compared with 2006 in connection with the funding of the Rinker acquisition. Our results from financial instruments improved substantially from a loss of Ps161 million in 2006 to a gain of Ps2,387 million in 2007, primarily attributable to significant valuation changes in our derivative financial instruments portfolio during 2007 compared to 2006 (discussed below). Our foreign exchange result declined from a gain of Ps238 million in 2006 to a loss of Ps243 million in 2007, mainly due to the appreciation of the Euro and the Pound Sterling against the Dollar. Our monetary position result (generated by the recognition of inflation effects over monetary assets and liabilities) increased from Ps4,667 million during 2006 to Ps6,890 million during 2007, as a result of an increase in our monetary liabilities in 2007 compared to 2006, mainly due to the debt incurred to fund the Rinker acquisition.

Derivative Financial Instruments

For the years ended December 31, 2006 and 2007, our derivative financial instruments that had a potential impact on our comprehensive financing result consisted of foreign exchange derivative instruments (excluding our

foreign exchange forward contracts designated as hedges of our net investment in foreign subsidiaries), interest rate swaps, cross-currency swaps (including our derivative instruments related to the issuance of perpetual debentures by consolidated entities as dicussed in note 12E to our financial statements included elsewhere in this annual report), and interest rate derivatives related to energy projects.

For the year ended December 31, 2007, we had a net gain of approximately Ps2,387 million in the item "Results from financial instruments" as compared to a net loss of Ps161 in 2006. The gain in 2007 is mainly attributable to a net valuation gain of approximately Ps2,621 million in connection to changes in the fair value of our cross-currency swaps related to our perpetual debentures, exchanging Dollars for Japanese Yen, and a valuation gain of approximately Ps186 million related to changes in the fair value of other financial instruments, mainly equity forward contracts and marketable securities. These net gains were partially offset by a net valuation of approximately Ps182 million corresponding to our debt related cross currency swaps and our foreign exchange options, and a valuation loss of approximately Ps238 million which was attributable to changes in the fair value of our interest rate derivatives. The decline in our debt related cross currency swaps is primarily attributable to the devaluation of the Dollar against the Euro. The estimated fair value gain of the cross currency swaps associated to our perpetual debentures is primarily attributable to the decrease in the ten-year Yen interest rate. The estimated fair value loss of the interest rate derivatives is primarily attributable to the decrease in the five-year interest rates in Euros and Dollars.

Income Taxes

Our effective tax rate decreased from 16.3% in 2006 to 15.1% in 2007. Our tax expense, which primarily consisted of income taxes, decreased 16% from Ps5,698 million in 2006 to Ps4,796 million in 2007. The decrease was attributable to lower taxable income in 2007 as compared to 2006, complemented by a decrease in our statutory income tax rate. Our average statutory income tax rate was approximately 29% in 2006 and approximately 28% in 2007.

Majority Interest Net Income

Majority interest net income represents the difference between our consolidated net income and minority interest net income, which is the portion of our consolidated net income attributable to those of our subsidiaries in which non-affiliated third parties hold interests. Changes in minority interest net income in any period reflect changes in the percentage of the stock of our subsidiaries held by non-affiliated third parties as of the end of each month during the relevant period and consolidated net income attributable to those subsidiaries.

For the reasons described above, our consolidated net income (before deducting the portion allocable to minority interest) for 2007 decreased approximately Ps2,202 million, or 8%, from Ps29,147 million in 2006 to Ps26,945 million in 2007 in constant Peso terms. The decrease in our consolidated net income was partially offset by the consolidation of Rinker's operations for six months during 2007 compared to 2006, which represented approximately 6% of our consolidated net income in 2007. Excluding the effect of the consolidation of Rinker's operations, our consolidated net income (before deducting the portion allocable to minority interest) decreased approximately 13% during the same period. As a percentage of net sales, consolidated net income decreased from 14% in 2006 to 11% in 2007.

The minority interest net income decreased approximately 35% from Ps1,292 million in 2006 to Ps837 million in 2007, in constant Peso terms, mainly as a result of a decrease in the total net income of the consolidated entities in which others have a minority interest. The percentage of our consolidated net income allocable to minority interests decreased from 4% in 2006 to 3% in 2007. Majority interest net income decreased by approximately 6% from Ps27,855 million in 2006 to Ps26,108 million in 2007, in constant Peso terms. As a percentage of net sales, majority interest net income decreased from 13% in 2006 to 11% in 2007.

Year Ended December 31, 2006 Compared to Year Ended December 31, 2005

Overview

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2006 compared to the year ended December 31, 2005 in our sales volumes and average prices for each of our geographic segments.

Geographic Segment	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Prices in Local Currency(1)	
	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
North America					
Mexico(2)	+8%	+21%	-10%	+1%	+1%
United States(3)	-1%	-15%	N/A	+14%	+16%
Europe					
Spain(4)	+10%	-7%	+25%	+8%	+5%
UK(5)	+13%	+16%	N/A	+8%	+3%
Rest of Europe(6)	+17%	+16%	N/A	+12%	+4%
South/Central America and the Caribbean(7)					
Venezuela	+30%	+22%	-47%	+1%	+10%
Colombia	+8%	+3%	N/A	+34%	+15%
Rest of South/Central America and the Caribbean(8)	+13%	+25%	+32%	-2%	+4%
Africa and the Middle East(9)					
Egypt	+3%	+11%	-34%	+15%	+14%
Rest of Africa and the Middle East(10)	N/A	+13%	N/A	N/A	+14%
Asia(11)					
Philippines	-2%	N/A	+51%	+14%	N/A
Rest of Asia(12)	+1%	+7%	N/A	+14%	+8%

N/A = Not Applicable

(1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of Europe region, which are translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change of prices in Dollar terms (except for the Rest of Europe region, which represent the weighted average change of prices in Euros) based on total sales volumes in the region.

(2) In constant Mexican Pesos as of December 31, 2007.

(3) Our cement and ready-mix concrete sales volumes and average prices in the United States for the years ended December 31, 2005 and December 31, 2006 include the sales volumes and average prices of the cement and ready-mix concrete operations in the United States we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006, respectively, except that the sales volumes and average prices relating to the assets we contributed on July 1, 2005, and the assets we sold on September 1, 2005, to Ready Mix USA, LLC, an entity in which Ready Mix USA owns a 50.01% interest and we own a 49.99% interest, are included only for the periods from March 1, 2005 through July 1, 2005 and from March 1, 2005 through September 1, 2005, respectively, and sales volumes and average prices related to RMC's operations in the Tucson, Arizona area, which were sold in August 2005, are included for the period from March 1, 2005 through August 29, 2005 only, and the sales volumes and average prices related to Charlevoix and Dixon cement plants, which were sold in March 2005, are included for the period from January 1, 2005 through March 31, 2005 only.

(4) Our ready-mix concrete sales volumes and average prices in Spain for the year ended December 31, 2005 include the sales volumes and average prices of the joint venture ready-mix concrete operations in Spain we acquired as a result of the RMC acquisition, which operations we divested on December 22, 2005 in connection with the termination of the joint venture with Lafarge Asland through which such operations were conducted, for the period from March 1, 2005 through December 22, 2005. Our consolidated financial statements for the year ended December 31, 2006 include the results of operations relating to the 29 ready-mix concrete plants and five aggregates quarries in Spain acquired in conjunction with the termination of our 50/50 joint ventures with Lafarge Asland.

(5) Our United Kingdom segment includes the operations in the United Kingdom we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(6) Our Rest of Europe segment includes the operations in Germany, France, Republic of Ireland, Czech Republic, Austria, Poland, Croatia, Hungary and Latvia we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006, the operations in Denmark we acquired as a result of the RMC acquisition for the ten-month period ended

December 31, 2005 and for the period from January 1, 2006 to March 2, 2006, and the Italian operations we owned prior to the RMC acquisition.

(7) Our South America, Central America and the Caribbean segment includes our operations in Venezuela, Colombia and the operations listed in note 8 below; however, in above table, our operations in Venezuela and Colombia are presented separately from our other operations in the segment for purposes of comparison with our 2005 presentation of our operations in the region.

(8) Our Rest of South/Central America and the Caribbean segment includes our operations in Costa Rica, Panama, the Dominican Republic, Nicaragua, Puerto Rico and our trading activities in the Caribbean, as well as the operations in Jamaica and Argentina we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(9) Our Africa and the Middle East segment includes our operations in Egypt and the operations listed in note 10 below; however, in the above table, our operations in Egypt are presented separately from our other operations in the segment for purposes of comparison with our 2005 presentation of our operations in the region.

(10) Our Rest of Africa and the Middle East segment includes the operations in the United Arab Emirates and Israel we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(11) Our Asia segment during these years includes our operations in the Philippines and the operations listed in note 12 below; however, in the above table, our operations in the Philippines are presented separately from our other operations in the segment for purposes of comparison with our 2005 presentation of our operations in the region.

(12) Our Rest of Asia segment during these years includes our operations in Thailand, Bangladesh and other assets in the Asian region, as well as the operations in Malaysia we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

On a consolidated basis, our cement sales volumes increased approximately 6%, from 80.6 million tons in 2005 to 85.7 million tons in 2006, and our ready-mix concrete sales volumes increased approximately 6%, from 69.5 million cubic meters in 2005 to 73.6 million cubic meters in 2006. Our consolidated net sales increased approximately 11% from Ps192,392 million in 2005 to Ps213,767 million in 2006, and our operating income increased approximately 10% from Ps31,227 million in 2005 to Ps34,505 million in 2006 in constant Peso terms.

The following tables present selected condensed financial information of net sales and operating income for each of our geographic segments for the years ended December 31, 2005 and 2006. Variations in net sales determined on the basis of constant Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso, as well as the effects of inflation as applied to the Mexican Peso amounts using our weighted average inflation factor; therefore, such variations differ substantially from those based solely on the countries' local currencies:

	Net Sales				
Geographic Segment	**Variations in Local Currency(1)**	**Approximate Currency Fluctuations, Net of Inflation Effects**	**Variations in Constant Mexican Pesos**	**For the Year Ended December 31, 2005**	**2006**
				(In millions of constant Mexican Pesos as of December 31, 2007)	
Mexico	+16%	-9%	+7%	39,886	42,577
United States(2)	+3%	-8%	-5%	51,366	48,911
Europe					
Spain(3)	+11%	+4%	+15%	19,035	21,834
United Kingdom(4)	+16%	+8%	+24%	19,272	23,854
Rest of Europe(5)	+22%	+8%	+30%	34,267	44,691
South/Central America and the Caribbean					
Venezuela	+18%	+2%	+20%	5,201	6,217
Colombia	+41%	-7%	+34%	3,150	4,206
Rest of South / Central America and the Caribbean(6)	+16%	-10%	+6%	8,508	9,046
Africa and the Middle East					
Egypt	+15%	-7%	+8%	3,318	3,577
Rest of Africa and the Middle East(7)	+47%	-11%	+36%	3,525	4,794
Asia					
Philippines	+7%	+2%	+9%	2,411	2,620
Rest of Asia(8)	+14%	+27%	+41%	1,205	1,694
Others(9)	+30%	-8%	+22%	16,555	20,134
			+13%	207,699	234,155
Eliminations from consolidation				(15,307)	(20,388)
Consolidated net sales			+11%	192,392	213,767

Geographic Segment	Operating Income: Variations in Local Currency(1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Constant Mexican Pesos	For the Year Ended December 31, 2005	For the Year Ended December 31, 2006
				(In millions of constant Mexican Pesos as of December 31, 2007)	
North America					
Mexico	+14%	-10%	+4%	12,692	13,210
United States(2)	+24%	-5%	+19%	8,449	10,092
Europe					
Spain(3)	+18%	+7%	+25%	4,516	5,637
United Kingdom(4)	-112%	+35%	-77%	670	154
Rest of Europe(5)	+3%	+1%	+4%	2,136	2,220
South/Central America and the Caribbean(6)					
Venezuela	Flat	+6%	+6%	1,693	1,799
Colombia	+157%	+10%	+167%	427	1,138
Rest of South/Central America and the Caribbean(7)	+43%	+20%	+63%	810	1,322
Africa and Middle East(8)					
Egypt	+28%	-9%	+19%	1,235	1,475
Rest of Africa and the Middle East(9)	+17%	-15%	+2%	118	120
Asia(10)					
Philippines	+30%	+11%	+41%	516	726
Rest of Asia(11)	-181%	-14%	-195%	(21)	(62)
Others(12)	-76%	+11%	-65%	(2,014)	(3,326)
Consolidated operating income			+10%	31,227	34,505

N/A = Not Applicable

(1) For purposes of a geographic segment consisting of a region, the net sales and operating income data in local currency terms for each individual country within the region are first translated into Dollar terms (except for the Rest of Europe region, which are translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change in Dollar terms (except for the Rest of Europe region, which represent the weighted average change in Euros) based on net sales and operating income for the region.

(2) Our net sales and operating income in the United States for the years ended December 31, 2005 and December 31, 2006 include the results of the cement and ready-mix concrete operations in the United States we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006, respectively, except that the results of the assets we contributed on July 1, 2005, and the assets we sold on September 1, 2005, to Ready Mix USA, LLC, an entity in which Ready Mix USA owns a 50.01% interest and we own a 49.99% interest, are included only for the periods from March 1, 2005 through July 1, 2005 and from March 1, 2005 through September 1, 2005, respectively , and the net sales and operating income related to RMC's operations in the Tucson, Arizona area, which were sold in August 2005, are included in the results of operations relating to these assets for the period from March 1, 2005 through August 29, 2005 only, and the sales volumes and average prices related to Charlevoix and Dixon cement plants, which were sold in March 2005, are included for the period from January 1, 2005 through March 31, 2005 only.

(3) Our net sales and operating income in Spain for the year ended December 31, 2005 include the proportionally consolidated results of the joint venture ready-mix concrete operations in Spain we acquired as a result of the RMC acquisition, which operations we divested on December 22, 2005 in connection with the termination of the joint venture with Lafarge Asland through which such operations were conducted, for the period from March 1, 2005 through December 22, 2005. Our net sales and operating income in Spain for the year ended December 31, 2006 include the results of operations relating to the 29 ready-mix concrete plants and five aggregates quarries in Spain acquired in conjunction with the termination of our 50/50 joint ventures with Lafarge Asland.

(4) Our United Kingdom segment includes the operations in the United Kingdom we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(5) Our Rest of Europe segment includes the operations in Germany, France, Republic of Ireland, Czech Republic, Austria, Poland, Croatia, Hungary and Latvia we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006, the operations in Denmark we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the period from January 1, 2006 to March 2, 2006, and the Italian operations we owned prior to the RMC acquisition.

(6) Our South America, Central America and the Caribbean segment includes our operations in Venezuela, Colombia and the operations listed in note 7 below; however, in the above table, our operations in Venezuela and Colombia are presented separately from our other operations in the segment for purposes of comparison with our 2005 presentation of our operations in the region.

(7) Our Rest of South/Central America and the Caribbean segment includes our operations in Costa Rica, Panama, the Dominican Republic, Nicaragua, Puerto Rico and our trading activities in the Caribbean, as well as the operations in Jamaica and Argentina we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(8) Our Africa and the Middle East segment includes our operations in Egypt and the operations listed in note 9 below; however, in the above table, our operations in Egypt are presented separately from our other operations in the segment for purposes of comparison with our 2005 presentation of our operations in the region.

(9) Our Rest of Africa and the Middle East segment includes the operations in the United Arab Emirates and Israel we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(10) Our Asia segment during these years includes our operations in the Philippines and the operations listed in note 11 below; however, in the above table, our operations in the Philippines are presented separately from our other operations in the segment for purposes of comparison with our 2005 presentation of our operations in the region.

(11) Our Rest of Asia segment during these years includes our operations in Thailand, Bangladesh and other assets in the Asian region, as well as the operations in Malaysia we acquired as a result of the RMC acquisition for the ten-month period ended December 31, 2005 and for the entire year ended December 31, 2006.

(12) Our Others segment includes our worldwide trade maritime operations, our information solutions company and other minor subsidiaries.

Net Sales

Our consolidated net sales increased approximately 11% from Ps192,392 million in 2005 to Ps213,767 million in 2006 in constant Peso terms. The increase in net sales was primarily attributable to the consolidation of RMC's operations for the full year in 2006 as compared to only ten months in 2005, as well as higher sales volumes and better pricing environments in most of our markets, which were partially offset by our divestitures discussed above. Approximately 55% of the net sales increase during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005.

Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales on a geographic segment basis.

Mexico

Our Mexican operations' domestic cement sales volumes increased approximately 8% in 2006 compared to 2005, and ready-mix concrete sales volumes increased approximately 21% during the same period. Our Mexican operations' net sales represented approximately 18% of our total net sales in 2006, in constant Peso terms, before eliminations resulting from consolidation. The main drivers of the increase in the domestic sales volumes during the year were government infrastructure spending, which was fueled in part by the oil revenue surplus, and residential construction, which was supported by increased credit availability from commercial banks and non-commercial sources such as Infonavit. The self-construction sector showed moderate growth during the year. Our Mexican operations' cement export volumes, which represented approximately 9% of our Mexican cement sales volumes in 2006, decreased approximately 10% in 2006 compared to 2005, primarily as a result of decreased cement demand in Central America. Of our Mexican operations' total cement export volumes during 2006, 89% was shipped to the United States, 9% to Central America and the Caribbean and 2% was shipped to South America. Our Mexican operations' average domestic sales price of cement increased approximately 1% in constant Peso terms in 2006 compared to 2005 (increased approximately 4% in nominal Peso terms), and the average sales price of ready-mix concrete increased approximately 1% in constant Peso terms (increased approximately 5% in nominal Peso terms) over the same period. For the year ended December 31, 2006, cement represented approximately 59%, ready-mix concrete approximately 25% and our other businesses approximately 16% of our Mexican operations' net sales before eliminations resulting from consolidation.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and average sales prices, partially offset by the decrease in the cement export volumes, our Mexican net sales, in constant Peso terms, increased approximately 7% (increased approximately 16% in nominal Peso terms) in 2006 compared to 2005.

United States

Our U.S. operations' domestic cement sales volumes, which include cement purchased from our other operations, decreased approximately 1% in 2006 compared to 2005, and ready-mix concrete sales volumes decreased approximately 15% during the same period. The decreases in our U.S. operations' domestic cement and ready-mix concrete sales volumes resulted primarily from the weaker residential sector, resulting in weak demand during 2006 compared to the peak demand levels of 2005, and reflected as well our divestiture of two cement plants and several distribution terminals in the Great Lakes region and our other divestiture of a cement terminal adjacent to the Detroit river to the City of Detroit, both in 2005, as well as our assets contributions for the establishment of two jointly-owned limited liability companies in July 2005 and the sale of RMC's Tucson, Arizona operations, in the same year, as described above. Our United States operations' represented approximately 21% of our total net sales in 2006 in constant Peso terms, before eliminations resulting from consolidation. Our U.S. operations average sales price of domestic cement increased approximately 14% in Dollar terms in 2006 compared to 2005, and the average sales price of ready-mix concrete increased approximately 16% in Dollar terms over the same period. The increases in average prices were primarily due to limited supply of cement and ready-mix concrete. For the year ended December 31, 2006, cement represented approximately 40%, ready-mix concrete approximately 37% and our other businesses approximately 23% of our United States operations' net sales before eliminations resulting from consolidation.

As a result of the increases in the average sales prices of cement and ready-mix concrete, net sales from our United States operations, in Dollar terms, increased approximately 3% in 2006 compared to 2005. The increase in net sales in the United States during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005, partially offset by the decreases in sales volumes described above.

Spain

Our Spanish operations' domestic cement sales volumes increased approximately 10% in 2006 compared to 2005, while ready-mix concrete sales volumes decreased approximately 7% during the same period. The increases in domestic cement sales volumes resulted primarily from increases in the residential and infrastructure sectors, as well as strong public spending in anticipation of local elections in 2007. The decrease in ready-mix concrete sales volumes reflected the termination of our 50/50 joint ventures with Lafarge Asland, described above. Our Spanish operations' 2006 net sales represented approximately 9% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Spanish operations' cement export volumes, which represented approximately 1% of our Spanish cement sales volumes in 2006, increased approximately 25% in 2006 compared to 2005, primarily as a result of increased cement demand in Africa. Of our Spanish operations' total cement export volumes in 2006, 13% was shipped to Europe and the Middle East, 50% to Africa, and 37% to the United States. Our Spanish operations' average domestic sales price of cement increased approximately 8% in Euro terms in 2006 compared to 2005, and the average price of ready-mix concrete increased approximately 5% in Euro terms over the same period. The increases in average prices were primarily due to increased demand for cement and ready-mix concrete. For the year ended December 31, 2006, cement represented approximately 53%, ready-mix concrete approximately 23% and our other businesses approximately 24% of our Spanish operations' net sales before eliminations resulting from consolidation.

As a result of the increases in domestic cement sales volumes and the increases in the average domestic sales prices of cement and ready-mix concrete, our Spanish net sales, in Euro terms, increased approximately 11% in 2006 compared to 2005, despite the decline in ready-mix concrete sales volumes.

United Kingdom

Our United Kingdom operations consist of the United Kingdom operations we acquired from RMC, which are consolidated in our results of operations for ten months in 2005 and for the entire year in 2006. Domestic cement sales volumes in our United Kingdom operations increased approximately 13% in 2006 compared to 2005, and ready-mix concrete sales volumes increased approximately 16% during the same period. The increase in net sales was primarily attributable to the consolidation of RMC's operations for ten months in 2005 as compared to the full year in 2006, partially offset by a slowdown in infrastructure demand in the United Kingdom. Domestic cement demand during 2006 was primarily driven by infrastructure projects relating to industrial, commercial and residential construction. Our United Kingdom operations for the 2006 represented approximately 10% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our United Kingdom operations' average domestic sales price of cement increased approximately 8% in Pound terms in 2006 compared to 2005, and the average price of ready-mix concrete increased approximately 3% in Pound terms over the same period. For the year ended December 31, 2006, cement represented approximately 12%, ready-mix concrete approximately 31% and our other businesses approximately 57% of our United Kingdom operations' net sales before eliminations resulting from consolidation.

As a result of the increases in domestic cement sales volumes and ready-mix concrete, net sales from our United Kingdom operations, in Pound terms, increased approximately 16% in 2006 compared to 2005. The increase in net sales in the United Kingdom during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005, partially offset by the slowdown in infrastructure construction described above.

Rest of Europe

Our operations in our Rest of Europe segment in 2006 consisted of the operations we acquired from RMC in Germany, France, Croatia, Poland, Latvia, the Czech Republic, Ireland, Austria, Hungary, Portugal, Denmark, Finland, Norway and Sweden, are consolidated in our results of operations for ten months in 2005 and for the entire year in 2006, and the Italian operations we owned prior to the RMC acquisition. Our Rest of Europe operations' net sales for the year ended December 31, 2006 represented approximately 20% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Domestic cement sales volumes in the Rest of Europe region increased approximately 17% in 2006 compared to 2005, while ready-mix concrete sales volumes increased approximately 16% during the same period. The increase in volumes is primarily attributable to the consolidation of RMC's operations for the full year during 2006 compared to only ten months in 2005.

As a result of the increases in cement and ready-mix concrete sales volumes, net sales in the Rest of Europe, in Euro terms, increased approximately 22% in 2006 compared to 2005. Approximately 56% of the increase in net sales in the Rest of Europe during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005. Our Rest of Europe operations' average domestic sales price of cement increased approximately 12% in Euro terms in 2006 compared to 2005, and the average price of ready-mix concrete increased approximately 4% in Euro terms over the same period. For the year ended December 31, 2006, cement represented approximately 20%, ready-mix concrete approximately 46% and our other businesses approximately 34% of our Rest of Europe operations' net sales before eliminations resulting from consolidation. Set forth below is a discussion of sales volumes in Germany and France, the most significant countries in our Rest of Europe segment, based on net sales.

In Germany, cement sales volumes in the operations we acquired from RMC increased approximately 22% in 2006 compared to 2005, and ready-mix concrete sales volumes in those operations increased approximately 28% during the same period. These increases are primarily due to greater demand from the residential sector, supported by the number of housing permits granted at the beginning of 2006, as well as the nonresidential sector, which grew more than GDP as a result of an economic upswing and a favorable business climate. As a result of the increases in

cement and ready-mix concrete sales volumes, net sales in Germany, in Euro terms, increased approximately 32% in 2006 compared to 2005. Approximately 30% of the increase in net sales in Germany during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005, while the rest of the increase in net sales in Germany was primarily due to the favorable economic environment.

In France, ready-mix concrete sales volumes in the operations we acquired from RMC increased approximately 20% in 2006 compared to 2005, primarily as a result of increased demand from the residential sector, including private and public housing, consumption during 2006, and the consolidation of RMC's operations for the full year during 2006 compared to only ten months in 2005. As a result of the increase in ready-mix concrete sales volumes, net sales in France, in Euro terms, increased approximately 26% in 2006 compared to 2005. Approximately 68% of the increase in net sales in France during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006.

For the reasons mentioned above, net sales before eliminations resulting from consolidation in our Rest of Europe operations, in Euro terms, increased approximately 22% in 2006 compared to 2005.

South America, Central America and the Caribbean

Our operations in South America, Central America and the Caribbean in 2006 consisted of our operations in Venezuela, Colombia and the operations we acquired from RMC in Argentina, which are consolidated in our results of operations for ten months in 2005 and for the entire year in 2006, and our Central American and the Caribbean operations, which include our operations in Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico (including the 15 additional ready-mix concrete plants we acquired in Puerto Rico in July 2005 described above) and the operations we acquired from RMC in Jamaica, which are consolidated in our results of operations for ten months in 2005 and for the entire year in 2006, as well as several cement terminals and other assets in other Caribbean countries and our trading operations in the Caribbean region. Most of these trading operations consist of the resale in the Caribbean region of cement produced by our operations in Venezuela and Mexico.

Our South America, Central America and the Caribbean operations' domestic cement sales volumes increased approximately 15% in 2006 compared to 2005, and ready-mix concrete sales volumes increased approximately 17% over the same period. The increases in sales volumes are primarily attributable to the increased sales volumes in our Venezuelan and Colombian operations described below. Our South America, Central American and the Caribbean operations' average domestic sales price of cement increased approximately 5% in Dollar terms in 2006 compared to 2005 due to better market conditions, while the average sales price of ready-mix concrete increased approximately 10% in Dollar terms over the same period. For the year ended December 31, 2006, our South America, Central America and the Caribbean operations represented approximately 8% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. As a result of the increases in domestic cement and ready-mix concrete sales volumes and the average sales prices of domestic cement and ready-mix concrete, net sales in our South America, Central America and the Caribbean operations, in Dollar terms, increased approximately 21% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented approximately 67%, ready-mix concrete approximately 24% and our other businesses approximately 9% of our South and Central America and the Caribbean operations' net sales before eliminations resulting from consolidation. Set forth below is a discussion of sales volumes in Venezuela and Colombia, the most significant countries in our South America, Central American and the Caribbean segment, based on net sales.

Our Venezuelan operations' domestic cement sales volumes increased approximately 30% in 2006 compared to 2005, and ready-mix concrete sales volumes increased approximately 22% during the same period. The increases in volumes resulted primarily from greater infrastructure spending, which continued to benefit from increased oil revenues, and a strong residential sector, including the formal and self-construction sectors. For the year ended December 31, 2006, Venezuela represented approximately 3% of our total net sales in constant Peso

terms, before eliminations resulting from consolidation. Our Venezuelan operations' cement export volumes, which represented approximately 26% of our Venezuelan cement sales volumes in 2006, decreased approximately 47% in 2006 compared to 2005 primarily due to increases in domestic demand. Of our Venezuelan operations' total cement export volumes during 2006, 40% was shipped to North America and 60% to South America and the Caribbean. Our Venezuelan operations' average domestic sales price of cement increased approximately 1% in Bolivar terms in 2006 compared to 2005, and the average price of ready-mix concrete increased approximately 10% in Bolivar terms over the same period. As a result of the increases in domestic cement and ready-mix concrete sales volumes and the increase in the average domestic cement sales price and ready-mix concrete average price, despite the decrease in cement exports, net sales of our Venezuelan operations, in Bolivar terms, increased approximately 18% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented approximately 70%, ready-mix concrete approximately 24% and our other businesses approximately 6% of our Venezuelan operations' net sales before eliminations resulting from consolidation.

Our Colombian operations' cement volumes increased approximately 8% in 2006 compared to 2005, and ready-mix concrete sales volumes increased approximately 3% during the same period. The increases in sales volumes resulted primarily from the increases in the public infrastructure, residential and industrial-and-commercial sectors, which grew in anticipation of a potential free-trade agreement with the United States. For the year ended December 31, 2006, Colombia represented approximately 2% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Colombian operations' average domestic sales price of cement increased approximately 34% in Colombian Peso terms in 2006 compared to 2005, and the average price of ready-mix concrete increased approximately 15% in Colombian Peso terms over the same period. As a result of the increase in the average domestic sales price of cement and ready-mix concrete and the increase in domestic cement and ready-mix concrete sales volumes, net sales of our Colombian operations, in Colombian Peso terms, increased approximately 41% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented approximately 54%, ready-mix concrete approximately 28% and our other businesses approximately 18% of our Colombian operations' net sales before eliminations resulting from consolidation.

Our Rest of South and Central America and the Caribbean operations' cement volumes increased approximately 13% in 2006 compared to 2005, and ready-mix concrete sales volumes increased approximately 25% during the same period. For the year ended December 31, 2006, the Rest of South and Central America and the Caribbean represented approximately 3% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Rest of South and Central America and the Caribbean operations' average domestic sales price of cement decreased approximately 2% in Dollar terms in 2006 compared to 2005, and the average sales price of ready-mix concrete increased approximately 4% in Dollar terms over the same period. As a result of the increase in the average ready-mix concrete and the increase in domestic cement and ready-mix concrete sales volumes, net sales of our Rest of South and Central America and the Caribbean operations, in Dollar terms, increased approximately 16% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented approximately 72%, ready-mix concrete approximately 23% and our other businesses approximately 5%, of our Rest of South and Central America and the Caribbean operations' net sales before eliminations resulting from consolidation.

For the reasons mentioned above, net sales before eliminations resulting from consolidation in our South and Central America and Caribbean operations, in Dollar terms, increased approximately 21% in 2006 compared to 2005.

Africa and the Middle East

Our operations in Africa and the Middle East consist of our operations in Egypt and the operations we acquired from RMC in the United Arab Emirates (UAE) and Israel, which are consolidated in our results of operations for ten months in 2005 and for the entire year in 2006. Our Africa and the Middle East operations' domestic cement sales volumes increased approximately 3% in 2006 compared to 2005, and ready-mix concrete sales volumes increased 13% during the same period, primarily as a result of increased demand in Egypt and the

UAE described below. For the year ended December 31, 2006, Africa and the Middle East represented approximately 4% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Africa and the Middle East operations' average domestic sales price of cement increased approximately 16% in Dollar terms in 2006, and the average price of ready-mix concrete increased approximately 14% in Dollar terms over the same period. For the year ended December 31, 2006, cement represented approximately 25%, ready-mix concrete approximately 32% and our other businesses approximately 43% of our African and the Middle East operations' net sales before eliminations resulting from consolidation.

Our Egyptian operations' domestic cement sales volumes increased approximately 3% in 2006 compared to 2005, and Egyptian ready-mix concrete sales volumes increased approximately 11% during the same period. The increases in volumes resulted primarily from the favorable economic environment in Egypt, mainly in the self-construction sector, supported by high remittances from overseas workers. For the year ended December 31, 2006, Egypt represented approximately 2% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. The average domestic sales price of cement increased approximately 15% in Egyptian pound terms in 2006 compared to 2005, and ready-mix concrete sales prices increased approximately 14% in Egyptian pound terms. Cement export volumes, which represented approximately 10% of our total Egyptian cement sales volumes in 2006, decreased approximately 34% in 2006 compared to 2005 primarily due to increased domestic demand in Egypt. All our Egyptian operations' total cement export volumes during 2006 were shipped to Europe. As a result of the increases in domestic cement sales volumes, net sales of our Egyptian operations, in Egyptian pound terms, increased approximately 15% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented approximately 93%, ready-mix concrete approximately 6% and our other businesses approximately 1% of our Egyptian operations' net sales before eliminations resulting from consolidation.

Our operations in Rest of Africa and the Middle East consist of the ready-mix concrete operations we acquired from RMC in the UAE and Israel. Our Rest of Africa and the Middle East operations' ready-mix concrete sales volumes increased approximately 13% in 2006 compared to 2005 primarily as a result of the consolidation of RMC's UAE and Israeli operations for the full year in 2006 compared to only ten months in 2005 (representing approximately 92% of our ready-mix concrete sales volumes in the region), and the average ready-mix concrete sales price increased approximately 14%, in Dollar terms, in 2006 compared to 2005. For the year ended December 31, 2006, the UAE and Israel represented approximately 2% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. As a result of the consolidation for the entire year in 2006 compared to only ten months in 2005 of the UAE and Israeli operations, net sales of our Rest of Africa and the Middle East operations, in Dollar terms, increased approximately 47% in 2006 compared to 2005. Approximately 45% of the increase in net sales of Rest of Africa and Middle East during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005. The rest of the increase in net sales, in Dollar terms, in our Rest of Africa and the Middle East operations' was due to the increase in the average ready-mix concrete sales price and ready-mix concrete sales volume. For the year ended December 31, 2006, ready-mix concrete approximately 41% and our other businesses approximately 59% of our UAE and Israel operations' net sales before eliminations resulting from consolidation.

As a result of the consolidation of RMC's UAE and Israeli operations and the increases in domestic cement sales volumes and the average domestic sales prices of cement in our Egyptian operations, net sales before eliminations resulting from consolidation in our Africa and the Middle East operations, in Dollar terms, increased approximately 32% in 2006 compared to 2005, despite the decline in cement export volumes of our Egyptian operations.

Asia

Our operations in Asia in 2006 and 2005 consisted of our operations in the Philippines, Thailand, Bangladesh, Taiwan and the operations we acquired from RMC in Malaysia, which are consolidated in our results of operations for ten months in 2005 and for the entire year in 2006. Our Asian operations' domestic cement sales volumes decreased approximately 1% in 2006 compared to 2005 as a result of a decrease in demand in the

Philippines, while ready-mix concrete sales volumes increased 7% during the same period. The main drivers of demand continued to be the residential, commercial, and self-construction sectors. For the year ended December 31, 2006, Asia represented approximately 2% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. The average sales price of domestic cement in the region increased approximately 14% in Dollar terms, and the ready-mix concrete average sales price in Dollar terms, increased approximately 8% during 2006 compared to 2005. Our Asian operations' cement export volumes, which represented approximately 33% of our Asian operations' cement sales volumes in 2006, increased approximately 51% in 2006 compared to 2005 primarily due to increased cement demand in Southeast Asia. Of our Asian operations' total cement export volumes during 2006, 73% was shipped to Europe, 6% was shipped to Africa and 21% to the Southeast Asia region. For the year ended December 31, 2006, cement represented approximately 76%, ready-mix concrete approximately 16% and our other businesses approximately 8% of our Asian operations' net sales before eliminations resulting from consolidation.

Our Philippines operations' cement volumes decreased approximately 2% in 2006 compared to 2005. For the year ended December 31, 2006, the Philippines represented approximately 1% of our total net sales in constant Peso terms, before eliminations resulting from consolidation. Our Philippines operations' average domestic sales price of cement increased approximately 14% in Philippine Peso terms in 2006 compared to 2005. As a result of the increase in the average domestic sales price of cement despite the decrease in domestic cement sales volumes, net sales of our Philippines operations, in Philippine Peso terms, increased approximately 7% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented 100% of our Philippine operations' net sales before eliminations resulting from consolidation.

Our Rest of Asia operations' ready-mix concrete sales volumes, which include our Malaysian operations acquired from RMC (representing nearly all of our ready-mix concrete sales volumes in the Asia region), increased approximately 7% in 2006 compared to 2005, in part due to the consolidation of RMC's Malaysian operations for the full year in 2006 compared to only ten months in 2005 and as a result of increased demand from the residential, commercial and self-construction sectors. Approximately 13% of the increase in net sales in our Rest of Asia operations during 2006 compared to 2005 resulted from the consolidation of RMC's Malaysian operations for an additional two months in 2006 compared to 2005. The average sales price of ready-mix concrete increased approximately 8%, in Dollar terms, during 2006. For the reasons mentioned above, net sales of our Rest of Asia operations, in Dollar terms, increased approximately 14% in 2006 compared to 2005. For the year ended December 31, 2006, cement represented approximately 42%, ready-mix concrete approximately 40% and our other businesses approximately 18% of our Rest of Asia operations' net sales before eliminations resulting from consolidation.

Primarily as a result of the increases in domestic cement and ready-mix concrete average sales prices, and the increase in the ready-mix concrete sales volume, but also as a result of the consolidation of RMC's Malaysian ready-mix concrete operations for two additional months in 2006, net sales of our Asia operations, in Dollar terms, increased approximately 17% in 2006 compared to 2005, despite the decrease in domestic cement sales volumes.

Others

Our Others segment includes our worldwide cement, clinker and slag trading operations, our information technology solutions company and other minor subsidiaries. Net sales of our Others segment increased approximately 30% before eliminations resulting from consolidation in 2006 compared to 2005 in Dollar terms, primarily as a result of a 32% increase in our trading operations' net sales in 2006 compared to 2005, reflecting an increase in our trading activity, mainly due to an increase of demand for cement in the United States. For the year ended December 31, 2006, our trading operations' net sales represented approximately 65% of our Others segment's net sales.

Cost of Sales

Our cost of sales, including depreciation, increased approximately 17% from Ps116,422 million in 2005 to Ps136,447 million in 2006 in constant Peso terms, primarily due to the consolidation of RMC's operations for the full year of 2006 and for only ten months during 2005. Approximately 45% of the increase in our cost of sales during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005. As a percentage of net sales, cost of sales increased from 61% in 2005 to 64% in 2006, primarily as a result of a change in our product mix through the RMC acquisition, as we had a higher percentage of sales of ready-mix concrete, aggregates and other products having a higher cost of sales as compared to cement.

Gross Profit

For the reasons mentioned above, our gross profit increased approximately 2% from Ps75,970 million in 2005 to Ps77,320 million in 2006 in constant Peso terms. Our gross margin decreased from 40% in 2005 to 36% in 2006. The increase in gross profit during 2006 compared to 2005 resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005, partially offset by the 17% increase in our cost of sales in 2006 compared to 2005.

Operating Expenses

Our operating expenses decreased approximately 4% from Ps44,743 million in 2005 to Ps42,815 million in 2006 in constant Peso terms. As a percentage of net sales, our operating expenses decreased from 23% in 2005 to 20% in 2006, reflecting our continuing cost-reduction efforts, including reductions in corporate overhead and travel expenses, which were partially offset by an increase in transportation costs due to higher worldwide energy costs. The effect of the consolidation of RMC's operations, for two additional months in 2006 compared to 2005, would have increased our operating expenses by approximately 6%, but this effect was completely offset by realization of synergies and our continuing cost-reduction efforts which resulted in the net decrease of Ps1,928 million in operating expenses in 2006 compared to 2005.

Operating Income

For the reasons mentioned above, our operating income increased approximately 10% from Ps31,227 million in 2005 to Ps34,505 million in 2006 in constant Peso terms. The consolidation of the results of RMC operations for an additional two months did not have a material impact on the increase in our operating income in 2006 compared to 2005. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating income on a geographic segment basis.

Mexico

Our Mexican operations' operating income increased approximately 4% (increased approximately 14% in nominal Peso terms) from Ps12,692 million in 2005 to Ps13,210 million in 2006 in constant Peso terms. The increase in operating income was primarily due to increases in the average prices of domestic cement and ready-mix concrete and higher sales volumes. The average sales price and sales volume increases were partially offset by increases in production costs.

United States

Our U.S. operations' operating income increased approximately 19% (increased approximately 24% in Dollar terms) from Ps8,449 million in 2005 to Ps10,092 million in 2006 in constant Peso terms. The increase in operating income resulted in part from the consolidation of RMC's U.S. operations for ten months in 2005 compared to the full year in 2006. Approximately 30% of the increase in our operating income in the U.S. during 2006 compared to 2005 resulted from the consolidation of RMC operations for an additional two months in 2006 compared to 2005. The increase in the operating income due to the consolidation of RMC's for an additional two months was partially offset by the decrease in domestic cement and ready-mix concrete sales volumes.

Spain

Our Spanish operations' operating income increased approximately 25% (increased approximately 18% in Euro terms) from Ps4,516 million in 2005 to Ps5,637 million in 2006 in constant Peso terms. The increase in operating income resulted primarily from increases in domestic cement and aggregates sales volumes and increases in average sales prices for domestic cement and ready-mix concrete. These increases were partially offset by a decline in ready-mix concrete sales volumes and by the termination in December 2005 of our 50/50 joint ventures with Lafarge Asland, described above.

United Kingdom

Our United Kingdom operations consist of the United Kingdom operations we acquired from RMC, which were consolidated in our results of operations for ten months in 2005 and for the entire year in 2006. Our United Kingdom operations' operating income decreased approximately 77% from Ps670 million in 2005 to Ps154 million in 2006 in constant Peso terms (decreased approximately 112% in Pound terms). The decrease in the operating income of our United Kingdom operations during 2006 compared to 2005 primarily resulted from the establishment of our European headquarters, which represented an increase in operating expenses of approximately U.S.$55 million (approximately Ps644 million) in 2006.

Rest of Europe

Our Rest of Europe operations' operating income increased approximately 4% (increased approximately 3% in Euro terms) from Ps2,136 million in 2005 to Ps2,220 million in 2006 in constant Peso terms. The increase in our Rest of Europe operations' operating income resulted from higher sales volumes and better pricing environments in most of our Rest of Europe markets during 2006.

South America, Central America and the Caribbean

Our South America, Central America and the Caribbean operations' operating income increased approximately 45% (increased approximately 36% in Dollar terms) from Ps2,930 million in 2005 to Ps4,259 million in 2006 in constant Peso terms. The increase in operating income was primarily attributable to the significant increase in domestic cement and ready-mix concrete sales volumes in Venezuela and the substantial increases in Colombian average domestic cement and ready-mix concrete sales prices and increased cement sales volumes due to a reactivation of the construction sector in Colombia.

Africa and the Middle East

Our Africa and the Middle East operations' operating income increased approximately 18% (increased approximately 21% in Dollar terms) from Ps1,353 million in 2005 to Ps1,595 million in 2006 in constant Peso terms. The increase in operating income resulted primarily from improvements in our Egyptian operations. Operating income from our Egyptian operations increased approximately 19% from Ps1,235 million in 2005 to Ps1,475 million in 2006 in constant Peso terms, primarily as a result of increases in cement and ready-mix concrete sales volumes and average domestic sales prices of cement and ready-mix concrete, offset in part by decreases in export volumes and higher production costs. The increase in operating income in 2006 in our Africa and the Middle East operations also benefited from the consolidation of RMC's UAE and Israel operations for the full year of 2006 compared to only ten months in 2005. Our Rest of Africa and the Middle East operations increased operating income approximately 2%, from Ps118 million in 2005 to Ps120 million in 2006 in constant Peso terms. The increase in operating income in the Rest of Africa and Middle East resulted from the consolidation of RMC's operations for an additional two months in 2006 compared to 2005, partially offset by the decline in export sales volumes.

Asia

Our Asian operations' operating income increased approximately 34% (increased approximately 48% in Dollar terms) from Ps495 million in 2005 to Ps664 million in 2006 in constant Peso terms. The increase in operating income resulted primarily from increases in the average sales price of domestic cement and ready-mix concrete in the region, as well as by the consolidation of RMC´s operations for the full year in the 2006 compared to only ten months in 2005.

Others

Operating loss in our Others segment increased approximately 65% (increased approximately 76% in Dollar terms) from a loss of Ps2,014 million in 2005 to a loss of Ps3,326 million in 2006 in constant Peso terms. The increase in the operating loss can be primarily explained by the increase during 2006 in the operating expenses of our trading operations, caused by the consolidation of RMC's trading operations for ten months in 2005 compared to the full year in 2006.

Other Expenses, Net

Our other expenses, net decreased approximately 85% from Ps3,976 million in 2005 to Ps580 million in 2006 in constant Peso terms, primarily as a result of the partial write-off of the anti-dumping duty provision following the 2006 agreement entered into between the Mexican and U.S. governments that lowered the antidumping duties on Mexican cement imports into the United States and the approximately Ps1,044 million (approximately U.S.$96 million) net gain on the 2006 sale of Gresik's shares. See note 9A to our consolidated financial statements.

In connection with our employees' statutory profit sharing ("ESPS"), changes in the deferred ESPS liability during 2005 and 2006, in addition to the current ESPS effect, led to an income of Ps11 million during 2005 and an expense of Ps180 million during 2006. The change in 2006 was mainly driven by higher taxable income for profit sharing purposes in Mexico and Venezuela.

Comprehensive Financing Result

Pursuant to Mexican FRS, the comprehensive financing result should measure the real cost (gain) of an entity's financing, net of the foreign currency fluctuations and the inflationary effects on monetary assets and liabilities. In periods of high inflation or currency depreciation, significant volatility may arise and is reflected under this caption. Comprehensive financing income (expense) includes:

- financial or interest expense on borrowed funds;
- financial income on cash and temporary investments;
- appreciation or depreciation resulting from the valuation of financial instruments, including derivative instruments and marketable securities, as well as the realized gain or loss from the sale or liquidation of such instruments or securities;
- foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- gains and losses resulting from having monetary liabilities or assets exposed to inflation (monetary position result).

	Year Ended December 31,	
	2005	2006
	(in millions of constant Pesos as of December 31, 2007)	
Comprehensive financing result:		
Financial expense	(6,607)	(5,785)
Financial income	493	536
Results from financial instruments	4,849	(161)
Foreign exchange result	(989)	238
Monetary position result	5,330	4,667
Net comprehensive financing result	3,076	(505)

Our net comprehensive financing result decreased substantially, from an income of Ps3,076 million in 2005 to an expense of Ps505 million in 2006. The components of the change are shown above. Our financial expense decreased approximately 12%, from Ps6,607 million in 2005 to Ps5,785 million in 2006. The decrease was primarily attributable to lower average levels of debt outstanding during 2006 compared to 2005. Our results from financial instruments decreased significantly from a gain of Ps4,849 million in 2005 to a loss of Ps161 million in 2006, primarily attributable to significant valuation changes in our derivative financial instruments portfolio during 2005 compared to 2006 (discussed below). Our net foreign exchange result improved from a loss of Ps989 million in 2005 to a gain of Ps238 million in 2006, mainly due to lower debt denominated in foreign currencies. Our monetary position result (generated by the recognition of inflation effects over monetary assets and liabilities) decreased approximately 13% from a gain of Ps5,330 million during 2005 to a gain of Ps4,667 million during 2006, mainly as a result of the decrease in the weighted average inflation index used in the monetary position result, combined with the decrease in our monetary liabilities in 2006 compared to 2005.

Derivative Financial Instruments

For the years ended December 31, 2005 and 2006, our derivative financial instruments that have a potential impact on our comprehensive financing result consisted of equity forward contracts, foreign exchange derivative instruments (excluding our foreign exchange forward contracts designated as hedges of our net investment in foreign subsidiaries), interest rate swaps, cross currency swaps and interest rate derivatives related to energy projects.

For the year ended December 31, 2005, we recognized a gain of Ps4,849 million in the item "Results from financial instruments," of which a net valuation gain of approximately Ps569 million was attributable to changes in the fair value of our equity forward contracts that hedge our stock option programs, net of the costs generated by such programs, a valuation gain of approximately Ps3,347 million was attributable to changes in the fair value of our foreign currency derivatives, a valuation gain of approximately Ps39 million was attributable to changes in the fair value of our marketable securities and a valuation gain of approximately Ps893 million was attributable to changes in the fair value of our interest rate derivatives. The estimated fair value gain of our foreign currency derivatives was primarily attributable to changes in the estimated fair value of the contracts we entered into in September 2004 that were designated as accounting hedges of the foreign exchange risk associated with our commitment to purchase the remaining outstanding shares of RMC following the necessary corporate and regulatory approvals at a fixed price in Pounds (representing a gain of approximately Ps1,667 million).

For the year ended December 31, 2006, we recognized a loss of Ps161 million in the item "Results from financial instruments," of which a net valuation gain of approximately Ps18 million was attributable to changes in the fair value of our equity forward contracts, a valuation loss of approximately Ps219 million was attributable to changes in the fair value of our foreign currency derivatives, a valuation loss of approximately Ps65 million was attributable to changes in the fair value of our interest rate derivatives and a valuation gain of approximately Ps105 million was attributable to changes in the fair value of our other derivative financial instruments, mainly marketable securities. The estimated fair value gain of our equity forward contracts was attributable to the increase, during 2006, in the market price of our listed securities (ADSs and CPOs) as compared to 2005. The estimated fair value loss of our foreign currency derivatives is primarily attributable to the depreciation of the Peso against the Dollar during 2006. The estimated fair value loss of our interest rate derivatives is primarily attributable to an increase in five-year interest rates.

Income Taxes

Our effective tax rate was 13.4% in 2005 compared to 16.3% in 2006. The increase in the effective tax rate can be primarily explained as a result of higher tax rates in the jurisdictions of operations we acquired from RMC and higher taxable income in the United States and South American operations we owned prior to the RMC acquisition. This resulted in a higher current tax, increasing from Ps2,885 million (9.2%) in 2005 to Ps4,440 million (12.7%) in 2006. Our total tax expense, which primarily consists of income taxes plus deferred taxes, increased from Ps4,214 million in 2005 to Ps5,698 million in 2006. Our deferred taxes decreased slightly from Ps1,329 million (4.2%) in 2005 to Ps1,258 million (3.6%) in 2006. Our average statutory income tax rate was 30% in 2005 and 29% in 2006.

Majority Interest Net Income

Majority interest net income represents the difference between our consolidated net income and minority interest net income, which is the portion of our consolidated net income attributable to those of our subsidiaries in which non-affiliated third parties hold interests. Changes in minority interest net income in any period reflect changes in the percentage of the stock of our subsidiaries held by non-affiliated third parties as of the end of each month during the relevant period and consolidated net income attributable to those subsidiaries.

For the reasons mentioned above, our consolidated net income (before deducting the portion allocable to minority interest) for 2006 increased approximately 7% from Ps27,211 million in 2005 to Ps29,147 million in 2006 in constant Peso terms. The consolidation of RMC's operations for an additional two months in 2006 compared to 2005 did not affect the increase in our consolidated net income during 2006 compared to 2005. As a percentage of net sales, consolidated net income remained flat at 14% in 2005 and 2006. The minority interest net income increased 87%, from Ps692 million in 2005 to Ps1,292 million in 2006, mainly as a result of a significant increase in the net income of the consolidated entities in which others have a minority interest. Majority interest net income increased by approximately 5% from Ps26,519 million in 2005 to Ps27,855 million in 2006 in constant Peso terms.

Liquidity and Capital Resources

Operating Activities

We have satisfied our operating liquidity needs primarily through operations of our subsidiaries and expect to continue to do so for both the short-term and long-term. Although cash flow from our operations has historically overall met our liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, our subsidiaries are exposed to risks from changes in foreign currency exchange rates, price and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic or social developments in the countries in which they operate, any one of which may materially reduce our net income and cash from operations. Consequently, we also rely on cost-cutting and continual operating improvements to optimize capacity utilization and maximize profitability as well as to offset the risks associated with having worldwide operations. Our consolidated net resources provided by operating activities were approximately Ps43.0 billion in 2005, approximately Ps47.9 billion in 2006 and approximately Ps45.6 billion in 2007. See our Statement of Changes in the Financial Position included elsewhere in this annual report.

Our Indebtedness

As of December 31, 2007, we had approximately U.S.$19.9 billion (Ps216.9 billion) of total debt, of which approximately 17% was short-term and 83% was long-term (including current maturities of long-term debt). As of December 31, 2007, before giving effect to our cross currency swap arrangements discussed elsewhere in this annual report, approximately 66% of our consolidated debt was Dollar-denominated, approximately 15% was Peso-denominated, approximately 18% was Euro-denominated, approximately 1% was Japanese Yen-denominated, and immaterial amounts were denominated in other currencies. The weighted average interest rates paid by us in 2007 in our main currencies were 5.4% on our Dollar-denominated debt, 5.1% on our Peso-denominated debt, 5.0% on our Euro-denominated debt, 1.6% on our Yen-denominated debt. The foregoing debt information does not include the perpetual instruments issued by C5 Capital (SPV) Limited, C8 Capital (SPV) Limited, C10 Capital (SPV) Limited and C10-EUR Capital (SPV) Limited in December 2006 and February and May 2007 described below. See "—Our Minority Interest Arrangements."

From time to time, as part of our financing activities, we and our subsidiaries have entered into various financing agreements, including bank loans, credit facilities, sale-leaseback transactions, forward contracts, forward lending facilities and equity swap transactions. Additionally, we and our subsidiaries have issued notes, commercial paper, bonds, preferred equity and putable capital securities.

Most of our outstanding indebtedness has been incurred to finance our acquisitions and to finance our capital expenditure programs. CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., two of our principal Mexican subsidiaries, have provided guarantees of our indebtedness in the amount of approximately U.S.$3,725 million (Ps43,633 million), as of December 31, 2006 and U.S.$6,584 million (Ps71,897 million), as of December 31, 2007. See Item 3 — "Key Information — Risk Factors — Our ability to pay dividends and repay debt depends on our subsidiaries' ability to transfer income and dividends to us," and Item 3 — "Key Information — Risk Factors — We have incurred and will continue to incur debt, which could have an adverse effect on the price of our CPOs and ADSs, result in us incurring increased interest costs and limit our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities."

Some of the debt instruments in respect of our and our subsidiaries' indebtedness contain various covenants, which, among other things, require us and them to maintain specific financial ratios, restrict asset sales and dictate the use of proceeds from the sale of assets. These restrictions may adversely affect our ability to finance our future operations or capital needs or to engage in other business activities, such as acquisitions, which may be in our interest. From time to time, we have sought and obtained waivers and amendments to some of our and our subsidiaries' debt agreements, principally in connection with acquisitions. In connection with the Rinker acquisition we have requested and received waivers and/or obtained amendments delaying the application of our leverage

financial ratio covenants contained in our bank financing agreements through September 29, 2008. Our failure to obtain any required waivers may result in the acceleration of the affected indebtedness and could trigger our obligations to make payments of principal, interest and other amounts under our other indebtedness, which could have a material adverse effect on our financial condition. We believe that we have good relations with our lenders and the lenders to our subsidiaries, and nothing has come to our attention that would lead us to believe that any future waivers, if required, would not be forthcoming. However, we cannot assure you that future waivers would be forthcoming, if requested. As of December 31, 2007, we were in compliance with all the financial covenants in our own and our subsidiaries' debt instruments.

Under Rule 5-04(c) of Regulation S-X under the Exchange Act, companies with restricted net assets exceeding 25% of their consolidated net assets are required to include Schedule 1 (parent company-only financial statements). Under Rule 4-08(e)(3) of Regulation S-X, loan provisions prohibiting dividend payments, loans or advances to the parent by a subsidiary, are considered restrictions for purposes of computing restricted net assets.

As of December 31, 2007, the financing agreements entered by us and our subsidiaries do not include covenants or agreements that by their specific terms restrict the transfer of funds from our subsidiaries to us in the form of dividends, loans or advances. However, the financing agreements include some restrictive covenants that would be considered transfer restrictions under Rule 4-08(e)(3) of Regulation S-X. These restrictive covenants are as follows:

- A restriction on asset dispositions that limits the use of proceeds of funds obtained from assets sales. The restriction requires us to reinvest such proceeds in cement-related assets or repay senior debt. As of December 31, 2007, we had senior debt in subsidiaries of approximately U.S.$13,113 million (equivalent to approximately 26% of our consolidated net assets); and

- A financial covenant limiting the amount of total debt maintained in New Sunward Holding B.V. (a Dutch holding company subsidiary) relative to the stockholder's equity of CEMEX España (our operating company in Spain and the direct parent of New Sunward Holding B.V.) to be not higher than 0.35 times. As of December 31, 2007, New Sunward Holding B.V. had outstanding debt of approximately €338 million (U.S.$493 million).

In light of these restrictions, as of December 31, 2007, we had more than 25% of our consolidated net assets subject to restrictions under Rule 4-08(e)(3) of Regulation S-X, and as a result we have included the required Schedule 1 (parent company-only financial statements) elsewhere in this annual report.

As of December 31, 2007, after the completion of our acquisition of Rinker, we had approximately U.S.$19.9 billion of total outstanding debt, including debt assumed from Rinker. Our financing activities through December 31, 2006 are described in our previous annual reports on Form 20-F. The following is a description of our financings in 2007.

- On February 2, 2007, we issued notes under our Medium-Term Promissory Notes Program in a principal amount of Ps3 billion (approximately U.S.$275 million) with a maturity of approximately five years at an interest rate equal to the 28-day TIIE plus 10 basis points.

- On February 28, 2007, CEMEX España, through an SPV, issued €900 million in fixed rate notes. The notes are subject to redemption in 2014 and will pay fixed coupons of 4.75 per cent. The funds from the transaction were used to pay down debt.

- On May 9, 2007, we amended our U.S.$700 million revolving credit facility dated June 27, 2005 and our U.S. $1,200 million revolving credit facility dated May 31, 2005. The amended facilities were extended one year each, both guaranteed by CEMEX México and Empresas Tolteca de México, maturing in 2010 and 2011, respectively.

- On June 21, 2007, CEMEX España, as borrower under the syndicated loan originally dated as of September 24, 2004, extended one year, to 2012 , the maturity of U.S.$512.5 million of the U.S.$525 million of the bullet tranche otherwise maturing in 2011of such syndicated loan.

- On July 11, 2007, CEMEX España entered into a U.S.$1,500 million aquisition facility agreement with Royal Bank of Scotland, maturing 364 days after the issue date with an extension option.

- On September 28, 2007, CEMEX issued notes for Ps3.0 billion with a maturity of approximately five years at an interest rate equal to the 28-day Mexican inter-bank rate (TIIE) plus 10 basis points.

- On November 30, 2007, CEMEX issued two tranches of notes under its Medium-Term Promissory Notes Program ("*Certificados Bursátiles*"). The first tranche of notes consists of Ps2.0 billion in UDIs (*Unidades de Inversión*) with a maturity of three years at a fixed real interest rate equal to 3.9%. The second tranche of notes consists of Ps458 million in UDIs with a maturity of 10 years at a fixed real interest rate of 4.4%. All these peso denominated issuances have been swapped to U.S. Dollar obligations.

For a description of the perpetual debentures issued by C5 Capital (SPV) Limited, C8 Capital (SPV) Limited, C10 Capital (SPV) Limited and C10-EUR Capital (SPV) Limited, see "— Our Minority Interest Arrangements."

Funding for the Rinker acquisition was sourced from a combination of up to U.S.$1.7 billion in cash and cash equivalents, as well as drawdowns under the following unsecured loan facilities:

(a) a U.S.$6 billion acquisition facility, dated as of December 6, 2006, , arranged by CEMEX España, as borrower, comprising:

(i) a U.S.$3 billion 36-month term loan facility; and

(ii) a U.S.$3 billion 60-month term loan facility;

A U.S.$3 billion 364-day revolving credit facility, with two term-out options of 180 days each, was canceled on June 19, 2007, effective as of June 22, 2007;

(b) a U.S.$1.2 billion committed acquisition facility, dated as of October 24, 2006, arranged by CEMEX, S.A.B. de C.V., as borrower, guaranteed by CEMEX México and Empresas Tolteca de México, with a 12 months maturity from the date of the initial drawing (unless extended);

(c) a U.S.$1.5 billion acquisition committed facility, dated as of July 11, 2007, arranged by CEMEX Espãna, S.A., as borrower. This committed facility is a 364-day term loan facility with an option for the borrower to extend for 180 days;

(d) an existing U.S.$1.2 billion committed revolving credit facility, dated as of May 31, 2005, and amended on June 19, 2006, November 11, 2006 and May 9, 2007, arranged by CEMEX, S.A.B. de C.V., as borrower, guaranteed by CEMEX México and Empresas Tolteca de México. The maturity of the revolving credit facility was extended to July 2011;

(e) an existing committed revolving loan facility, dated as of September 24, 2004 (as amended and restated), arranged by CEMEX España, as borrower; as of December 31, 2007, the amended facility was made up of two tranches, a U.S.$1.05 billion amortizing loan maturing in September 2009 and a U.S.$ 512.5 million term loan maturing in July 2012;

(f) an existing revolving credit facility, originally dated as of June 23, 2004, arranged by CEMEX, S.A.B. de C.V., as borrower, and guaranteed by CEMEX México and Empresas Tolteca de México. This revolving credit facility was amended and restated on June 6, 2005, the total facility was reduced to U.S.$700 million and extended for a new four-year period. On June 21, 2006 and December 1, 2006, the revolving credit facility was further amended. On May 9, 2007, the maturity of the revolving credit facility was extended to June 2010.

The following is a description of Rinker's principal debt instruments outstanding as of December 31, 2007:

- a U.S. commercial paper program, with Rinker Materials as borrower. The program had no maturity and allowed for a maximum of U.S.$1 billion of notes to be issued and outstanding at any one time. The notes have maturities of up to 365 days (366 days in a leap year) from the date of issuance. As of December 31, 2007 we had U.S.$205 million notes outstanding under this program. As of March 31, 2008, this U.S. commercial paper program was canceled;

- revolving cash advance credit facilities with several financial institutions with U.S.$527 million being outstanding as of December 31, 2007;

- U.S.$149.9 million in bonds, paying annual interest of 7.70% and due on July 21, 2025;

- U.S.$200 million of privately placed senior notes, in two series of U.S.$100 million each, maturing on August 8, 2010 and December 1, 2010; these notes were fully prepaid during the fourth quarter of 2007.

Our Equity Forward Arrangements

As of December 31, 2004, we had forward contracts covering a total of approximately 31 million ADSs with different maturities until October 2006 and an aggregate notional amount of U.S.$1,112 million. These forward contracts were entered into to hedge the future exercise of the options granted under our executive stock option programs. As of December 31, 2004, the estimated fair value of these contracts was a gain of approximately U.S.$45 million (Ps568 million). In October 2005, in connection with a non-dilutive equity offering of all the shares underlying those forward contracts, we agreed with the forward banks to settle those forward contracts for cash. This transaction did not increase the number of shares outstanding. From the offering proceeds of approximately U.S.$1.5 billion, after expenses, approximately U.S.$1.3 billion was used to settle our obligations under those forward contracts.

For the year ended December 31, 2005, considering the results of the secondary offering, as well as those of the forward contracts initiated and settled during the year to hedge the exercises of options under the stock option programs, we recognized in the income statement a gain of approximately U.S.$422 million (Ps5,299 million), which offset the expenses generated by the stock option programs. See note 12D to our consolidated financial statements included elsewhere in this annual report.

On December 20, 2006, we sold in the Mexican market 50 million CPOs that we held in treasury for approximately Ps1,932 million to a financial institution. On the same date, CEMEX negotiated a forward contract for the same number of CPOs with maturity in December 2009. The notional amount of the contract was approximately U.S.$171 million (Ps2,003 million). This equity forward contract was liquidated in 2007, generating a gain of approximately U.S.$13 million (Ps142 million) recognized in the income statement. See note 12D to our consolidated financial statements included elsewhere in this annual report.

Our Minority Interest Arrangements

As of December 31, 2007 and 2006, minority interest stockholders' equity includes approximately U.S.$3,065 million (Ps33,470 million) and U.S.$1,250 million (Ps14,642 million), respectively, representing the principal amount of perpetual debentures. These debentures have no fixed maturity date and do not represent a contractual payment obligation for us. Based on their characteristics, these debentures, issued through special purpose vehicles, or SPVs, qualify as equity instruments under Mexican FRS and are classified within minority interest as they were issued by consolidated entities, considering that there is no contractual obligation to deliver cash or any other financial asset, the debentures do not have any maturity date, meaning that they were issued to perpetuity, and we have the unilateral right to defer indefinitely the payment of interest due on the debentures. The classification of the debentures as equity instruments for accounting purposes under Mexican FRS was made under applicable International Financial Reporting Standards, or IFRS, which were applied to these transactions in compliance with the supplementary application of IFRS in Mexico. Issuance costs, as well as the interest expense, which is accrued based on the principal amount of the perpetual debentures, are included within "Other equity reserves" and represented expenses of approximately Ps1,847 million in 2007 and Ps152 million in 2006. The different SPVs were established solely for purposes of issuing the perpetual debentures and are included in our consolidated financial statements. As of December 31, 2007, our perpetual debentures are as follows:

Issuer	Issuance Date	Nominal Amount (in millions)	Repurchase Option	Interest Rate
C10-EUR Capital (SPV) Ltd.	May 2007	€ 730	Tenth anniversary	6.3%
C8 Capital (SPV) Ltd.	February 2007	U.S.$750	Eigth anniversary	6.6%
C5 Capital (SPV) Ltd.	December 2006	U.S.$350	Fifth anniversary	6.2%
C10 Capital (SPV) Ltd.	December 2006	U.S.$900	Tenth anniversary	6.7%

Under U.S. GAAP, these perpetual debentures are recognized as debt and interest payments are included as financing expense as part of the comprehensive financial result in the income statement.

As described below and in note 12E to our financial statements included elsewhere in this annual report, there are derivative instruments associated with the debentures issued by C5 Capital (SPV) Limited, C8 Capital (SPV) Limited, C10 Capital (SPV) Limited and C10-EUR Capital (SPV) Limited through which we have changed the risk profile associated with interest rates and foreign exchange rates in respect of these debentures.

Our Receivables Financing Arrangements

We have established sales of trade accounts receivable programs with financial institutions, referred to as securitization programs. These programs were originally negotiated by our subsidiaries in Mexico during 2002, our subsidiary in the United States during 2001, our subsidiary in Spain during 2000 and our subsidiary in France during 2006. Through the securitization programs, our subsidiaries effectively surrender control, risks and the benefits associated with the accounts receivable sold; therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are removed from the balance sheet at the moment of sale, except for the amounts that the counterparties have not paid, which are reclassified to other accounts receivable. See notes 5 and 6 to our consolidated financial statements included elsewhere in this annual report. The balances of receivables sold pursuant to these securitization programs as of December 31, 2005, 2006 and 2007 were Ps8,672 million (U.S.$794 million), Ps12,731 million (U.S.$1,166 million) and Ps12,325 million (U.S.$1,129 million), respectively. The

accounts receivable qualifying for sale do not include amounts over specified days past due or concentrations over specified limits to any one customer, according to the terms of the programs. Expenses incurred under these programs, originated by the discount granted to the acquirers of the accounts receivable, are recognized in the income statements as financial expense and were approximately Ps248 million (U.S.$23 million) in 2005, Ps475 million (U.S.$44 million) in 2006 and Ps673 million (U.S.$62 million) in 2007. The proceeds obtained through these programs have been used primarily to reduce net debt.

Stock Repurchase Program

Under Mexican law, our shareholders may authorize a stock repurchase program at our annual shareholders' meeting. Unless otherwise instructed by our shareholders, we are not required to purchase any minimum number of shares pursuant to such program.

In connection with our 2005 and 2006 annual shareholders' meetings held on April 27, 2006, and April 26, 2007, respectively, our shareholders approved stock repurchase programs in an amount of up to Ps6,000 million (nominal amount) implemented between April 2006 and April 2008. No shares were purchased under these programs.

In connection with our 2007 annual shareholders' meeting held on April 24, 2008, our shareholders approved a stock repurchase program in an amount of up to Ps6,000 million (nominal amount) to be implemented between April 2007 and April 2008.

Recent Developments

On March 31, 2008, CEMEX announced the sale, through one of our subsidiaries, of 119 million CPOs of AXTEL S.A.B. de C.V. ("AXTEL"), which represented 9.5% of the equity capital of AXTEL, for approximately U.S.$257 million. The sale represented approximately 90% of our position in AXTEL, which has been part of CEMEX's long-term investments. CEMEX used the proceeds from the sale of its equity interest in AXTEL to repay debt. The sale generated a gain of approximately U.S.$180 million.

In furtherance of the announced policy to nationalize certain sectors of the economy, on June 18, 2008, the Nationalization Decree was promulgated, mandating that the cement production industry in Venezuela be reserved to the State and ordering the conversion of foreign-owned cement companies, including CEMEX Venezuela, into state-controlled companies with Venezuela holding an equity interest of at least 60%. The Nationalization Decree provides for the formation of a transition committee to be integrated with the board of directors of the relevant cement company to guaranty the transfer of control over all activities of the relevant cement company to Venezuela by December 31, 2008. The Nationalization Decree further establishes a deadline of August 17, 2008 for the shareholders of foreign-owned cement companies, including CEMEX Venezuela, to reach an agreement with the Government of Venezuela on the compensation for the nationalization of their assets. The Nationalization Decree also provides that this deadline may be extended by mutual agreement of the Government of Venezuela and the relevant shareholder. Pursuant to the Nationalization Decree, if an agreement is not reached, Venezuela shall assume exclusive operational control of the relevant cement company and the Venezuelan National Executive shall decree the expropriation of the relevant shares according to the Venezuelan expropriation law. No assurance can be given that an agreement with the Government of Venezuela will be reached. The Government of Venezuela has been advised by our subsidiaries in Spain and The Netherlands that are investors in CEMEX Venezuela that these subsidiaries reserve their rights to bring expropriation claims in arbitration under the Bilateral Investment Treaties Venezuela signed with those countries.

As of December 31, 2007, CEMEX Venezuela, S.A.C.A. was the holding entity of several of CEMEX's investments in the region, including CEMEX's operations in the Dominican Republic and Panama, as well as CEMEX's minority investment in Trinidad. In the wake of statements by the Government of Venezuela about the nationalization of assets in Venezuela, in April 2008, CEMEX concluded the transfer of all material non-Venezuelan investments to CEMEX España for approximately U.S.$355 million plus U.S.$112 million of net debt, having distributed all accrued profits from the non-Venezuelan investments to the stockholders of CEMEX Venezuela amounting to U.S.$132 million. At this time, the net impact or the outcome of the nationalization on CEMEX's consolidated financial results cannot be reasonably estimated. The approximate net assets of CEMEX's Venezuelan operations under Mexican FRS at December 31, 2007 were approximately Ps8,973 million.

On June 13, 2008, the Venezuelan securities authority initiated an administrative proceeding against CEMEX Venezuela, claiming that the company did not sufficiently inform its shareholders and the securities authority in connection with the transfer of the non-Venezuelan assets described above. We are currently reviewing the factual and legal considerations relative to this proceeding and will respond within the applicable legal time period.

On April 11, 2008, in connection with the tax assessments in Mexico (see note 21A to our consolidated financial statements included elsewhere in this annual report), we were notified of a favorable definitive resolution on our appeals, which reduced the amount of tax assessments in Mexico to approximately Ps36 million (U.S.$3 million).

On April 24, 2008, the annual ordinary stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps6,000 million (nominal amount); (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps7,500 million (nominal amount), issuing shares as a stock dividend for up to 1,500 million shares, equivalent to 500 million CPOs, based on a price of approximately Ps23.93 (nominal amount) per CPO; or instead, shareholders could have chosen to receive a cash dividend of U.S.$0.0835 in cash for each CPO, or approximately Ps0.8678 (nominal amount) for each CPO, considering the exchange rate of Banco de Mexico on May 29, 2008 of Ps10.3925 pesos per 1 dollar; and (iii) the cancellation of the corresponding shares held in our treasury. As a result, shares equivalent to approximately 284 million CPOs were issued, while an approximate cash dividend payment was made for approximately Ps214 million (nominal amount).

In April 2008, Citibank entered into put option transactions on our CPOs with a Mexican trust that we established on behalf of our Mexican pension fund and certain of our directors and current and former employees (the "participating individuals"). The transaction was structured with two main components. Under the first component of the transaction, the trust sold, for the benefit of our Mexican pension fund, put options to Citibank. The put option gave Citibank the right to require the trust to purchase, in April 2013, approximately 56 million CPOs at a price of U.S.$3.2086 each (120% of initial CPO price in dollars). In exchange for this right, Citibank paid a premium of approximately U.S.$38.2 million. The premium was deposited into the trust for the benefit of our Mexican pension fund and was used to purchase, on a prepaid forward basis, certain securities that track the performance of the Mexican Stock Exchange. Under the second component of the transaction, the trust sold, on behalf of the participating individuals, additional put options to Citibank. These put options gave Citibank the right to require the trust to purchase, in April 2013, approximately 56 million CPOs at a price of U.S.$3.2086 each (120% of initial CPO price in dollars), in exchange for total premium payments of approximately U.S.$38.2 million, which were used to purchase prepaid forward CPOs. These prepaid forward CPOs, together with an additional equal amount in dollars or CPOs, were deposited into the trust by the participating individuals as security for the obligations of the trust under both components of the transaction, and represent the maximum exposure of the participating individuals under this transaction. If the value of these assets, represented by 28.6 million CPOs, were to become insufficient to cover the obligations of the trust under the second component of the transaction, our Mexican pension fund would be required to purchase in April 2013 the 56 million CPOs corresponding to the

second component of the transaction at a price per CPO equal to the difference between U.S$3.2086 and 51% of the then-current CPO market price. Gains and/or losses under this transaction will be recognized as part of our Mexican pension fund's net return on pension assets. The purchase dollar price of CPOs and the corresponding number of CPOs under the transaction are subject to dividend adjustments.

On May 5, 2008, in connection with the anti-dumping order in Taiwan (note 21B to our consolidated financial statements included elsewhere in this annual report), we received a letter from the Ministry of Finance of Taiwan, stating that the anti-dumping duty imposed on gray portland cement and clinker imports from the Philippines and South Korea was terminated starting May 5, 2008.

On May 6, 2008, CEMEX announced that it is exploring the sale of certain selected assets, including operations in Austria, Hungary and select building products in the U.K. The Austrian assets consist of 26 aggregate plants and 39 ready-mix plants, and generated revenues of approximately U.S.$274 million in 2007. The Hungarian assets consist of five aggregate plants, 31 ready-mix plants and five paving stone plants, and generated revenues of approximately U.S.$84 million in 2007. The UK assets consist of the floors, roof tiles and the rail products businesses, which generated combined sales of approximately U.S.$98 million in 2007. The proceeds from the potential assets sales are expected to be used to repay debt.

On June 2, 2008, CEMEX, through one of its subsidiaries, closed two identical U.S.$525 million facilities with a group of relationship banks. Each facility allows the principal amount to be automatically extended for consecutive six months periods indefinitely after a period of three years by CEMEX and includes an option of CEMEX to defer interest at any time (except in limited situations), subject to the absence of an event of default under the facility. The amounts outstanding under the facilities, because of the interest deferral provision and the option of CEMEX to extend the maturity of the principal amounts indefinitely, will be treated as equity for accounting purposes in accordance with Mexican FRS and as debt under U.S. GAAP, in the same manner as CEMEX's outstanding perpetual debentures. Obligations of CEMEX under each facility rank pari-passu with CEMEX's obligations under the perpetual debentures and its senior unsecured indebtedness. Within the first three years that each facility is in place, CEMEX, subject to the satisfaction of specified conditions, has options to convert all (and not part) of the respective amounts outstanding under the respective facility into maturity loans, each with a fixed maturity date of June 30, 2011.

In June 2008, we entered into a structured transaction, relating to (i) a U.S.$500 million credit agreement, dated as of June 25, 2008, with CEMEX, as borrower, and CEMEX México, as guarantor, and a bullet maturity on April 29, 2011; and (ii) a series of derivative transactions on our ADSs with a notional amount equal to the amount of the credit agreement. Pursuant to the derivative transactions, in June 2008, one of our subsidiaries sold cash-settled, European style, put spread options to a financial institution with an approximate maturity of three years. The put spread options give the financial institution the right to require our subsidiary to purchase approximately 17.5 million ADSs at an average price of U.S.$32.92 each (115% of the initial ADS price), while our subsidiary has the right to require the financial institution to purchase the same amount of ADSs at an average price of U.S.$22.18 each (77.5% of the initial ADS price). The net premium will be received by our subsidiary over time and will be used to pay the interest under the credit agreement. If our ADS price at maturity of the put spread option transactions is equal or above the average price of U.S$32.92, we would not be required to make any payment under the derivative transactions, resulting in our not having made any direct interest payments under the credit agreement (as they would be funded by the net put premium). However, if the ADS price at maturity of the put spread option transaction is below the average price of U.S$32.92 we would be required to make payments under the derivative transactions, which would be equivalent to the credit agreement having had an annual interest rate ranging from 0.1% to a maximum of 11.2%, depending on the ADS price at maturity. The ADS price and number of ADSs subject to the put spread option transaction are subject to dividend adjustments. Proceeds of the credit agreement were used to refinance existing short term indebtedness we incurred in connection with the Rinker acquisition

Research and Development, Patents and Licenses, etc.

Our research and development, or R&D, efforts help us in achieving our goal of increasing market share in the markets in which we operate. The department of the Vice President of Technology is responsible for developing new products for our cement and ready-mix concrete businesses that respond to our clients' needs. The department of the Vice President of Energy has the responsibility for developing new processes, equipment and methods to optimize operational efficiencies and reduce our costs. For example, we have developed processes and products that allow us to reduce heat consumption in our kilns, which in turn reduces energy costs. Other products have also been developed to provide our customers a better and broader offering of products in a sustainable manner. We believe this has helped us to keep or increase our market share in many of the markets in which we operate.

We have ten laboratories dedicated to our R&D efforts. Nine of these laboratories are strategically located in close proximity to our plants to assist our operating subsidiaries with troubleshooting, optimization techniques and quality assurance methods. One of our laboratories is located in Switzerland, where we are continually improving and consolidating our research and development efforts in the areas of cement, concrete, aggregates, admixtures, mortar and asphalt technology, as well as in information technology and energy management. We have several patent registrations and pending applications in many of the countries in which we operate. These patent registrations and applications relate primarily to different materials used in the construction industry and the production processes related to them, as well as processes to improve our use of alternative fuels and raw materials.

Our Information Technology divisions have developed information management systems and software relating to cement and ready-mix concrete operational practices, automation and maintenance. These systems have helped us to better serve our clients with respect to purchasing, delivery and payment.

R&D activities comprise part of the daily routine of the departments and divisions mentioned above; therefore, the costs associated with such activities are expensed as incurred. However, the costs incurred in the development of software for internal use are capitalized and amortized in operating results over the estimated useful life of the software, which is approximately four years.

In 2005, 2006 and 2007, the combined total expense of the departments of the Vice President of Energy and the Vice President of Technology, which includes R&D activities, amounted to approximately U.S.$44 million, U.S.$46 million and U.S.$40 million, respectively. In addition, in 2005, 2006 and 2007, we capitalized approximately U.S.$19 million, U.S.$218 million and U.S.$278 million, respectively, related to internal use software development. See notes 3J and 11 to our consolidated financial statements included elsewhere in this annual report. The items capitalized refer to direct costs incurred in the development phase of the software and relate mainly to professional fees, direct labor and related travel expenses.

Trend Information

The following discussion contains forward-looking statements that reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. In this annual report, the words "expects," "believes," "anticipates," "estimates," "intends," "plans," "probable" and variations of such words and similar expressions are intended to identify forward-looking statements. Such statements necessarily involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The information set forth below is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements.

Overview

During 2007, we achieved two important milestones. First, we posted our strongest financial results ever. This achievement comes primarily from the consolidation of Rinker's operations and the related synergies, as well as from higher domestic sales volumes and favorable supply-demand dynamics in most of the markets in which we operate. For 2008, despite the current adverse economic conditions in the important markets of United States and Spain, we expect to achieve higher sales revenues and greater EBITDA than we achieved in 2007, reflecting the inclusion of a full year of operating results of Rinker as well as productivity improvement initiatives and positive supply-demand dynamics in most of our other markets.

Our second major milestone of the year was the full integration of Rinker and the implementation of the necessary platforms to realize the resulting synergies. As of December 31, 2007, we believe we have achieved approximately U.S.$360 million and U.S.$79 million of annual savings from the RMC acquisition and the Rinker acquisition, respectively, through cost-saving synergies. In the case of the Rinker acquisition, we expect to achieve significant cost savings in the acquired operations by optimizing the production and distribution of ready-mix concrete and aggregates, reducing costs in the cement manufacturing facilities, partly by implementing CEMEX operating standards at such facilities, reducing raw materials and energy costs by centralizing procurement processes and reducing other operational costs by centralizing technological and managerial processes. We expect to realize annual savings from the Rinker acquisition of approximately U.S.$400 million through cost-saving synergies between the date of this annual report and 2010.

Outlook for Our Major Markets

The following is a discussion of our outlook for our four major markets, the United States, Mexico, Spain and the United Kingdom, which together generated approximately 56% of our net sales before eliminations resulting from consolidation in 2007.

United States

In the United States, we experienced a decline in sales volume for all our products during 2007. This decline is explained by the downturn in the residential sector, which accelerated throughout the year and resulted in very weak demand in 2007 compared to the demand levels of the prior year. For 2008, we expect continued weakness in the residential sector and a moderate decline in the industrial and commercial sector while the public sector is expected to remain stable.

Non-residential construction spending, which increased by 16% in 2007, is expected to decrease by 1% to 2% during 2008. The U.S.$287 billion, six-year surface-transportation program known as SAFETEA-LU, is a major program providing stability to the non-residential sector along with ongoing spending on schools and health care facilities.

In the residential sector, construction spending was down 18% during 2007. For 2008, there is continued uncertainty about the depth and duration of the ongoing correction. As such, we are particularly sensitive to changes in the outlook for construction spending. We expect cement sales volumes in the residential sector to decline by about 20% to 25% during 2008 depending on builders' aggressiveness in selling excess inventories and other factors that drive new home sales, such as affordability, job creation, and demographic trends.

Overall, we see our cement sales volumes in the United States declining by about 12% for 2008. We expect our ready-mix concrete sales volumes to decline by about 21% because of our higher exposure to the residential market and our aggregates volumes to decrease by around 20% for the full year 2008.

As a result of our acquisition of Rinker, the size of our U.S. operations and our exposure to the United States have recently increased significantly.

Mexico

In Mexico, we expect GDP growth of about 2.4%, driven by increased government spending as a result of improved government finances and also by solid growth in private consumption. For 2008, foreign direct investment and remittances from workers abroad are expected to remain at about the same levels as in 2007.

We see two main factors driving cement sales volumes during 2008. The first is government spending on streets and highways and other infrastructure projects. We expect that extraordinary oil revenues plus the 2008 federal budget spending on public works reach approximately U.S$7.5 billion during 2008. Expenditure in this sector is supported by strong government finances and continued fiscal discipline. The private sector is also expected to increase its contribution to the financing of public infrastructure projects.

The second factor is growth in the home-building sector due to an accelerated increase in mortgages and housing subsidies, which are expected to reach 1.1 million in 2008, an increase of 12% relative to 2007. Out of these 1.1 million mortgages and housing subsidies, 1 million are expected to come from public housing institutions such as INFONAVIT, FOVISSSTE and CONAVI, among others, representing a growth of 21% relative to 2007.

Mortgages sponsored by commercial banks and SOFOLES (specialized non-bank financial institutions) are expected to decrease by 37,000 mortgages, however, the total invested amount from these entities is expected to reach U.S.$12.2 billion, a 10% increase relative to the previous year. Commercial banks and SOFOLES together fund approximately 48% of the total value of all mortgages in Mexico. In addition, the houses constructed as a result of these mortgages are larger on average and require more cement than INFONAVIT-sponsored units.

Overall, we expect that cement consumption and other ready-mix concrete-intensive projects related to housing and infrastructure programs result in an increase in our ready-mix concrete sales volumes of about 8% and we expect cement sales volumes to rise 3% in 2008.

Spain

In 2007, total cement and ready-mix volumes for the year ended below our expectations due mainly to weaker-than-expected demand from the housing and infrastructure sectors during the fourth quarter. For 2008, we expect GDP to moderate its growth to a rate of near 2.0% versus 3.8% during 2007.

After the strongest year ever in 2006 in the residential sector with record housing permits, there was a decline in housing permits of 25% in 2007, and a further decline of about 30% is expected for 2008. The housing sector in Spain is suffering a stronger adjustment than expected. This is mainly due to the sharp impact of the international credit crisis, which has generated a notable lack of confidence, that combined with the housing sector deceleration since the second half of 2007, will evolve into a relevant slowdown of the housing sector during 2008 There is a risk, however, that Spain could experience a deeper correction in the residential sector during 2008.

In 2007, infrastructure spending was negatively affected by the completion of major projects early in the year in anticipation of local and regional elections held in May 2007. For 2008, civil works is expected to show performance similar to that of 2007. We expect an improvement in local and regional activity as the effect of the last elections start losing momentum. The Central government is requesting bids for civil works projects in order to compensate, at least in part, the residential construction slowdown, but there is uncertainty as to whether the timing of such bids will have a relevant impact during 2008. The infrastructure plan is expected to run through 2020 and has an estimated total budget of U.S.$300 billion. The industrial and commercial sectors should grow at a moderate rate during 2008.

The industrial and commercial sectors should grow at a moderate rate during 2008. Overall, we estimate national level demand of both cement and ready-mix concrete to decline in a range between 6% to 10%, with a sharper fall in most of the regions where we operate, in a range between 8% to 12%. Therefore, we estimate that during 2008 our cement and ready-mix sales volumes will decrease by about 8% to 10% and 10% to 12%, respectively. There is a risk, however, that Spain could experience a deeper correction in the residential sector during 2008. Therefore, we estimate that during 2008 our cement and ready-mix sales volumes will decrease by about 17% and 15%, respectively.

United Kingdom

In the United Kingdom, cement sales volumes increased 12% during 2007. During the year we increased the sale of slag cement to our ready-mix concrete operations. Sales volumes of cementitious materials, including cement and slag cement, increased by 13% during 2007. Ready-mix concrete sales volumes decreased by 2% and aggregates sales volumes increased by 2% during 2007.

During 2007, cement demand was driven mainly by a good performance of the industrial, commercial, and public-housing sectors. During 2008, demand across all sectors is being adversely influenced mainly by a slow down in construction, particularly in the private housing sector, as the general credit environment has tightened.

For 2008, we expect our cement sales to decrease around 9%, in comparison to 2007. Ready-mix and aggregates volumes are expected to decrease by 12% and 2% respectively, during 2008.

Summary of Material Contractual Obligations and Commercial Commitments

As of December 31, 2007, our subsidiaries had future commitments for the purchase of raw materials for an approximate amount of U.S.$264 million.

In March 1998, we entered into a 20-year contract with PEMEX providing that PEMEX's refinery in Cadereyta would supply us with 0.9 million tons of petcoke per year, commencing in 2003. In July 1999, we entered into a second 20-year contract with PEMEX providing that PEMEX's refinery in Madero would supply us with 0.85 million tons of petcoke per year, commencing in 2002. We expect the PEMEX petcoke contracts to reduce the volatility of our fuel costs and provide us with a consistent source of petcoke throughout their 20-year terms (which expire in July 2023 for Cadereyta's refinery contract and October 2022 for the Madero's refinery contract).

In 1999, we reached an agreement with ABB Alstom Power and Sithe Energies, Inc. (currently Excelon Generation Company LLC) requiring Alstom and Sithe to finance, build and operate "Termoeléctrica del Golfo," a 230 megawatt energy plant in Tamuin, San Luis Potosi, Mexico and to supply electricity to us for a period of 20 years. Pursuant to the agreement, we are obligated to purchase the full electric capacity generated by the power plant during the 20-year period. We are also obligated to supply Alstom and Sithe with 1.2 million tons of petcoke per year for the 20-year period for the consumption of this power plant and another power plant built and operated by Alstom and Sithe for Peñoles, a Mexican mining company. We expect to meet our petcoke delivery requirements through several petcoke supply agreements, including our petcoke supply contract with PEMEX. Pursuant to the agreement, we may be obligated to purchase the Termoeléctrica del Golfo plant upon the occurrence of specified material defaults or events, such as failure to pay when due, bankruptcy or insolvency, and revocation of permits necessary to operate the facility, and upon termination of the 20-year period, we will have the right to purchase the assets of the power plant. We expect this arrangement to reduce the volatility of our energy costs. The power plant commenced commercial operations on April 29, 2004. In February 2007, ABB Alstom Power and Excelon Generation Company LLC sold their participations in the project to a subsidiary of The AES Corporation. For the years ended December 31, 2007, 2006 and 2005, Termoeléctrica del Golfo delivered energy to our Mexico's 15 cement plants, supplying approximately between 60% and 57% , of such years' energy needs.

For purposes of presenting the approximate cash flows that will be required to meet our other material contractual obligations, the following table presents a summary of those obligations, as of December 31, 2007:

	Payments per period				
	(U.S. dollars million)				
Contractual Obligations	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt	18,100	1,578	8,037	6,430	2,055
Capital lease obligations	51	30	19	2	–
Total debt(1)	18,151	1,608	8,056	6,432	2,055
Operating leases(2)	841	194	294	185	168
Interest payments on debt (3)	2,624	843	1,044	480	257
Estimated cash flows under interest rate derivatives(4)	407	97	170	91	49
Planned funding of pension plans and other post-retirement benefits(5)	1,925	187	367	372	999
Total contractual obligations	23,948	2,929	9,931	7,560	3,528

(1) Total long-term debt including current maturities is presented in note 12 to our consolidated financial statements included elsewhere in this annual report. In addition, as of December 31, 2007, we had lines of credit totaling approximately Ps157 billion, of which the available portion amounted to approximately Ps20 billion. The scheduling of debt payments does not consider the effect of any refinancing our debt during the following years. However, we have been successful in the past in replacing our long-term obligations with others of similar nature, and we intend to do so in the future. Total long-term debt does not include the perpetual debentures for an aggregate amount of U.S.$3,065 million (approximately Ps33,470 million), issued by consolidated entities. See note 16D to the consolidated financial statements included elsewhere in this annual report.

(2) Operating leases have not been calculated on the basis of net present value; instead they are presented in the basis of nominal future cash flows. See note 20D to our consolidated financial statements included elsewhere in this annual report.

(3) In the determination of our future estimated interest payments on our floating rate denominated debt, we used the interest rates in effect as of December 31, 2007.

(4) Our estimated cash flows under interest rate derivatives, which include the interest rate cash flows under our interest rate swaps and our cross currency swap contracts, represent the net amount between the rate we pay and the rate we receive under such contracts. In the determination of our future estimated cash flows, we used the interest rates applicable under such contracts as of December 31, 2007.

(5) Amounts relating to our planned funding to pensions and other postretirement benefits presented in the table above represent our estimated annual payments under these benefits for the next 10 years, determined in local currency and translated into Dollars at the exchange rates as of December 31, 2007, and includes our estimate of the number of new retirees during such future years. See note 14 to our consolidated financial statements included elsewhere in this annual report.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our financial condition, operating results, liquidity or capital resources.

Qualitative and Quantitative Market Disclosure

Our Derivative Financial Instruments

In compliance with the guidelines established by our risk management committee, we use derivative financial instruments in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) our net assets in foreign subsidiaries and (iii) future exercises of options under our executive stock option programs. We actively evaluate the creditworthiness of the financial institutions and corporations that are counterparties to our derivative financial instruments, and we believe that they have the financial capacity to meet their obligations in relation to these instruments. We consider the risk of non-compliance with the obligations agreed to by such counterparties to be minimal.

The fair value of derivative financial instruments is based on estimated settlement costs or quoted market prices and supported by confirmations of these values received from the counterparties to these financial instruments. The notional amounts of derivative financial instrument agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss.

	(U.S.$ millions)				
	At December 31, 2006		At December 31, 2007		
Derivative Instruments	Notional amount	Estimated fair value	Notional amount	Estimated fair value	Maturity Date
Equity forward contracts	171	—	121	2	Dec '08
Foreign exchange forward contracts	5,908	127	7,216	(51)	Jan '08 -April '11
Derivatives related to perpetual equity instruments	1,250	46	3,065	202	Dec '11 -Jun '17
Interest rate swaps	3,184	39	4,473	68	Jan '08 – Mar '14
Cross currency swaps	2,144	154	2,532	126	Jan '08 - Sept '12
Derivatives related to energy	159	(4)	219	14	Sept '22

Our Equity Derivative Forward Contracts

In December 2007, CEMEX negotiated an equity forward contract covering approximately 47 million of CPOs with maturity in March 2008. The notional amount of the contract is approximately U.S.$121 million (Ps1,321 million). This contract was negotiated to hedge future exercises of options under the executives' stock option programs. See note 17 to our consolidated financial statements included elsewhere in this annual report. Changes in the estimated fair value of these contracts are recognized in the income statement, in addition to the costs originated by such programs. Likewise, in December 2006, CEMEX sold in the market 50 million CPOs that it held in CEMEX's treasury for approximately Ps1,932 million. On the same date, CEMEX negotiated a forward contract for the same number of CPOs with maturity in December 2009. The notional amount of the contract was approximately U.S.$171 million (Ps2,003 million). This derivative was liquidated in 2007, generating a gain of approximately U.S.$13 million (Ps142 million) recognized in the income statement.

See "Item 4—Recent Developments" for a description of an equity derivative forward contract entered into in April 2008.

Our Foreign Exchange Forward Contracts

A portion of our foreign exchange forward contracts held as of December 31, 2006 and 2007, with notional amounts of U.S.$ 5,034 million and U.S.$4,845 million, respectively, are accounted for at their estimated market value as hedge instruments for our net investments in foreign subsidiaries. Gains or losses on these forward contracts are recognized as an adjustment to stockholders' equity within the related foreign currency translation adjustment.

In 2004, CEMEX negotiated derivative instruments related to the acquisition of RMC, in order to hedge the variability in cash flows associated with exchange fluctuations between the U.S. dollar, the currency in which CEMEX obtained the proceeds, and Pounds Sterling. CEMEX negotiated foreign exchange forwards, collars and options, for a combined notional amount of U.S.$3,453 million. These contracts were designated as hedges of the foreign exchange risk associated with the firm commitment to purchase the RMC shares. Changes in the fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132 million (Ps1,667 million), were recognized in stockholders' equity in 2004. This gain was reclassified to earnings in 2005 on the date RMC was purchased.

Between April and August 2007, in connection with the acquisition of Rinker, CEMEX negotiated foreign exchange forward contracts in order to hedge the variability in a portion of the cash flows associated with exchange fluctuations between the Australian dollar and the U.S. Dollar, the currency in which CEMEX obtained the proceeds. The notional amount of these contracts reached approximately U.S.$5,663 million in June 2007. Resulting from changes in the fair value of these contracts, upon settlement CEMEX realized a gain of approximately U.S.$137 million (Ps1,496 million), which was recognized in the 2007 results.

Our Interest Rate Swaps

As of December 31, 2006 and 2007, we held interest rate swaps for notional amounts of approximately U.S.$3,184 million and U.S.$4,473 million, respectively, entered into in order to hedge contractual cash flows (interest payments) of underlying debt negotiated at floating rates. Although these interest rate swap contracts, are part of, and complement, our financial strategy, they generally do not meet the accounting hedge criteria. Consequently, changes in the estimated fair value of these instruments were recognized in earnings. However, as of December 31, 2006, several of our interest rate swap contracts, with an aggregate notional amount of approximately U.S.$1.4 billion, met the accounting hedge criteria and were designated as accounting hedges of contractual cash flows (interest payments) of a portion of our floating rate debt. As of December 31, 2007, there were no interest rate

swaps which met the accounting hedge criteria. Accordingly, changes in the estimated fair value of these instruments that meet the accounting hedge criteria are recognized as stockholders' equity, and will be reclassified to earnings as the financial expense of the related debt is accrued. In addition, periodic payments under these instruments that meet the accounting hedge criteria are recognized in earnings as an adjustment of the effective interest rate of the related debt. See note 12A to our consolidated financial statements included elsewhere in this annual report.

Our Cross Currency Swaps

As of December 31, 2006 and 2007, we held cross currency swap contracts related to our short-term and long-term financial debt portfolio. Through these contracts, we carried out the exchange of the originally contracted currencies and interest rates, over a determined amount of underlying debt. During the life of these contracts, the cash flows originated by the exchange of interest rates under the cross currency swap contracts match the interest payment dates and conditions of the underlying debt. Likewise, at maturity of the contracts and the underlying debt, we will exchange with the counterparty notional amounts provided by the contracts so that we will receive an amount of cash flow equal to cover our primary obligation under the underlying debt. In exchange, we will pay the notional amount in the exchanged currency. As a result, we have effectively exchanged the risks related to interest rates and foreign exchange variations of the underlying debt to the rates and currencies negotiated in the cross currency swap contracts. See note 12C to our consolidated financial statements included elsewhere in this annual report.

The periodic cash flows on the cross currency swap instruments arising from the exchange of interest rates are recorded in the comprehensive financing result as part of the effective interest rate of the related debt. We recognize the estimated fair value of the cross currency swap contracts as assets or liabilities in the balance sheet, with changes in the estimated fair value being recognized through the income statement. All financial assets and liabilities with the same maturity, for which our intention is to simultaneously realize or settle, have been offset for presentation purposes, in order to reflect the cash flows that we expect to receive or pay upon settlement of the financial instruments.

In respect of the estimated fair value recognition of the cross currency swap contracts, as of December 31, 2006 and 2007, we recognized net assets of U.S.$154 million (Ps1,804 million) and U.S.$126 million (Ps1,376 million), respectively, related to the estimated fair value of the short-term and long-term cross currency swap contracts, of which,

- A gain of approximately U.S.$154 million (Ps1,804 million) and U.S.$126 million (Ps1,376 million) as of December 31, 2006 and 2007, respectively, represented the contracts' estimated fair value, before prepayment effects, and includes:

- Gains of approximately U.S.$60 million (Ps703 million) and U.S.$41 million (Ps448 million) as of December 31, 2006 and 2007, respectively, which are directly related to variations in exchange rates between the inception of the contracts and the balance sheet date,

- Gains of approximately U.S.$16 million (Ps188 million) and U.S.$11 million (Ps120 million) as of December 31, 2006 and 2007, respectively, identified with the periodic cash flows for the interest rate swaps, and which were recognized as an adjustment of the related financing interest payable, and

- Remaining net assets of approximately U.S.$78 million (Ps913 million) and approximately U.S.$74 million (Ps808 million) as of December 31, 2006, and 2007, which were recognized within other short-term and long-term assets and liabilities, as applicable. See note 12C to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2007, as a result of new accounting pronouncements under Mexican FRS, which became effective as of January 1, 2005, the book value of the financial liabilities directly related to the cross currency swap contracts are presented in the originally contracted currency. For the years ended December 31, 2005, 2006 and 2007, changes in the estimated fair value of the cross-currency swaps, before prepayments, resulted in a gain of U.S.$3 million (Ps38 million), a loss of U.S.$58 million (Ps679 million), and a loss of U.S.$28 million (Ps306 million), respectively. The periodic interest rate cash flows under the cross-currency swaps were recognized within financial expense as part of the effective interest rate of the related debt. See note 12C to our consolidated financial statements included elsewhere in this annual report.

Our Derivatives Related to Energy Projects

As of December 31, 2006 and 2007, we had an interest rate swap maturing in September 2022, for notional amounts of U.S.$141 million and U.S.$214 million, respectively, negotiated to exchange floating for fixed interest rates, in connection with agreements we entered into for the acquisition of electric energy for a 20-year period commencing in 2003. During the life of the derivative contract and over its notional amount, we will pay LIBO rates and receive a 5.4% fixed rate until maturity in September 2022. In addition, during 2001, CEMEX sold a floor option, which had a notional amount of U.S.$149 million in 2006, and that was settled in 2007, generating a loss of U.S.$16 million (Ps175 million) in 2007. As of December 31, 2007, after giving effect to the settlement of the floor option, the fair value of the swap represented a gain of U.S.$14 million (Ps153 million). As of December 31, 2006, the combined fair value of the interest rate swap and the floor option represented losses of approximately U.S.$3 million (Ps35 million). Changes in fair value of these contracts were recognized in earnings during the respective period. The notional amount of these contracts was not aggregated in 2006 considering that there was only one notional amount with exposure to changes in interest rates and the effects of both contracts offset each other. See note 12D to our consolidated financial statements included elsewhere in this annual report.

In addition, during 2006, CEMEX negotiated a derivative instrument on gas prices with maturity in January 2008. As of December 31, 2006 and 2007, this instrument had notional amounts of U.S.$9 million (Ps105 million) and U.S.$5 million (Ps55 million), respectively.

Our Derivative Instruments Related to Perpetual Equity Instruments

In connection with the issuance of the debentures by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited in December 2006 described above, pursuant to which we pay a fixed Dollar rate of 6.196% on a notional amount of U.S.$350 million and a fixed Dollar rate of 6.722% on a notional amount of U.S.$900 million, we decided to change the foreign exchange exposure on the coupon payments from Dollars to Yen. In order to do so, we contemporaneously entered into two cross-currency swaps: a U.S.$350 million notional amount cross-currency swap, pursuant to which, for a five-year period, we receive a fixed rate in Dollars of 6.196% of the notional amount and pay six-month Yen LIBOR multiplied by a factor of 4.3531, and a U.S.$900 million notional amount cross-currency swap, pursuant to which, for a ten-year period, we receive a fixed rate in Dollars of 6.722% of the notional amount and pay six-month Yen LIBOR multiplied by a factor of 3.3878. Each cross-currency swap includes an extinguishable swap, which provides that if the relevant debentures are extinguished for certain stated conditions but before the maturity of the cross-currency swap, such cross-currency swap would be automatically extinguished, with no amounts payable by the swap counterparties. In addition, in order to eliminate variability during the first two years in the Yen-denominated payments due under the cross-currency swaps, we entered into foreign exchange forwards for a notional amount of U.S.$89 million, under which we pay Dollars and receive payments in Yen. Changes in fair value of all the derivative instruments associated with the perpetual debentures are recognized in the income statement as part of the comprehensive financing result.

In connection with the issuance of the debentures by C8 Capital (SPV) Limited and C10-EUR Capital (SPV) Limited in February and May 2007 described above, pursuant to which we pay a fixed Dollar rate of 6.640% on a notional amount of U.S.$750 million and a fixed Euro rate of 6.277% on a notional amount of €730 million, we

decided to change the foreign exchange exposure on the coupon payments from Dollars and Euros to Yen. In order to do so, we contemporaneously entered into two cross-currency swaps: a U.S.$750 million notional amount cross-currency swap, pursuant to which, for an eight-year period, we receive a fixed rate in Dollars of 6.640% of the notional amount and pay six-month Yen LIBOR multiplied by a factor of 3.55248, and a €730 million notional amount cross-currency swap, pursuant to which, for a ten-year period, we receive a fixed rate in Euros of 6.277% of the notional amount and pay twelve-month Yen LIBOR multiplied by a factor of 3.1037. Each cross-currency swap includes an extinguishable swap, which provides that if the relevant debentures are extinguished for certain stated conditions but before the maturity of the cross-currency swap, such cross-currency swap would be automatically extinguished, with no amounts payable by the swap counterparties. In addition, in order to eliminate variability during the first two years in the Yen-denominated payments due under the cross-currency swaps, we entered into foreign exchange forwards for notional amounts of U.S.$273 million, under which CEMEX pays Dollars and receives payments in Yen. Changes in fair value of all the derivative instruments associated with the perpetual debentures are recognized in the income statement as part of the comprehensive financing result.

Interest Rate Risk, Foreign Currency Risk and Equity Risk

Interest Rate Risk

The table below presents tabular information of our fixed and floating rate long-term foreign currency-denominated debt as of December 31, 2007. It includes the effects generated by the interest rate swaps and the cross currency swap contracts that we have entered into, covering a portion of our financial debt originally negotiated in Pesos and Dollars. See note 12C to our consolidated financial statements included elsewhere in this annual report. Average floating interest rates are calculated based on forward rates in the yield curve as of December 31, 2007. Future cash flows represent contractual principal payments. The fair value of our floating rate long-term debt is determined by discounting future cash flows using borrowing rates available to us as of December 31, 2007 and is summarized as follows:

	Expected maturity dates as of December 31, 2007							
Long- term Debt(1)	**2008**	**2009**	**2010**	**2011**	**2012**	**After 2013**	**Total**	**Fair Value**
	(Millions of Dollars equivalents of debt denominated in foreign currencies)							
Variable rate	1,437	5,027	1,912	3,653	833	39	12,901	12,846
Average interest rate	4.6%	3.6%	4.4%	4.8%	4.8%	5.3%		
Fixed rate	171	640	478	1,296	651	2,015	5,251	5,425
Average interest rate	3.7%	4.8%	4.7%	4.7%	4.7%	5.2%		

(1) The information above includes the current maturities of the long-term debt. Total debt does not include the perpetual debentures for an aggregate amount of U.S.$3,065 million (approximately Ps33,470 million), issued by consolidated entities. See note 16D to the consolidated financial statements included elsewhere in this annual report.

As of December 31, 2007, we were subject to the volatility of the floating interest rates, which, if such rates were to increase, may adversely affect our financing cost and our net income. As of December 31, 2007, 73% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 36 basis points, after giving effect to our interest rate swaps and cross currency swaps. As of December 31, 2007, we also held interest rate swaps for a notional amount of U.S.$4,473 million and with a fair value gain of approximately U.S.$68 million during 2007. Pursuant to these interest rate swaps, we receive variable rates and deliver fixed rates over the notional amount. These derivatives, even when they do not meet the criteria to be considered hedging items for accounting purposes, complement our financial strategy and mitigate our overall exposure to floating rates. See "— Our Derivative Financial Instruments — Our Interest Rate Swaps."

The potential change in the fair value as of December 31, 2007 of these contracts that would result from a hypothetical, instantaneous decrease of 50 basis points in the interest rates would be a gain of approximately U.S.$1 million (Ps11 million).

Foreign Currency Risk

Due to our geographic diversification, our revenues are generated in various countries and settled in different currencies. However, some of our production costs, including fuel and energy, and some of our cement prices, are periodically adjusted to take into account fluctuations in the Dollar/Peso exchange rate. For the year ended December 31, 2007, approximately 16% of our net sales, before eliminations resulting from consolidation, were generated in Mexico, 22% in the United States, 9% in Spain, 9% in the United Kingdom, 19% in our Rest of Europe segment, 9% in South America, Central America and the Caribbean, 3% in Africa and the Middle East, 5% in Australia and Asia and 8% from other regions and our cement and clinker trading activities. As of December 31, 2007, our debt amounted to Ps216.9 billion (approximately U.S.$19.9 billion), of which approximately 66% was Dollar-denominated, 15% was Peso-denominated, 18% was Euro-denominated, 1% was Yen-denominated and immaterial amounts were denominated in other currencies; therefore, we had a foreign currency exposure arising from the Dollar-denominated debt, the Euro-denominated debt and the Yen-denominated debt, versus the currencies in which our revenues are settled in most countries in which we operate. See "— Liquidity and Capital Resources — Our Indebtedness," Item 10 — "Additional Information — Material Contracts" and Item 3 - "Risk Factors — We have to service our Dollar and Japanese Yen denominated obligations with revenues generated in Pesos or other currencies, as we do not generate sufficient revenue in Dollars from our operations to service all our Dollar denominated obligations or in Japanese Yen to service all our Japanese Yen denominated obligations. This could adversely affect our ability to service our obligations in the event of a devaluation or depreciation in the value of the Peso, or any of the other currencies of the countries in which we operate, compared to the Dollar or the Japanese Yen." Although we also have a small portion of our debt in other currencies, we have generated enough cash flow in those currencies to service that debt. Therefore, we believe there is no material foreign currency risk exposure with respect to that debt. As previously mentioned, we have entered into cross currency swap contracts, designed to change the original profile of interest rates and currencies over a portion of our financial debt. See "— Our Derivative Financial Instruments." As of December 31, 2007, the estimated fair value of these instruments was a gain of approximately U.S.$126 million (Ps1,376 million). The potential change in the fair value of these contracts as of December 31, 2007 that would result from a hypothetical, instantaneous depreciation of 10% in the exchange rate of the Peso against the Dollar, would be a loss of approximately U.S.$250 million (Ps2,730 million).

Additionally, as previously mentioned, we have entered into foreign exchange forward contracts designed to hedge our net investment in foreign subsidiaries, our firm commitments, as well as other currency derivative instruments. See "— Our Derivative Financial Instruments." The combined estimated fair value of our foreign exchange forwards that hedge our net investment in foreign subsidiaries and our other currency derivatives as of December 31, 2007 was a loss of approximately U.S.$51 million (Ps557 million). The potential change in the fair value of these derivatives as of December 31, 2007 that would result from a hypothetical, instantaneous depreciation of 10% in the exchange rate of the Peso combined with an appreciation of 10% of the Euro against the Dollar would be a loss of approximately U.S.$977 million (Ps10,669 million), which would be partially offset by a corresponding foreign translation gain as a result of our net investment in foreign subsidiaries.

Equity Risk

As described above, we have entered into equity forward contracts on our own stock. Upon liquidation and at our option, the equity forward contracts provide for physical settlement or net cash settlement of the estimated fair value and the effects are recognized in the income statement. At maturity, if these forward contracts are not settled or replaced, or if we default on these agreements, our counterparties may sell the shares underlying the contracts. Such sales may have an adverse effect on our stock market price.

Investments, Acquisitions and Divestitures

The transactions described below represent our principal investments, acquisitions and divestitures completed during 2005, 2006 and 2007. For a description of our acquisition of Rinker, see Item 4 — "Information on the Company — Recent Developments — Rinker Acquisition."

Investments and Acquisitions

On August 28, 2007, we completed the acquisition of 100% of the Rinker shares for a total consideration of approximately U.S.$14.2 billion (approximately Ps155.6 billion) (excluding the assumption of approximately U.S.$1.3 billion (approximately Ps13.9 billion) of Rinker's debt). For its fiscal year ended March 31, 2007, Rinker reported consolidated revenues of approximately U.S.$5.3 billion. Approximately U.S.$4.1 billion of these revenues were generated in the United States, and approximately U.S.$1.2 billion were generated in Australia and China. As of that date, Rinker had more than 13,000 employees. During such fiscal period, Rinker produced approximately 2 million tons of cement, 93 million tons of aggregates and sold close to 13 million cubic meters of ready-mix concrete. In Australia, Rinker's main activities are oriented to the production and sale of ready-mix concrete and other construction materials. See note 2 to our consolidated financial statements included elsewhere in this annual report.

On March 1, 2005, we completed our acquisition of RMC for a total purchase price of approximately U.S.$4.3 billion, excluding approximately U.S.$2.2 billion of assumed debt. RMC, headquartered in the United Kingdom, was one of Europe's largest cement producers and one of the world's largest suppliers of ready-mix and aggregates, with operations in 22 countries, primarily in Europe and the United States, and employed over 26,000 people. The assets acquired included 13 cement plants with an approximate installed capacity of 17 million tons, located in the United Kingdom, the United States, Germany, Croatia, Poland and Latvia.

In July 2005, we acquired 15 ready-mix concrete plants through the purchase of Concretera Mayaguezana, a ready-mix concrete producer located in Puerto Rico, for approximately Ps326 million (U.S.$30 million).

On January 1, 2006, CEMEX acquired a 51% equity interest in a cement-grinding mill facility with capacity of 400,000 tons per year in Guatemala for approximately U.S.$17 million (approximately Ps204 million).

On March 2, 2006, we acquired two companies engaged in the ready-mix concrete and aggregates business in Poland from Unicon A/S, a subsidiary of Cementir Group, an Italian cement producer, for approximately €12 million.

On March 20, 2006, we agreed to terminate our lease on the Balcones cement plant located in New Braunfels, Texas prior to expiration, and purchased the Balcones cement plant for approximately U.S.$61 million.

In addition to the above-mentioned acquisitions, our net investment in property, machinery and equipment, as reflected in our consolidated statements of changes in financial position included elsewhere in this annual report, excluding acquisitions of equity interests in subsidiaries and associates, was approximately Ps9,862 million (U.S.$903 million) in 2005, Ps16,067 million (U.S.$1,471 million) in 2006 and Ps21,779 million (U.S.$1,994 million) in 2007. This net investment in property, machinery and equipment has been applied to the construction and upgrade of plants and equipment, to the maintenance of plants and equipment, including environmental controls and technology updates.

In 2008, we have allocated over U.S.$1,500 million to continue with this effort. We expect these expansion projects to provide, on average, returns well in excess of our stated criteria for acquisitions, which include a minimum return on capital employed of at least ten percent.

Divestitures

As required by the Antitrust Division of the United States Department of Justice, pursuant to a divestiture order in connection with the Rinker acquisition, in December 2007, we sold to the Irish producer CRH plc, ready-mix concrete and aggregates plants in Arizona and Florida for approximately U.S.$250 million, of which approximately U.S.$30 million corresponded to the sale of assets from our pre-Rinker acquisition operations.

During 2006 we sold our 25.5% interest in the Indonesian cement producer PT Semen Gresik for approximately U.S.$346 million (approximately Ps4,053 million) including dividends declared of approximately U.S.$7 million (approximately Ps82 million).

On March 2, 2006, we sold 4K Beton A/S, our Danish subsidiary, which operated 18 ready-mix concrete plants in Denmark, to Unicon A/S, a subsidiary of Cementir Group, an Italian cement producer, for approximately €22 million. As part of the transaction, we purchased from Unicon A/S two companies engaged in the ready-mix concrete and aggregates business in Poland for approximately €12 million. We received net cash proceeds of approximately €6 million, after cash and debt adjustments, from this transaction.

On December 22, 2005, we terminated our 50/50 joint ventures with Lafarge Asland in Spain and Portugal, which we acquired in the RMC acquisition. Under the terms of the termination agreement, Lafarge Asland received a 100% interest in both joint ventures and we received approximately U.S.$61 million in cash, as well as 29 ready-mix concrete plants and five aggregates quarries in Spain.

As a condition to closing the RMC acquisition, we agreed with the U.S. Federal Trade Commission, or FTC, to divest several ready-mix and related assets. On August 29, 2005, we sold RMC's operations in the Tucson, Arizona area to California Portland Cement Company for a purchase price of approximately U.S.$16 million.

On July 1, 2005, we and Ready Mix USA established two jointly-owned limited liability companies, CEMEX Southeast, LLC, a cement company, and Ready Mix USA, LLC, a ready-mix concrete company, to serve the construction materials market in the southeast region of the United States. Under the terms of the limited liability company agreements and related asset contribution agreements, we contributed two cement plants (Demopolis, Alabama and Clinchfield, Georgia) and 11 cement terminals to CEMEX Southeast, LLC, representing approximately 98% of its contributed capital, while Ready Mix USA contributed cash to CEMEX Southeast, LLC representing approximately 2% of its contributed capital. In addition, we contributed our ready-mix concrete, aggregates and concrete block assets in the Florida panhandle and southern Georgia to Ready Mix USA, LLC, representing approximately 9% of its contributed capital, while Ready Mix USA contributed all its ready-mix concrete and aggregate operations in Alabama, Georgia, the Florida panhandle and Tennessee, as well as its concrete block operations in Arkansas, Tennessee, Mississippi, Florida and Alabama to Ready Mix USA, LLC, representing approximately 91% of its contributed capital. We own a 50.01% interest, and Ready Mix USA owns a 49.99% interest, in the profits and losses and voting rights of CEMEX Southeast, LLC, while Ready Mix USA owns a 50.01% interest, and we own a 49.99% interest, in the profits and losses and voting rights of Ready Mix USA, LLC. In a separate transaction, on September 1, 2005, we sold 27 ready-mix concrete plants and four concrete block facilities located in the Atlanta, Georgia metropolitan area to Ready Mix USA, LLC for approximately U.S.$125 million. In January 2008, we and Ready Mix USA agreed to expand the scope of the Ready-Mix USA, LLC joint venture. As part of the transaction, which closed on January 11, 2008, we contributed assets valued at approximately $260 million to the joint venture and sold additional assets to the joint venture for approximately $120 million in cash. As part of the transaction, Ready Mix USA made a $125 million cash contribution to the joint venture and the joint venture made a $135 million special distribution to us. Ready Mix USA will manage all the newly acquired assets. Following the transaction, the joint venture continues to be owned 50.01% by Ready Mix USA and 49.99% by us. The assets contributed and sold by CEMEX include: 11 concrete plants, 12 limestone quarries, four concrete maintenance facilities, two aggregate distribution facilities and two administrative offices in Tennessee; three

granite quarries and one aggregates distribution facility in Georgia; and one limestone quarry and one concrete plant in Virginia. All these assets were acquired by us through our acquisition of Rinker.

In July 2005, we sold a cement terminal to the City of Detroit for approximately U.S.$24 million.

On April 26, 2005, we sold our 11.9% interest in the Chilean cement producer Cementos Bio Bio, S.A., for approximately U.S.$65 million (Ps817 million).

On March 31, 2005, we sold our Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim Participações S.A., a cement company in Brazil, for approximately U.S.$389 million. The combined capacity of the two cement plants sold was approximately two million tons per year, and the operations of these plants represented approximately 9% of our U.S. operations' operating cash flow for the year ended December 31, 2004.

See note 11A to our consolidated financial statements included elsewhere in this annual report.

U.S. GAAP Reconciliation

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican FRS, which differ in some significant respects from U.S. GAAP. As previously indicated, until December 31, 2007, the Mexican FRS consolidated financial statements for the periods presented included the effects of inflation as provided for under Bulletin B-10 and Bulletin B-15 and were presented in constant Pesos representing the same purchasing power for each period presented, whereas financial statements prepared under U.S. GAAP are presented on a historical cost basis. The reconciliation to U.S. GAAP included as note 25 to our consolidated financial statements presented elsewhere in this annual report includes (i) a reconciling item for the reversal of the effect of applying the CEMEX weighted average inflation factor instead of the Mexican inflation-only factor for the restatement to constant pesos for the year ended December 31, 2003, and (ii) a reconciling item to reflect the difference in the carrying value of machinery and equipment of foreign origin and related depreciation, between (a) the methodology set forth by Mexican FRS in which fixed assets are restated using the inflation index of the assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the functional currency, and (b) the amounts that would be determined by using the historical cost/constant currency method in which fixed assets are restated using the inflation index of the country that holds the asset. As described below, these provisions of inflation accounting under Mexican FRS do not meet the requirements of Rule 3-20 of Regulation S-X of the Securities and Exchange Commission. Our reconciliation does not include the reversal of other Mexican FRS inflation accounting adjustments as these adjustments represent a comprehensive measure of the effects of price level changes in the Mexican economy and, as such, is considered a more meaningful presentation than historical cost-based financial reporting for both Mexican and U.S. accounting purposes.

Majority net income under U.S. GAAP for the years ended December 31, 2007, 2006, and 2005 amounted to Ps21,367 million, Ps26,384 million and Ps23,933 million, respectively, compared to majority net income under Mexican FRS for the years ended December 31, 2007, 2006, and 2005 of approximately Ps26,108 million, Ps27,855 million and Ps26,519 million, respectively. See note 25 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican FRS and U.S. GAAP as they relate to us and the effects that newly issued accounting pronouncements have had in our financial position.

Newly Issued Accounting Pronouncements Under U.S. GAAP

In September 2006, the FASB issued SFAS 157, *Fair Value Measurement* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements. SFAS 157 does not require any new fair value measures. SFAS 157 is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. We

are required to adopt SFAS 157 beginning on January 1, 2008. SFAS 157 is required to be applied prospectively, except for certain financial instruments. Any transition adjustment will be recognized as an adjustment to opening retained earnings in the year of adoption. We are evaluating the impact of adopting SFAS 157 on our results of operations and financial position under U.S. GAAP.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS 159"). SFAS 159 gives entities the irrevocable option to carry many financial assets and liabilities at fair values, with changes in fair value recognized in earnings. SFAS No. 159 is effective for us beginning January 1, 2008, although early adoption was permitted. We are currently assessing the potential impact that adoption of SFAS 159 will have on its financial statements.

In December 2007, the FASB issued SFAS 141R, *Business Combinations* ("SFAS 141R") and SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51* ("SFAS 160"). SFAS 141R and SFAS 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at "full fair value" and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Both Statements are effective for periods beginning on or after December 15, 2008, and earlier adoption is prohibited. SFAS 141R will be applied to business combinations occurring after the effective date. SFAS 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date. CEMEX is currently evaluating the impact of adopting SFAS 141R and SFAS 160; however, CEMEX does not expect any significant effect on its results of operations and financial position.

Item 6 Directors, Senior Management and Employees

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Senior Management and Directors

Senior Management

Set forth below is the name and position of each of our executive officers as of December 31, 2007. The terms of office of the executive officers are indefinite.

Lorenzo H. Zambrano, Chief Executive Officer	Joined CEMEX in 1968. During his career with CEMEX, Mr. Zambrano has been involved in all operational aspects of our business. He held several positions in CEMEX prior to his appointment as director of operations in 1981. In 1985, Mr. Zambrano was appointed chief executive officer, and in 1995 he was elected chairman of the board of directors. Mr. Zambrano is a graduate of Instituto Tecnológico y de Estudios Superiores de Monterrey, A.C., or ITESM, with a degree in mechanical engineering and administration and holds an M.B.A. from Stanford University. Mr. Zambrano has been a member of our board of directors since 1979 and chairman of our board of directors since 1995. He is a member of the board of directors of IBM and the International Advisory Board of Citigroup. He is also a member of the board of directors of Fomento Económico Mexicano, S.A.B. de C.V., Grupo Financiero Banamex, S.A. de C.V., Vitro, S.A.B. and Grupo Televisa, S.A.B. Mr. Zambrano is chairman of the board of directors of Consejo de Enseñanza e Investigación Superior, A.C., which manages ITESM, and a member of the board of directors of Museo de Arte Contemporáneo de Monterrey A.C. (MARCO). Mr. Zambrano participated in the Chairman's Council of Daimler Chrysler AG until

	2005, was a member of the Stanford University's Graduate School of Business Advisory Council until 2006, of the board of directors of Vitro, S.A.B. until 2007, and of the board of directors of Alfa, S.A.B. de C.V. until 2008. In recognition of his business and philanthropic record, Mr. Zambrano has received several awards and recognitions, including the Woodrow Wilson Center's Woodrow Wilson Award for Corporate Citizenship, the America's Society Gold Medal Distinguished Service Award, and Stanford University's Graduate School of Business Alumni Association's Ernest C. Arbuckle Award. Lorenzo H. Zambrano is a first cousin of Lorenzo Milmo Zambrano and Rogelio Zambrano Lozano, both members of our board of directors, as well as of Rodrigo Treviño, our chief financial officer.
Héctor Medina, Executive Vice President of Planning and Finance	Joined CEMEX in 1988. He has held several positions in CEMEX, including director of strategic planning from 1991 to 1994, president of CEMEX México from 1994 to 1996, and has served as executive vice president of planning and finance since 1996. He is a graduate of ITESM with a degree in chemical engineering and administration. He also received a Masters of Science degree in Management Studies from the Management Center of the University of Bradford in England, and a Masters of Science diploma in Operations Research from the Escuela de Organización Industrial in Spain. Among the positions he previously held are those of Project Director at Grupo Protexa, S.A. de C.V., Administrative Director at Grupo Xesa, S.A. de C.V., Commercial Director at Direcplan, S.A., and Industrial Relations Sub-Director at Hylsa, S.A. de C.V. Mr. Medina is a member of the board of directors of Cementos Chihuahua, Compañía Minera Autlán, Mexifrutas, S.A. de C.V. and Banco de Ahorro FAMSA. Mr. Medina is also chairman of the board of directors of Universidad Regiomontana, member of the oversight board of Enseñanza e Investigación Superior A.C. and ITESM, and of the advisory board of Nacional Monte de Piedad.
Armando J. García Segovia, Executive Vice President of Development	Initially joined CEMEX in 1975 and rejoined CEMEX in 1985. He has served as director of operational and strategic planning from 1985 to 1988, director of operations from 1988 to 1991, director of corporate services and affiliate companies from 1991 to 1994, director of development from 1994 to 1996, general director of development from 1996 to 2000, and executive vice president of development since 2000. He is a graduate of ITESM with a degree in mechanical engineering and administration and holds an M.B.A. from the University of Texas. He was employed at Cydsa, S.A. from 1979 to 1981 and at Conek, S.A. de C.V. from 1981 to 1985. Mr. García has been a member of our board of directors since 1983. He also serves as a member of the board of directors of Grupo Cementos de Chihuahua, S.A.B. de C.V., GCC Cemento, S.A. de C.V., and COPARMEX N.L. He is a member of the board and former chairman of the Private Sector Center for Sustainable Development Studies (*Centro de Estudios del Sector Privado para el Desarrollo Sostenible*), and member of the board of the World Environmental Center. He is also founder and chairman of the board of Comenzar de Nuevo, A.C.

	He is a brother of Jorge García Segovia, an alternate member of our board of directors, and a first cousin of Rodolfo García Muriel, a member of our board of directors.
Victor Romo, Executive Vice President of Administration	Joined CEMEX in 1985 and has served as director of administration of CEMEX España from 1992 to 1994, general director of administration and finance of CEMEX España from 1994 to 1996, president of CEMEX Venezuela from 1996 to 1998, president of the South American and Caribbean region from 1998 to May 2003, and executive vice president of administration since May 2003. He is a certified public accountant and holds a master's degree in administration and finance from ITESM. Previously, he worked for Grupo Industrial Alfa, S.A. de C.V. from 1979 to 1985.
Francisco Garza, President of CEMEX North America Region and Trading	Joined CEMEX in 1988 and has served as director of trading from 1988 to 1992, president of CEMEX USA from 1992 to 1994, president of CEMEX Venezuela from 1994 to 1996 and Cemento Bayano from 1995 to 1996, and president of CEMEX México and CEMEX USA from 1996 to 1998. In 1998, he was appointed president of the North American region and trading. He is a graduate in business administration from ITESM and holds an M.B.A. from the Johnson School of Management at Cornell University.
Fernando Gonzalez, President of the Europe, Middle East, Africa and Asia Region	Joined CEMEX in 1989, and has served as corporate vice-president of strategic planning from 1994 to 1998, president of CEMEX Venezuela from 1998 to 2000, president of CEMEX Asia from 2000 to May 2003, and president of the South American and Caribbean region from May 2003 to February 2005. In March 2005, he was appointed president of the expanded European Region, and in February 2007 was appointed president of the Europe, Middle East, Africa, Asia and Australia Region. Mr. Gonzalez earned his B.A. and M.B.A. degrees from ITESM.
Juan Romero, President of CEMEX South America and the Caribbean	Joined CEMEX in 1989 and has occupied several senior management positions, including president of CEMEX Colombia and president of CEMEX Mexico. In March 2005, Mr. Romero became president of the South America and Caribbean region. Mr. Romero graduated from Universidad de Comillas in Spain, where he studied Law and Economic and Enterprise Sciences.
Rodrigo Treviño, Chief Financial Officer	Joined CEMEX in 1997 and has served as chief financial officer since then. He holds both bachelor and master of science degrees in industrial engineering from Stanford University. Prior to joining CEMEX, he served as the country corporate officer for Citicorp/Citibank Chile from 1995 to 1996, and worked at Citibank, N.A. from 1979 to 1994. Rodrigo Treviño is a first cousin of Lorenzo H. Zambrano, our chief executive officer and chairman of our board of directors.
Ramiro G. Villarreal, General Counsel	Joined CEMEX in 1987 and has served as general counsel since then, and also has served as secretary of our board of directors since 1995. He is a graduate of the Universidad Autónoma de Nuevo León with a degree in law. He also received a masters of science degree in finance from the University of Wisconsin. Prior to joining CEMEX, he served as assistant general director of Grupo Financiero Banpais from

1985 to 1987.

Board of Directors

Set forth below are the names of the members of our board of directors. The members of our board of directors serve for one-year terms. At our 2007 annual shareholders' meeting held on April 24, 2008, our shareholders re-elected all the members of our board of directors to serve until the next annual shareholders' meeting.

Lorenzo H. Zambrano, Chairman	See "— Senior Management."
Lorenzo Milmo Zambrano	Has been a member of our board of directors since 1977. He is also chief executive officer of Inmobiliaria Ermiza, S.A. de C.V. He is a first cousin of Lorenzo H. Zambrano, chairman of our board of directors and our chief executive officer, a first cousin of Rogelio Zambrano Lozano, a member of our board of directors, and an uncle of Tomas Milmo Santos, an alternate member of our board of directors.
Armando J. García Segovia	See "— Senior Management."
Rodolfo García Muriel	Has been a member of our board of directors since 1985. He is the chief executive officer of Compañía Industrial de Parras, S.A. de C.V. and Parras Cone de México, S.A. de C.V. He is a member of the board of directors of Parras Williamson, S.A. de C.V., Telas de Parras, S.A. de C.V., Synkro, S.A. de C.V., IUSA-GE, S. de R.L., Industrias Unidas, S.A., Apolo Operadora de Sociedades de Inversión, S.A. de C.V., and Cambridge Lee Industries, Inc. Mr. García Muriel is also vice president of the Textile Industry National Chamber (*Cámara Nacional de la Industria Textil*). He is a first cousin of Armando J. García Segovia, executive vice president of development of CEMEX and a member of our board of directors, and Jorge García Segovia, an alternate member of our board of directors.
Rogelio Zambrano Lozano	Has been a member of our board of directors since 1987. He is also a member of the advisory board of Grupo Financiero Banamex Accival, S.A. de C.V. Zona Norte, and member of the boards of directors of Carza, S.A. de C.V., Plaza Sesamo, S.A. de C.V., Hospital San José, and ITESM. He is a first cousin of Lorenzo H. Zambrano, chairman of our board of directors and our chief executive officer, a first cousin of Lorenzo Milmo Zambrano, a member of our board of directors, and an uncle of Tomás Milmo Santos, an alternate member of our board of directors.
Roberto Zambrano Villarreal	Has been a member of our board of directors since 1987. He was president of our audit committee from 2002 to 2006, and has been president of our corporate practices and audit committee since 2006. He is also a member of the board of directors of CEMEX México, S.A. de C.V. He is chairman of the board of directors of Desarrollo Integrado, S.A. de C.V., Administración Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmobiliaria Sanni, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., Servicios Técnicos Hidráulicos, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., Pilatus PC-12 Center de México, S.A. de

	C.V., and Pronatura A.C. He is a member of the board of directors of S.L.I. de México, S.A. de C.V., and Compañía de Vidrio Industrial, S.A. de C.V. He is a brother of Mauricio Zambrano Villarreal, a member of our board of directors and of our corporate practices and audit committee.
Bernardo Quintana Isaac	Has been a member of our board of directors since 1990. He is chairman of the board of directors of Empresas ICA, S.A.B de C.V., where he was also chief executive officer until December, 2006. Mr. Quintana Isaac is president of Grupo Aeroportuario del Centro Norte, S.A. de C.V., and member of the board of directors of Grupo Financiero Banamex, S.A. de C.V., Banco Nacional de México, S.A., and Grupo Maseca, S.A.B. de C.V. He is also a member of the Mexican Council of Businessmen (Consejo Mexicano de Hombres de Negocios), president of the Foundation for Mexican Letters (*Fundación para las Letras Mexicanas*), Fundación UNAM, Fundación ICA, and Patronato UNAM.
Dionisio Garza Medina	Has been a member of our board of directors since 1995. He is chairman of the board and chief executive officer of Alfa, S.A.B. de C.V. He is also chairman of the executive board of the Universidad de Monterrey and a member of the Mexican Council of Businessmen (*Consejo Mexicano de Hombres de Negocios*), the advisory committee of the David Rockefeller Center for Latin American Studies of Harvard University, the board of dean advisors of Harvard Business School, the Advisory Council of Stanford's Engineering School, and the advisory committee of the New York Stock Exchange.
Alfonso Romo Garza	Has been a member of our board of directors since 1995, member of our Audit Committee from 2002 to 2006, and member of our Corporate Practices and Audit Committee since 2006. He is chairman of the board and chief executive officer of Savia, S.A.B. de C.V. and member of the boards of Grupo Maseca, S.A.B. de C.V., The Donald Danforth Plant Science Center, and Synthetic Genomics, among others.
Mauricio Zambrano Villarreal	Has been a member of our board of directors since 2001, and member of our corporate practices and audit committee since 2006. Mr. Zambrano Villarreal served as an alternate member of our board of directors from 1995 to 2001. He is also general vice-president of Desarrollo Integrado, S.A. de C.V., chairman of the board of directors of Empresas Falcón, S.A. de C.V., Alimentos Selectos Falcón, S.A. de C.V., and Trek Associates, Inc., secretary of the board of directors of Administración Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., Compañía de Vidrio Industrial, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., and Servicios Técnicos Hidráulicos, S.A. de C.V., and member of the board of directors of Invercap Holdings, S.A. de C.V. He is a brother of Roberto Zambrano Villarreal, a member of our board of directors and president of our corporate practices and audit committee.
Tomás Brittingham Longoria	Has been a member of our board of directors since 2002. Previously served as an alternate member of our board of directors from 1987 until 2002. He was a member of our Audit Committee from 2002 to

	2006, and has been a member of our Corporate Practices and Audit Committee since 2006. He is chief executive officer of Laredo Autos, S.A. de C.V. He is a son of Eduardo Brittingham Sumner, an alternate member of our board of directors.
José Manuel Rincón Gallardo	Has been a member of our board of directors since 2003. He is also the board's "financial expert" and a member of our Corporate Practices and Audit Committee. He is president of the board of directors of Sonoco de México, S.A. de C.V., member of the board of directors and audit committee of Grupo Financiero Banamex, S.A. de C.V., Grupo Herdez, S.A. de C.V., General de Seguros, S.A.B., Kansas City Southern, and Grupo Aeroportuario del Pacífico, S.A. de C.V., and member of the board of directors of Laboratorio Sanfer-Hormona. Mr. Rincón Gallardo is a member of the Mexican Institute of Public Accountants (*Instituto Mexicano de Contadores Públicos, A.C.*), and the Mexican Instituto of Finance Executives (*Instituto Mexicano de Ejecutivos de Finanzas, A.C.*). Mr. Rincón Gallardo was managing partner of KPMG Mexico, and was a member of the board of directors of KPMG United States and KPMG International.
Tomás Milmo Santos	Has been a member of our board of directors since 2006. Mr. Milmo Santos served as an alternate member of our board of directors from 2001 to 2006. He is chief executive officer and president of the board of directors of Axtel, S.A.B. de C.V., a telecommunications company that operates in the local, long distance and data transfer market. He is also a member of the board of directors of Cemex México, HSBC Mexico, and ITESM. Mr. Milmo Santos is a nephew of Lorenzo H. Zambrano, our chief executive officer and chairman of our board of directors, and a nephew of Lorenzo Milmo Zambrano and Rogelio Zambrano Lozano, both members of our board of directors.

Alternate Directors

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

Eduardo Brittingham Sumner	Has been an alternate member of our board of directors since 2002. Previously served as a regular member of our board of directors from 1967 until 2002. He is also general director of Laredo Autos, S.A. de C.V., Auto Express Rápido Nuevo Laredo, S.A. de C.V., Consorcio Industrial de Exportación, S.A. de C.V., and an alternate member of the board of directors of Vitro, S.A.B. He is the father of Tomás Brittingham Longoria, a member of our board of directors.
Jorge García Segovia	Has been an alternate member of our board of directors since 1985. He is also a member of the board of directors of Compañía Industrial de Parras, S.A.B. de C.V., Compañía Minera Autlán, S.A.B. de C.V., and Hoteles City Express, S.A. de C.V. He is a brother of Armando J. García Segovia, our executive vice president of development and a member of our board of directors, and first cousin of Rodolfo García Muriel, a member of our board of directors.
Luis Santos de la Garza	Has been an alternate member of our board of directors since 2006. Previously, he served as statutory examiner (*comisario*) from 1989 to 2006. Mr. Santos de la Garza was federal senator for the State of

	Nuevo León, from 1997 to 2000, and was an advisor to the Legal Counsel of the Mexican President from 2001 to 2002. He is a founding partner of the law firm Santos-Elizondo-Cantú-Rivera-González-De la Garza-Mendoza, S.C.
Fernando Ruiz Arredondo	Has been an alternate member of our board of directors since 2006. Previously, he served as alternate statutory examiner (*comisario suplente*) from 1981 to 2006. Mr. Ruiz Arredondo is also a member of the board of directors of Value Grupo Financiero, S.A. de C.V.

Board Practices

In compliance with the new Mexican securities markets law (*Ley del Mercado de Valores*), which was enacted on December 28, 2005 and became effective on June 28, 2006, our shareholders approved, at a general extraordinary meeting of shareholders held on April 27, 2006, a proposal to amend various articles of our by-laws, or *estatutos sociales*, in order to improve our standards of corporate governance and transparency, among other matters. The amendments include outlining the fiduciary duties of the members of our board of directors, who are now required:

- to perform their duties in a value-creating manner for the benefit of CEMEX without favoring a specific shareholder or group of shareholders;
- to act diligently and in good faith by adopting informed decisions; and
- to comply with their duty of care and loyalty, abstaining from engaging in illicit acts or activities.

The new law also eliminated the position of statutory examiner, whose duties of surveillance are now the responsibility of the board of directors, fulfilled through the new corporate practices and audit committee, as well as through the external auditor who audits the entity's financial statements, each within its professional role. With its new surveillance duties, our board of directors is no longer in charge of managing CEMEX; instead, this is the responsibility of our chief executive officer.

Pursuant to the new law and our by-laws, at least 25% of our directors must qualify as independent directors.

We have not entered into any service contracts with our directors that provide for benefits upon termination of employment.

The Corporate Practices and Audit Committee

The new Mexican securities market law required us to create, in addition to our then existing audit committee, a corporate practices committee comprised entirely of independent directors. In compliance with this new requirement, we increased the responsibilities of our audit committee and changed its name to "corporate practices and audit committee." Effective as of July 3, 2006, our corporate practices and audit committee is responsible for:

- evaluating our internal controls and procedures, and identifying material deficiencies;

- following up with corrective and preventive measures in response to any non-compliance with our operation and accounting guidelines and policies;

- evaluating the performance of our external auditors;

- describing and valuing non-audit services performed by our external auditor;

- reviewing our financial statements;

- assessing the effects of any modifications to the accounting policies approved during any fiscal year;

- overseeing measures adopted as a result of any observations made by our shareholders, directors, executive officers, employees or any third parties with respect to accounting, internal controls and internal and external audit, as well as any complaints regarding management irregularities, including anonymous and confidential methods for addressing concerns raised by employees;

- ensuring that resolutions adopted at our shareholders' or board of directors' meetings are executed;

- evaluating the performance of our executive officers;

- reviewing related party transactions;

- reviewing the compensation paid to our executive officers; and

- evaluating waivers granted to our directors or executive officers regarding seizure of corporate opportunities.

Under our bylaws and Mexican securities laws, all members of the corporate practices and audit committee, including its president, are required to be independent directors.

Set forth below are the names of the members of our current corporate practices and audit committee. The terms of the members of our corporate practices and audit committee are indefinite, and members may only be removed by a resolution of the board of directors. José Manuel Rincón Gallardo qualifies as an "audit committee financial expert." See "Item 16A—Audit Committee Financial Expert."

Roberto Zambrano Villarreal President	See "—Board of Directors."
José Manuel Rincón Gallardo	See "—Board of Directors."
Tomás Brittingham Longoria	See "—Board of Directors."
Alfonso Romo Garza	See "—Board of Directors."
Mauricio Zambrano Villarreal	See "—Board of Directors."

Compensation of Our Directors and Members of Our Senior Management

For the year ended December 31, 2007, the aggregate amount of compensation we paid, or our subsidiaries paid, to all members of our board of directors, alternate members of our board of directors and senior managers, as a group, was approximately U.S.$31 million. Approximately U.S.$11 million of this amount was paid as base

compensation, U.S.$17 million was paid to purchase 3,145,615 CPOs pursuant to the Restricted Stock Incentive Plan, or RSIP, described below under "— Restricted Stock Incentive Plan (RSIP)," and approximately U.S.$3 million as executive performance bonuses.

Several key executives also participate in a bonus plan that distributes a bonus pool based on our operating performance. This bonus is calculated and paid annually, a portion in cash and another portion in restricted CPOs under a RSIP, according to responsibility level.

Employee Stock Option Plan (ESOP)

In 1995, we adopted an employee stock option plan, or ESOP, under which we were authorized to grant members of our board of directors, members of our senior management and other eligible employees options to acquire our CPOs. Our obligations under the plan are covered by shares held in a trust created for such purpose (initially 216,300,000 shares). As of December 31, 2007, after giving effect to the exchange programs of November 2001 and February 2004 described below, and the exercise of options that has occurred through that date, options to acquire 4,904,103 CPOs remained outstanding, with a weighted average exercise price of approximately Ps7.02 per CPO, and a weighted average remaining tenure of approximately 1.5 years.

In November 2001, starting with the 2001 voluntary exchange program described below, we incorporated new features to our ESOP, including an escalating strike price in dollars, increasing at an annual rate of 7%, adjusted downward by dividends paid. Options under this amended ESOP were hedged by non-dilutive equity forward contracts.

In February and December 2004, in the context of the voluntary exchange program and the voluntary early exercise program described below, we further amended our ESOP. The amendments provided, among other things, that the options would be automatically exercised at predetermined prices per CPO; if, at any time during the life of the options, the CPO closing market price reached or exceeded those predetermined prices. As of December 31, 2007, all predetermined prices had been reached and, therefore, all options under the amended ESOP with predetermined exercise prices had been automatically exercised. Under the terms of the amended ESOP, all gains realized through exercise of the options were invested in restricted CPOs. The restricted CPOs received upon exercise of the options are held in a trust on behalf of each employee. The restrictions gradually lapse, at which time the CPOs become freely transferable and the employee may withdraw them from the trust.

CEMEX, Inc. ESOP

As a result of the acquisition of CEMEX, Inc. (formerly Southdown, Inc.) in November 2000, we established a stock option program for CEMEX, Inc.'s executives for the purchase of our ADSs. The options granted under the program have a fixed exercise price in Dollars equivalent to the average market price of one ADS during a six month period before the grant date and have a 10-year term. Twenty-five percent of the options vested annually during the first four years after their grant date. The options are covered using shares currently owned by our subsidiaries, thus potentially increasing stockholders' equity and the number of shares outstanding. As of December 31, 2007, considering the options granted since 2001, and the exercise of options that has occurred through that date, options to acquire 1,690,848 ADSs remained outstanding under this program. These options have a weighted average exercise price of approximately U.S.$1.34 per CPO, or U.S.$13.40 per ADS as each ADS currently represents 10 CPOs.

Stock options activity during 2006 and 2007, the balance of options outstanding as of December 31, 2006 and 2007 and other general information regarding our stock option programs, is presented in note 17 to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2007, the following ESOP options to purchase our securities were outstanding:

Title of security underlying options	Number of CPOs or CPO equivalents underlying options	Expiration Date	Range of exercise prices per CPO or CPO equivalent
CPOs (Pesos)	4,904,103	2008-2011	Ps5.1 – 8.7
CPOs (Dollars) (may be instantly cash-settled)	6,718,048	2011-2013	U.S.$1.2 – .$1.7
CPOs (Dollars) (receive restricted CPOs)	65,474,573	2012	U.S.$2
CEMEX, Inc. ESOP	16,908,480	2011-2015	U.S.$1.0 – U.S.$1.9

As of December 31, 2007, our senior management and directors held the following ESOP options to acquire our securities:

Title of security underlying options	Number of CPOs or CPO equivalents underlying options	Expiration Date	Range of exercise prices per CPO or CPO equivalent
CPOs (Dollars) (receive restricted CPOs)	10,110,620	2012	U.S.$2

As of December 31, 2007, our employees and former employees, other than senior management and directors, held the following ESOP options to acquire our securities:

Title of security underlying options	Number of CPOs or CPO equivalents underlying options	Expiration Date	Range of exercise prices per CPO or CPO equivalent
CPOs (Pesos)	4,904,103	2008-2011	Ps5.1-8.7
CPOs (Dollars) (may be instantly cash-settled)	6,718,048	2011-2013	U.S.$1.2-1.7
CPOs (Dollars) (receive restricted CPOs)	55,363,953	2012	U.S.$ 2
CEMEX, Inc. ESOP	16,908,480	2011-2015	U.S.$ 1.0- U.S.$ 1.9

The November 2001 Voluntary Exchange Program

In November 2001, we implemented a voluntary exchange program to offer participants in our ESOP new options in exchange for their existing options. The new options had an escalating strike price in Dollars and were hedged by our equity forward contracts, while the old options had a fixed strike price in Pesos. The executives who participated in this program exchanged their options to purchase CPOs at a weighted average strike price of Ps34.11 per CPO, for cash equivalent to the intrinsic value on the exchange date and new options to purchase CPOs with an escalating dollar strike price set at U.S.$4.93 per CPO as of December 31, 2001, growing by 7% per annum less dividends paid on the CPOs. Of the old options, 57,448,219 (approximately 90.1%) were exchanged for new options in the voluntary exchange program and 8,695,396 were not exchanged. In the context of the program, 81,630,766 new options were issued, in addition to 7,307,039 of the new options that were purchased by participants under a voluntary purchase option that was also part of the exchange. As of December 31, 2007, considering the options granted under the program, the exercise of options through that date, the result of the February 2004 exchange program described below and the 2004 voluntary early exercise program, 1,376,347 options to acquire 6,718,048 CPOs remained outstanding under this program, with a weighted average exercise price of approximately U.S.$1.43 per CPO. As of December 31, 2007, the outstanding options under this program had a remaining tenure of approximately 4.3 years.

The February 2004 Voluntary Exchange Program

In February 2004, we implemented a voluntary exchange program to offer ESOP participants, as well as holders of options granted under our existing voluntary employee stock option plan, or VESOP, new options in exchange for their existing options. Under the terms of the exchange offer, participating employees surrendered their options in exchange for new options with an initial strike price of U.S.$5.05 per CPO and a life of 8.4 years, representing respectively the weighted average strike price and maturity of existing options. The strike price of the new options increased annually at a 7% rate, less dividends paid on the CPOs. Holders of these options were entitled to receive an annual payment of U.S.$0.10 net of taxes per option outstanding as of the payment date until exercise or maturity of the options, which was scheduled to grow annually at a 10% rate.

The new options were exercisable at any time at the discretion of their holders, and would be automatically exercised if, at any time during the life of the options, the closing CPO market price reached U.S.$7.50. Any gain realized through the exercise of these options was required to be invested in restricted CPOs at a 20% discount to market. The restrictions would be removed gradually within a period of between two and four years, depending on the exercise date.

As a result of the voluntary exchange offer, 122,708,146 new options were issued in exchange for 114,121,358 existing options, which were subsequently cancelled. All options not exchanged in the offer maintained their existing terms and conditions.

On January 17, 2005, the closing CPO market price reached U.S.$7.50 and, as a result, all existing options under this program were automatically exercised. Holders of these options received the corresponding gain in restricted CPOs, as described above.

The 2004 Voluntary Early Exercise Program

In December 2004, we offered ESOP and VESOP participants new options, conditioned on the participants exercising and receiving the intrinsic value of their existing options. As a result of this program, 120,827,370 options from the February 2004 voluntary exchange program, 16,580,004 options from other ESOPs, and 399,848 options from VESOP programs were exercised, and we granted a total of 139,151,236 new options. The new options had an initial strike price of US$7.4661 per CPO, which was US$0.50 above the closing CPO market price on the date on which the old options were exercised, and which increased at a rate of 5.5% per annum. All gains from the exercise of these new options would be paid in restricted CPOs. The restrictions would be removed gradually within a period of between two and four years, depending on the exercise date.

The new options could be exercised at any time at the discretion of their holders. Of the 139,151,236 new options, 120,827,370 would be automatically exercised if the closing CPO market price reached U.S.$8.50, while the remaining 18,323,866 options did not have an automatic exercise threshold. Holders of these options were entitled to receive an annual payment of US$0.10 net of taxes per option outstanding as of the payment date until exercise or maturity of the options or until the closing CPO market price reached U.S.$8.50, which payment was scheduled to grow annually at a 10% rate.

On June 17, 2005, the closing CPO market price reached U.S.$8.50, and, as a result, all outstanding options subject to automatic exercise were automatically exercised and the annual payment to which holders of the remaining options were entitled was terminated.

For accounting purposes under Mexican FRS and U.S. GAAP, as of December 31, 2007, we accounted for the options granted under the February 2004 voluntary exchange program by means of the fair value method through earnings. See notes 3T and 17 to our consolidated financial statements included elsewhere in this annual report.

Voluntary Employee Stock Option Plan (VESOP)

During 1998, 1999, 2002 and 2003, we established voluntary employee stock option plans, or VESOPs, pursuant to which managers and senior executives elected to purchase options to CPOs. As of December 31, 2007, there were 5,000 options to acquire 50,605 CPOs, with an exercise price of U.S.$ 1.7039 per CPO and a remaining life of approximately three years, outstanding from options sold to executives under a VESOP in April 2002.

As of December 31, 2007, no member of our senior management or board of directors held any VESOP options to acquire our securities.

Restricted Stock Incentive Plan (RSIP)

Since January 2005, we have been changing our long-term variable compensation programs from stock option grants to restricted stock awards under a Restricted Stock Incentive Plan, or RSIP. Under the terms of the RSIP, eligible employees are allocated a specific number of restricted CPOs as variable compensation to be vested over a four-year period. Before 2006, we distributed annually to a trust an amount in cash sufficient to purchase in the market, on behalf of each eligible employee, 25% of such employee's allocated number of CPOs. During 2006, in order to reduce the volatility of our RSIP, we began to distribute annually an amount in cash sufficient to purchase 100% of the allocated CPOs for each eligible employee. Although the vesting period of the restricted CPOs and other features of the RSIP did not change as a result of this new policy, the nominal amount of annual compensation received by eligible employees increased in proportion to the additional number of CPOs received as a result of the new policy. The CPOs purchased by the trust will be held in a restricted account by the trust on behalf of each employee for one year. At the end of the one-year period the restrictions will lapse, at which time the CPOs will become freely transferable and the employee may withdraw them from the trust.

During 2007, approximately 13,628,916 CEMEX CPOs were purchased by the trust on behalf of eligible employees pursuant to the Restricted Stock Incentive Plan, of which approximately 3,147,615 million were purchased for members of our senior management and board of directors.

Employees

As of December 31, 2007, we had approximately 66,612 employees worldwide, which represented an increase of 21% from year-end 2006. This increase in employees was mainly attributable to the Rinker acquisition completed in 2007.

The following table sets forth the number of our full-time employees and a breakdown of their geographic location at the end of each of the last three fiscal years:

	2005	2006	2007
North America			
Mexico	13,044	15,130	16,571
United States	9,657	9,109	16,389
Europe			
Spain	2,838	3,102	3,151
United Kingdom	6,237	6,376	5,549
Rest of Europe	10,714	11,034	11,226

	2005	2006	2007
South America, Central America and the Caribbean	6,309	6,290	7,158
Africa and the Middle East	2,364	2,416	2,523
Asia	1,511	1,448	1,324
Australia			2,721

Employees in Mexico have collective bargaining agreements on a plant-by-plant basis, which are renewable on an annual basis with respect to salaries and on a biannual basis with respect to benefits. During 2007, more than 330 contracts with different labor unions were renewed.

Approximately 31% of our employees in the United States are represented by unions, with the largest number being members of the International Brotherhood of Teamsters, the Laborers' Union of North America, the International Brotherhood of Boilermakers, and the International Union of Operating Engineers. Collective bargaining agreements are in effect at all our U.S. plants and have various expiration dates from 2008 through 2013.

Our Spanish union employees have contracts that are renewable every two to three years on a company-by-company basis. Employees in the ready-mix concrete, mortar, aggregates and transport sectors have collective bargaining agreements by sector. Executive compensation in Spain is subject to our institutional policies and influenced by the local labor market.

In the United Kingdom, our cement, roof tiles and logistics operations have collective bargaining agreements with the Unite union (following the merger of the Transport & General Workers union and Amicus union). The rest of our operations in the United Kingdom are not part of collective bargaining agreements; however, there are local agreements for consultation and employee representation with Unite union, and the GMB union (Britain's general labor union).

In Germany, most of our operations have collective bargaining agreements with the Industriegewerkschaft - BAUEN AGRAR UMWELT - IG B.A.U. union. In addition to the collective bargaining agreements, there are internal company agreements, negotiated between the workers council and the company itself.

In France, less than 20% of our employees are members of one of the five main unions. Each union is represented in the company mainly in Paris and in Southern France. All agreements are negotiated with unions and non-union representatives elected in the local workers council (Comité d'Entreprise).

In Venezuela, each of our subsidiary companies operating our cement plants has its own union, and each company has separately negotiated three-year labor contracts with the union employees of the relevant plants.

In Colombia, a single union represents the union employees of the Bucaramanga and Cucuta cement plants. There are also collective agreements with non-union workers at the Caracolito/Ibagué cement plant, Santa Rosa cement plant and all ready-mix concrete plants in Colombia.

In Australia, 2,300 of our 2,667 employees are covered by 54 industrial agreements. 1,542 employees are covered by agreements with the CSR and Rinker (which name is expected to be changed to CEMEX soon) Salaried Staff Association, 758 employees are covered by other unions (Australian Workers Union and Transport Workers Union), and a small number have non-union agreements. Twelve agreements will be renewed in 2008. Confidentiality of union membership under Australian law prevents estimates of the number of employees who are members of a union (either with external unions or with the Staff Association).

Overall, we consider our relationships with labor unions representing our employees to be satisfactory.

Share Ownership

As of April 15, 2008, our senior management and directors and their immediate families owned, collectively, approximately 4.52% of our outstanding shares, including shares underlying stock options and restricted CPOs under our ESOPs. This percentage does not include shares held by the extended families of members of our senior management and directors, since to the best of our knowledge, no voting arrangements or other agreements exist with respect to those shares. No individual director or member of our senior management beneficially owned one percent or more of any class of our outstanding capital stock.

Item 7 Major Shareholders and Related Party Transactions

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Major Shareholders

Based upon information contained in a statement on Schedule 13G filed with the Securities and Exchange Commission on February 13, 2008, as of December 31, 2007, Southeastern Asset Management, Inc., an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, beneficially owned 62,020,789 ADSs and 15,489,485 CPOs, representing a total 635,697,375 CPOs or approximately 7.9% of our then outstanding capital stock. Southeastern Asset Management, Inc. does not have voting rights different from our other non-Mexican holders of CPOs.

Based upon information contained in a statement on Schedule 13G filed with the Securities and Exchange Commission on February 13, 2008, as of December 31, 2007, Dodge & Cox, an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, beneficially owned 48,954,037 ADSs and 0 CPOs, representing a total 489,540,370 CPOs or approximately 6.2% of our then outstanding capital stock. Dodge & Cox does not have voting rights different from our other non-Mexican holders of CPOs.

Other than Southeastern Asset Management, Inc. and Dodge & Cox, the CPO trust and the shares and CPOs owned by our subsidiaries, we are not aware of any person that is the beneficial owner of five percent or more of any class of our voting securities.

As of March 31, 2008, our outstanding capital stock consisted of 16,157,434,672 Series A shares and 8,078,717,336 Series B shares, in each case including shares held by our subsidiaries.

As of March 31, 2008, a total of 15,680,661,392 Series A shares and 7,840,330,696 Series B shares were held by the CPO trust. Each CPO represents two Series A shares and one Series B share. A portion of the CPOs is represented by ADSs. Under the terms of the CPO trust agreement, non-Mexican holders of CPOs and ADSs have no voting rights with respect to the A shares underlying those CPOs and ADSs. All ADSs are deemed to be held by non-Mexican nationals. At every shareholders' meeting, the A shares held in the CPO trust are voted in accordance with the vote cast by holders of the majority of A shares held by Mexican nationals and B shares voted at that meeting of shareholders.

As of March 31, 2008, through our subsidiaries, we owned approximately 569.4 million CPOs, representing approximately 7.3% of our outstanding CPOs and 7.0% of our outstanding voting stock. These CPOs are voted at the direction of our management. From time to time, our subsidiaries are active participants in the trading market for our capital stock; as a result, the levels of our CPO and share ownership by those subsidiaries are likely to fluctuate. Our voting rights over those CPOs are the same as those of any other CPO holder. As of the same date, an additional 47 million CPOs, representing approximately 0.6% of our outstanding CPOs and 0.6% of our outstanding voting stock, were held in a derivative instrument hedging expected cash flows of stock options exercises in the short and medium term.

Our by-laws, or *estatutos sociales*, provide that our board of directors must authorize in advance any transfer of voting shares of our capital stock that would result in any person, or group acting in concert, becoming a holder of 2% or more of our voting shares.

Mexican securities regulations provide that our majority-owned subsidiaries may neither directly or indirectly invest in our CPOs nor other securities representing our capital stock. The Mexican securities authority could require any disposition of the CPOs or of other securities representing our capital stock so owned and/or impose fines on us if it were to determine that the ownership of our CPOs or of other securities representing our capital stock by our subsidiaries, in most cases, negatively affects the interests of our shareholders. Notwithstanding the foregoing, the exercise of all rights pertaining to our CPOs or to other securities representing our capital stock in accordance with the instructions of our subsidiaries does not violate any provisions of our bylaws or the bylaws of our subsidiaries. The holders of these CPOs or of other securities representing our capital stock are entitled to exercise the same rights relating to their CPOs or their other securities representing our capital stock, including all voting rights, as any other holder of the same series.

As of March 24, 2008, we had 175,268 ADS holders of record in the United States, holding approximately 61.9% of our outstanding CPOs.

On April 27, 2006, our shareholders approved a stock split, which occurred on July 17, 2006. In connection with the stock split, each of our existing series A shares was surrendered in exchange for two new series A shares, and each of our existing series B shares was surrendered in exchange for two new series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our existing CPOs, with each new CPO representing two new series A shares and one new series B share. In connection with the stock split and at our request, Citibank, N.A., as depositary for the ADSs, distributed one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs did not change as a result of the stock split; each ADS represents ten new CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders did not change as a result of the stock split. The financial data set forth in this annual report have been adjusted to give effect to the stock split.

Related Party Transactions

Mr. Bernardo Quintana Isaac, a member of our board of directors, is chief executive officer and chairman of the board of directors of Grupo ICA, S.A. de C.V., or Grupo ICA, a large Mexican construction company. In the ordinary course of business, we extend financing to Grupo ICA for varying amounts at market rates, as we do for our other customers.

In the past, we have extended loans of varying amounts and interest rates to our directors and executives. During 2007 and as of May 31, 2008, we did not have any outstanding loans to any of our directors or members of senior management.

Item 8 Financial Information

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Consolidated Financial Statements and Other Financial Information

See Item 18 — "Financial Statements" and "Index to Consolidated Financial Statements."

Legal Proceedings

See Item 4 — "Information on the Company — Regulatory Matters and Legal Proceedings."

Dividends

A declaration of any dividend by us is made by our shareholders at a general ordinary meeting. Any dividend declaration is usually based upon the recommendation of our board of directors. However, the shareholders are not obligated to approve the board's recommendation. We may only pay dividends from retained earnings included in financial statements that have been approved by our shareholders and after all losses have been paid for, a legal reserve equal to 5% of our paid-in capital has been created and our shareholders have approved the relevant dividend payment. According to 1999 Mexican tax reforms, all shareholders, excluding Mexican corporations, that receive a dividend in cash or in any other form are subject to a withholding tax. See Item 10 — "Additional Information — Taxation — Mexican Tax Considerations." Since we conduct our operations through our subsidiaries, we have no significant assets of our own except for our investments in those subsidiaries. Consequently, our ability to pay dividends to our shareholders is dependent upon our ability to receive funds from our subsidiaries in the form of dividends, management fees, or otherwise. Some of our credit agreements and debt instruments and some of those of our subsidiaries contain provisions restricting our ability, and that of our subsidiaries, as the case may be, to pay dividends if financial covenants are not maintained. As of December 31, 2007, we and our subsidiaries were in compliance with, or had obtained waivers in connection with, those covenants. See Item 3 — "Key Information — Risk Factors — We have incurred and will continue to incur debt, which could have an adverse effect on the price of our CPOs and ADSs, result in us incurring increased interest costs and limit our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities."

Although our board of directors currently intends to continue to recommend an annual dividend on the common stock, the recommendation whether to pay and the amount of those dividends will continue to be based upon, among other things, earnings, cash flow, capital requirements and our financial condition and other relevant factors.

Owners of ADSs on the applicable record date will be entitled to receive any dividends payable in respect of the A shares and the B shares underlying the CPOs represented by those ADSs; however, as permitted by the deposit agreement pursuant to which our ADSs are issued, we may instruct the ADS depositary not to extend the option to elect to receive cash in lieu of the stock dividend to the holders of ADSs, as we did in connection with the dividend for the 2005 and 2006 fiscal years, as described below. The ADS depositary will fix a record date for the holders of ADSs in respect of each dividend distribution. Unless otherwise stated, the ADS depositary has agreed to convert cash dividends received by it in respect of the A shares and the B shares underlying the CPOs represented by ADSs from Pesos into Dollars and, after deduction or after payment of expenses of the ADS depositary, to pay those dividends to holders of ADSs in Dollars. We cannot assure holders of our ADSs that the ADS depositary will be able to convert dividends received in Pesos into Dollars.

The following table sets forth the amounts of annual cash dividends paid in Pesos, on a per share basis, and a convenience translation of those amounts into Dollars based on the CEMEX accounting rate as of December 31, 2007:

	Dividends Per Share	
	Constant Pesos	Dollars
2003	0.24	0.02
2004	0.23	0.02
2005	0.25	0.02
2006	0.27	0.02
2007	0.28	0.03

Dividends declared at each year's annual shareholders' meeting are in respect of dividends for the preceding year. In recent years, our board of directors has proposed, and our shareholders have approved, dividend proposals, whereby our shareholders have had a choice between stock dividends or cash dividends declared in respect of the prior year's results, with the stock issuable to shareholders who elect the stock dividend over the cash dividend being issued at a 20% discount from then current market prices. The dividends declared per share or per CPO in recent

years, expressed in constant Pesos as of December 31, 2007, were as follows: 2003, Ps0.72 per CPO (or Ps0.24 per share); 2004, Ps0.69 per CPO (or Ps0.23 per share); 2005, Ps0.75 per CPO (or Ps0.25 per share); 2006, Ps0.81 per CPO (or Ps0.27 per share); and 2007, Ps0.84 per CPO (or Ps0.28 per share). As a result of dividend elections made by shareholders, in 2003, Ps80 million in cash was paid and approximately 396 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year; in 2004, Ps191 million in cash was paid and approximately 300 million additional CPOs were issued in respect of dividends declared for the 2003 fiscal year; in 2005, Ps449 million in cash was paid and approximately 266 million additional CPOs were issued in respect of dividends declared for the 2004 fiscal year; in 2006, Ps161 million in cash was paid and approximately 212 million additional CPOs were issued in respect of dividends declared for the 2005 fiscal year; and in 2007, Ps147 million in cash was paid and approximately 189 million additional CPOs were issued in respect of dividends declared for the 2006 fiscal year.

At our 2008 annual shareholders' meeting, which was held on April 24, 2008, our shareholders approved a dividend for the 2007 fiscal year of the Peso equivalent of U.S.$0.0835 per CPO (U.S.$0.02783 per share) or Ps0.8678 (Ps0.2893 per share), based on the Peso/Dollar exchange rate in effect for May 29, 2008 of Ps10.3925 to U.S.$1.00, as published by the Mexican Central Bank. Holders of our series A shares, series B shares and CPOs are entitled to receive the dividend in either stock or cash consistent with our past practices; however, as we did in respect of the dividend for the 2006 fiscal year, under the terms of the deposit agreement pursuant to which our ADSs are issued, we instructed the depositary for the ADSs not to extend the option to elect to receive cash in lieu of the stock dividend to the holders of ADSs. As a result of dividend elections made by shareholders, in June 2008, approximately Ps214 million in cash was paid and approximately 284 million additional CPOs were issued in respect of dividends declared for the 2007 fiscal year.

Significant Changes

Except as described herein, no significant change has occurred since the date of our consolidated financial statements included in this annual report.

Item 9 - Offer and Listing

Market Price Information

Our CPOs are listed on the Mexican Stock Exchange and trade under the symbol "CEMEX.CPO." Our ADSs, each of which currently represents ten CPOs, are listed on the New York Stock Exchange and trade under the symbol "CX." The following table sets forth, for the periods indicated, the reported highest and lowest market quotations in nominal Pesos for CPOs on the Mexican Stock Exchange and the high and low sales prices in Dollars for ADSs on the NYSE. The information below gives effect to the two-for-one stock split in our CPOs and ADSs approved by our shareholders on April 27, 2006, which occurred on July 17, 2006, and prior stock splits.

Calendar Period	CPOs(1)		ADSs	
Yearly	High	Low	High	Low
2003	Ps 14.88	Ps 8.91	U.S.$13.32	U.S.$8.16
2004	20.50	14.57	18.28	12.99
2005	33.25	18.88	30.99	17.06
2006	39.35	27.25	36.04	23.78
2007	44.50	27.23	41.34	24.81
Quarterly				
2006				
First quarter	36.02	29.65	33.55	28.00
Second quarter	39.35	27.25	36.04	23.78
Third quarter	34.75	29.50	30.80	26.75
Fourth quarter	36.85	32.30	33.99	29.57
2007				
First quarter	41.60	35.01	38.01	31.20
Second quarter	44.50	35.10	41.34	31.97

Third quarter	41.88	30.86	37.98	28.08
Fourth quarter	36.25	27.23	33.40	24.81
2008				
First quarter	31.36	23.00	29.44	20.92
Monthly				
2007-2008				
November	32.09	27.74	30.38	24.81
December	31.71	27.23	29.34	25.09
January	29.70	23.00	27.48	20.92
February	31.36	27.05	29.44	25.00
March	30.50	26.50	28.30	23.10
April	29.76	26.72	28.35	25.42
May	33.80	29.05	32.61	27.28

Source: Based on data of the Mexican Stock Exchange and the NYSE.
(1) As of December 31, 2007, approximately 97.05% of our outstanding share capital was represented by CPOs.

On June 16, 2008, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps26.67 per CPO, and the last reported closing price for ADSs on the NYSE was U.S.$25.73 per ADS.

Item 10 - Additional Information

Articles of Association and By-laws

General

Pursuant to the requirements of Mexican corporation law, our articles of association and by-laws, or *estatutos sociales*, have been registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, Mexico, under entry number 21, since June 11, 1920.

We are a holding company engaged, through our operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix concrete and clinker. Our objectives and purposes can be found in article 2 of our by-laws. We are a global cement manufacturer, with operations in North, Central and South America, Europe, the Caribbean, Asia, Australia and Africa. We plan to continue focusing on the production and sale of cement and ready-mix concrete, as we believe that this strategic focus has enabled us to grow our existing businesses and to expand our operations internationally.

We have two series of common stock, the series A common stock, with no par value, or A shares, which can only be owned by Mexican nationals, and the series B common stock, with no par value, or B shares, which can be owned by both Mexican and non-Mexican nationals. Our by-laws state that the A shares may not be held by non-Mexican persons, groups, units or associations that are foreign or have participation by foreign governments or their agencies. Our by-laws also state that the A shares shall at all times account for a minimum of 64% of our total outstanding voting stock. Other than as described herein, holders of the A shares and the B shares have the same rights and obligations.

In 1994, we changed from a fixed capital corporation to a variable capital corporation in accordance with Mexican corporation law and effected a three-for-one split of all our outstanding capital stock. As a result, we changed our corporate name from CEMEX, S.A. to CEMEX, S.A. de C.V., established a fixed capital account and a variable capital account and issued one share of variable capital stock of the same series for each eight shares of fixed capital stock held by any shareholder, after giving effect to the stock split. At our 2005 annual shareholders' meeting held on April 27, 2006, pursuant to requirements of the new Mexican securities markets law, our shareholders authorized the change of CEMEX's legal and commercial name to CEMEX, *Sociedad Anónima Bursátil de Capital Variable*, or CEMEX, S.A.B. de C.V., effective as of July 3, 2006, indicating that we are a publicly traded stock corporation.

Each of our fixed and variable capital accounts is comprised of A shares and B shares. Under the new Mexican securities law and our by-laws, holders of shares representing variable capital are not entitled to have those shares redeemed.

Shareholder authorization is required to increase or decrease either the fixed capital account or the variable capital account. Shareholder authorization to increase or decrease the fixed capital account must be obtained at an extraordinary meeting of shareholders. Shareholder authorization to increase or decrease the variable capital account must be obtained at an ordinary general meeting of shareholders.

On September 15, 1999, our shareholders approved a stock split, and for every one of our shares of any series we issued two series A shares and one series B share. Concurrently with this stock split, we also consummated an exchange offer to exchange new CPOs and new ADSs representing the new CPOs for our then existing A shares, B shares and ADSs, and converted our then existing CPOs into the new CPOs. As of December 31, 2006, approximately 96.9% of our outstanding share capital was represented by CPOs, a portion of which is represented by ADSs.

At a general extraordinary meeting of shareholders held on April 28, 2005, our shareholders approved a two-for-one stock split, which became effective on July 1, 2005. In connection with this stock split, each of our existing series A shares was surrendered in exchange for two new series A shares, and each of our existing series B shares was surrendered in exchange for two new series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our existing CPOs, with each new CPO representing two new series A shares and one new series B share. The number of our existing ADSs did not change as a result of the stock split. Instead, the ratio of CPOs to ADSs was modified so that each existing ADS represented ten new CPOs following the stock split and the CPO trust amendment.

At the 2005 annual shareholders' meeting held on April 27, 2006, our shareholders approved a new stock split, which became effective on July 17, 2006. In connection with this new two-for-one stock split, each of our existing series A shares was surrendered in exchange for two new series A shares, and each of our existing series B shares was surrendered in exchange for two new series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our existing CPOs, with each new CPO representing two new series A shares and one new series B share. In connection with the stock split and at our request, Citibank, N.A., as depositary for the ADSs, distributed one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs did not change as a result of the stock split; each ADS continued to represent ten CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders did not change as a result of this stock split.

As of December 31, 2007, our capital stock consisted of 25,745,935,350 issued shares. As of December 31, 2007, series A shares represented 66.67% of our capital stock, or 17,163,956,900 shares, of which 16,157,281,752 shares were subscribed and paid, 425,224,094 shares were treasury shares and 581,451,054 shares were issued pursuant to our employee stock option plans and subscribed to by Banamex as trustee thereunder, but had not yet been paid. These shares have been and will continue to be gradually paid upon exercise of the corresponding stock options. As of December 31, 2007, series B shares represented 33.33% of our capital stock, or 8,581,978,450 shares, of which 8,078,640,876 shares were subscribed and paid, 212,612,047 shares were treasury shares and 290,725,527 shares were issued pursuant to our employee stock option plans and subscribed to by Banamex as trustee thereunder, but had not yet been paid. These shares have been and will continue to be gradually paid upon exercise of the corresponding stock options. Of the total of our A shares and B shares outstanding as of December 31, 2007, 13,068,000,000 shares corresponded to the fixed portion of our capital stock and 12,677,935,350 shares corresponded to the variable portion of our capital stock.

At the 2008 annual shareholders' meeting held on April 24, 2008, in connection with their approval of a dividend for the 2007 fiscal year, our shareholders approved an increase in the variable part of our capital stock through the capitalization of retained earnings in an amount up to Ps7,500 million, through the issuance of up to 1,000 million series A shares and 500 million series B shares, to be represented by new CPOs. See Item 8 — "Financial Information — Dividends" above. In addition, at the 2008 annual shareholders' meeting, our shareholders approved the cancellation of 581,451,054 series A treasury shares and 290,725,527 series B treasury shares.

On June 1, 2001, the Mexican securities law (*Ley de Mercado de Valores*) was amended to increase the protection granted to minority shareholders of Mexican listed companies and to commence bringing corporate governance procedures of Mexican listed companies in line with international standards.

On February 6, 2002, the Mexican securities authority (*Comisión Nacional Bancaria y de Valores*) issued an official communication authorizing the amendment of our by-laws to incorporate additional provisions to comply with the new provisions of the Mexican securities law. Following approval from our shareholders at our 2002 annual shareholders' meeting, we amended and restated our by-laws to incorporate these additional provisions, which consist of, among other things, protective measures to prevent share acquisitions, hostile takeovers, and direct or indirect changes of control. As a result of the amendment and restatement of our by-laws, the expiration of our corporate term of existence was extended from 2019 to 2100.

On March 19, 2003, the Mexican securities authority issued new regulations designed to (i) further implement minority rights granted to shareholders by the Mexican securities law and (ii) simplify and comprise in a single document provisions relating to securities offerings and periodic reports by Mexican listed companies.

On April 24, 2003, our shareholders approved changes to our by-laws, incorporating additional provisions and removing some restrictions. The changes that are still in force are as follows:

- The limitation on our variable capital was removed. Formerly, our variable capital was limited to ten times our minimum fixed capital.

- Increases and decreases in our variable capital now require the notarization of the minutes of the ordinary general shareholders' meeting that authorize such increase or decrease, as well as the filing of these minutes with the Mexican National Securities Registry (Registro Nacional de Valores), except when such increase or decrease results from (i) shareholders exercising their redemption rights or (ii) stock repurchases.

- The cancellation of registration of our shares in the Securities Section of the Mexican National Securities Registry now involves an amended procedure, which is described below under "Repurchase Obligation." In addition, any amendments to the article containing these provisions no longer require the consent of the Mexican securities authority and 95% approval by shareholders entitled to vote.

On December 30, 2005, a new Mexican securities law was published in an attempt to continue bringing corporate governance procedures of Mexican listed companies in line with international standards. This new law includes provisions increasing disclosure information requirements, improving minority shareholder rights, and strengthening corporate governance standards.

Under the new Mexican securities law, we were required to adopt specific amendments to our by-laws within 180 days of the effective date of the new law. Following approval from our shareholders at our 2005 annual shareholders' meeting held on April 27, 2006, we amended and restated our by-laws to incorporate these

amendments. The amendments to our by-laws became effective on July 3, 2006. The most significant of these amendments were as follows:

- The change of our corporate name from CEMEX, S.A. de C.V. to CEMEX, S.A.B. de C.V., which means that we are now called a Publicly Held Company (Sociedad Anónima Bursátil or S.A.B.).

- The creation of a corporate practices committee, which is a new committee of our board of directors and which is comprised exclusively of independent directors.

- The elimination of the position of statutory examiner (*Comisario*) and the assumption of its responsibilities by the board of directors through the audit committee and the new corporate practices committee, as well as through the external auditor who audits our financial statements, each within its professional role.

- The express attribution of certain duties (such as the duty of loyalty and the duty of care) and liabilities on the members of the board of directors as well as on the relevant officers.

- The implementation of a mechanism for claims of a breach of a director's or officer's duties, to be brought by us or by holders of 5% or more of our shares.

- An increase in the responsibilities of the audit committee.

- The chief executive officer is now the person in charge of managing the company; previously, this was the duty of the board of directors. The board of directors now supervises the chief executive officer.

- Shareholders are given the right to enter into certain agreements with other shareholders.

Changes in Capital Stock and Preemptive Rights

Our by-laws allow for a decrease or increase in our capital stock if it is approved by our shareholders at a shareholders' meeting. Additional shares of our capital stock, having no voting rights or limited voting rights, are authorized by our by-laws and may be issued upon the approval of our shareholders at a shareholders' meeting, with the prior approval of the Mexican securities authority.

Our by-laws provide that shareholders have preemptive rights with respect to the class and in proportion to the number of shares of our capital stock they hold, before any increase in the number of outstanding A shares, B shares, or any other existing series of shares, as the case may be. This preemptive right to subscribe is not applicable to increases of our capital through public offers or through the issuance of our own shares previously acquired by us. Preemptive rights give shareholders the right, upon any issuance of shares by us, to purchase a sufficient number of shares to maintain their existing ownership percentages. Preemptive rights must be exercised within the period and under the conditions established for that purpose by the shareholders, and our by-laws and applicable law provide that this period must be 15 days following the publication of the notice of the capital increase in the *Periódico Oficial del Estado de Nuevo León*.

Pursuant to our by-laws, significant acquisitions of shares of our capital stock and changes of control of CEMEX require prior approval from our board of directors. Our board of directors must authorize in advance any

transfer of voting shares of our capital stock that would result in any person or group becoming a holder of 2% of more of our shares. Our board of directors shall consider the following when determining whether to authorize such transfer of voting shares: a) the type of investors involved; b) whether the acquisition would result in the potential acquirer exercising a significant influence or being able to obtain control; c) whether all applicable rules and our by-laws have been observed by the potential acquirer; d) whether the potential acquirers are our competitors and there is a risk of affecting market competition, or the potential acquirers could have access to confidential and privileged information; e) the moral and economic solvency of the potential acquirers; f) the protection of minority rights and the rights of our employees; and g) whether an adequate base of investors would be maintained. If our board of directors denies the authorization, or the requirements established in our by-laws are not complied with, the persons involved in the transfer shall not be entitled to exercise the voting rights corresponding to the transferred shares, and such shares shall not be taken into account for the determination of the quorums of attendance and voting at shareholders' meetings, nor shall the the transfers be recorded in the shareholder ledger and the registry done by Indeval, the Mexican securities depositary, shall not have any effect.

Any acquisition of shares of our capital stock representing 30% or more of our capital stock by a person or group of persons requires prior approval from our board of directors and, in the event approval is granted, the acquiror has an obligation to make a public offer to purchase all of the outstanding shares of our capital stock. In the event the requirements for significant acquisitions of shares of our capital stock are not met, the persons acquiring such shares will not be entitled to any corporate rights with respect to such shares, such shares will not be taken into account for purposes of determining a quorum for shareholders' meetings, we will not record such persons as holders of such shares in our shareholder ledger, and the registry done by the Indeval shall not have any effect.

Our by-laws require the stock certificates representing shares of our capital stock to make reference to the provisions in our by-laws relating to the prior approval of the board of directors for significant share transfers and the requirements for recording share transfers in our shareholder ledger. In addition, shareholders are responsible for informing us within five business days whenever their shareholdings exceed 5%, 10%, 15%, 20%, 25% and 30% of the outstanding shares of a particular class of our capital stock. We are required to maintain a shareholder ledger that records the names, nationalities and domiciles of all significant shareholders, and any shareholder that meets or exceeds these thresholds must be recorded in this ledger if such shareholder is to be recognized or represented at any shareholders' meeting. If a shareholder fails to inform us of its shareholdings reaching a threshold as described above, we will not record the transactions that cause such threshold to be met or exceeded in our shareholder ledger, and such transaction will have no legal effect and will not be binding on us.

Our by-laws also require that our shareholders comply with legal provisions regarding acquisitions of securities and certain shareholders' agreements that require disclosure to the public.

Repurchase Obligation

In accordance with Mexican securities regulations, our majority shareholders are obligated to make a public offer for the purchase of stock to the minority shareholders if the listing of our stock with the Mexican Stock Exchange is canceled, either by resolution of our shareholders or by an order of the Mexican securities authority. The price at which the stock must be purchased by the majority shareholders is the higher of:

- the weighted average price per share based on the weighted average trading price of our CPOs on the Mexican Stock Exchange during the latest period of 30 trading days preceding the date of the offer, for a period not to exceed six months; or

- the book value per share, as reflected in the last quarterly report filed with the Mexican securities authority and the Mexican Stock Exchange.

Our board of directors shall prepare and disclose to the public through the Mexican Stock Exchange, within ten business days after the day the public offer begins, and after consulting the corporate practices and audit committee, its opinion regarding the price of the offer and any conflicts of interests that each of its members may have regarding such offer. This opinion may be accompanied by an additional opinion issued by an independent expert that we may hire.

Following the expiration of this offer, if the majority shareholders do not acquire 100% of the paid-in capital, such shareholders must place in a trust set up for that purpose for a six-month period an amount equal to that required to repurchase the remaining shares held by investors who did not participate in the offer. The majority shareholders are not obligated to make the offer to purchase if shareholders representing 95% of our share capital waive that right, and the amount offered for the shares is less than 300,000 UDIs (*Unidades de Inversió*n), which are Mexican Peso-denominated investment units that reflect inflation variations. For purposes of these provisions, majority shareholders are shareholders who own a majority of our shares and have sufficient voting power to control decisions at general shareholders' meetings, or who may elect a majority of our board of directors.

Shareholders' Meetings and Voting Rights

Shareholders' meetings may be called by:

- our board of directors or the corporate practices and audit committee;
- shareholders representing at least 10% of the then outstanding shares of our capital stock, by requesting the chairman of our board of directors or our corporate practices and audit committee;
- any shareholder (i) if no meeting has been held for two consecutive years or when the matters referred to in Article 181 of the General Law of Commercial Companies *(Ley General de Sociedades Mercantiles*) have not been dealt with, or (ii) when, for any reason, the required quorum for valid sessions of the corporate practices and audit committee was not reached and the board of directors failed to make the appropriate provisional appointments; or
- a Mexican court, in the event our board of directors or the corporate practices and audit committee do not comply with the valid shareholders' request indicated above.

Notice of shareholders' meetings must be published in the official gazette for the State of Nuevo León, Mexico or any major newspaper published and distributed in the City of Monterrey, Nuevo León, Mexico. The notice must be published at least 15 days prior to the date of any shareholders' meeting. Consistent with Mexican law, our by-laws further require that all information and documents relating to the shareholders' meeting be available to shareholders from the date the notice of the meeting is published.

General shareholders' meetings can be ordinary or extraordinary. At every general shareholders' meeting, each holder of A shares and B shares is entitled to one vote per share. Shareholders may vote by proxy duly appointed in writing. Under the CPO trust agreement, holders of CPOs who are not Mexican nationals cannot exercise voting rights corresponding to the A shares represented by their CPOs.

An annual general ordinary shareholders' meeting must be held during the first four months after the end of each of our fiscal years to consider the approval of a report of our board of directors regarding our performance and our financial statements for the preceding fiscal year and to determine the allocation of profits from the preceding year. In addition, our annual general ordinary shareholders' meeting must:

- review the annual reports of our corporate practices and audit committee, our chief executive officer, and our board of directors;
- elect, remove, or substitute the members of our board of directors;
- determine the level of independence of the members of our board of directors; and
- approve any transaction that represents 20% or more of the net worth of CEMEX.

A general extraordinary shareholders' meeting may be called at any time to deal with any of the matters specified by Article 182 of the General Law of Commercial Companies, which include, among other things:

- extending our corporate existence;
- our early dissolution;
- increasing or reducing our fixed capital stock;
- changing our corporate purpose;
- changing our country of incorporation;
- changing our form of organization;
- a proposed merger;
- issuing preferred shares;
- redeeming our own shares;
- any amendment to our by-laws; and
- any other matter for which a special quorum is required by law or by our by-laws.

In order to vote at a meeting of shareholders, shareholders must (i) appear on the list that Indeval and the Indeval participants holding shares on behalf of the shareholders prepare prior to the meeting or must deposit prior to that meeting, or (ii) prior to the meeting, deposit the certificates representing their shares at our offices or in a Mexican credit institution or brokerage house, or foreign bank approved by our board of directors to serve this function. The certificate of deposit with respect to the share certificates must be presented to our company secretary at least 48 hours before a meeting of shareholders. Our company secretary verifies that the person in whose favor any certificate of deposit was issued is named in our share registry and issues an admission pass authorizing that person's attendance at the meeting of shareholders.

Our by-laws provide that a shareholder may only be represented by proxy in a shareholders' meeting with a duly completed form provided by us authorizing the proxy's presence. In addition, our by-laws require that the secretary acting at the shareholders' meeting publicly affirm the compliance by all proxies with this requirement.

A shareholders' resolution is required to take action on any matter presented at a shareholders' meeting. At an ordinary meeting of shareholders, the affirmative vote of the holders of a majority of the shares present at the meeting is required to adopt a shareholders' resolution. At an extraordinary meeting of shareholders, the affirmative vote of at least 50% of the capital stock is required to adopt a shareholders' resolution, except that when amending Article 7 (with respect to measures limiting shareholding ownership), Article 10 (relating to the register of shares and significant participations) or Article 22 (specifying the impediments to being appointed a member of our board of directors) of our by-laws, the affirmative vote of at least 75% of the voting stock is needed. The quorum for a first ordinary meeting of shareholders is 50% of our outstanding and fully paid shares, and for the second ordinary meeting is any number of our outstanding and fully paid shares. The quorum for the first extraordinary shareholders' meeting is 75% of our outstanding and fully paid shares, and for the second extraordinary meeting is 50% of our outstanding and fully paid shares.

Rights of Minority Shareholders

At our general annual shareholders' meeting, any shareholder or group of shareholders representing 10% or more of our voting stock has the right to appoint or remove one member of our board of directors, in addition to the directors appointed by the majority. Such appointment may only be revoked by other shareholders when the appointment of all other directors is also revoked.

Our by-laws provide that holders of at least 10% of our capital stock are entitled to demand the postponement of the voting on any resolution of which they deem they have not been sufficiently informed.

Under Mexican law, holders of at least 20% of our outstanding capital stock entitled to vote on a particular matter may seek to have any shareholder action with respect to that matter set aside, by filing a complaint with a court of law within 15 days after the close of the meeting at which that action was taken and showing that the challenged action violates Mexican law or our by-laws. Relief under these provisions is only available to holders who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Under Mexican law, an action for civil liabilities against directors may be initiated by a shareholders' resolution. In the event shareholders decide to bring an action of this type, the persons against whom that action is brought will immediately cease to be directors. Additionally, shareholders representing not less than 33% of the outstanding shares may directly exercise that action against the directors; provided that:

- those shareholders shall not have voted against exercising such action at the relevant shareholders' meeting; and
- the claim covers all of the damage alleged to have been caused to us and not merely the damage suffered by the plaintiffs.

Under our by-laws, shareholders representing 5% or more of our outstanding capital stock may initiate actions exclusively on behalf of CEMEX against members of our board of directors, our corporate practices and audit committee, our chief executive officer, or any relevant executives, for breach of their fiduciary duties or for committing illicit acts or activities. The only requirement is that the claim covers all of the damage alleged to have been caused to us and not merely the damage suffered by the plaintiffs.

Any recovery of damage with respect to these actions will be for our benefit and not that of the shareholders bringing the action.

Registration and Transfer

Our common stock is evidenced by share certificates in registered form with registered dividend coupons attached. Our shareholders may hold their shares in the form of physical certificates or through institutions that have accounts with Indeval. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the Mexican securities authority. We maintain a stock registry, and, in accordance with Mexican law, only those holders listed in the stock registry and those holding certificates issued by Indeval and by Indeval participants indicating ownership are recognized as our shareholders.

Redemption

Our capital stock is subject to redemption upon approval of our shareholders at an extraordinary shareholders' meeting.

Share Repurchases

If approved by our shareholders at a general shareholders' meeting, we may purchase our outstanding shares for cancellation. We may also repurchase our equity securities on the Mexican Stock Exchange at the then prevailing market prices in accordance with the Mexican securities law. If we intend to repurchase shares representing more than 1% of our outstanding shares at a single trading session, we must inform the public of such intention at least ten minutes before submitting our bid. If we intend to repurchase shares representing 3% or more of our outstanding shares during a period of twenty trading days, we are required to conduct a public tender offer for such shares. We must conduct share repurchases through the person or persons approved by our board of directors, through a single broker dealer during the relevant trading session, and without submitting bids during the first and the last 30 minutes of each trading session. We must inform the Mexican Stock Exchange of the results of any share repurchase no later than the business day following any such share repurchase.

Directors' and Shareholders' Conflict of Interest

Under Mexican law, any shareholder who has a conflict of interest with us with respect to any transaction is obligated to disclose such conflict and is prohibited from voting on that transaction. A shareholder who violates this prohibition may be liable for damages if the relevant transaction would not have been approved without that shareholder's vote.

Under Mexican law, any director who has a conflict of interest with us in any transaction must disclose that fact to the other directors and is prohibited from participating and being present during the deliberations and voting on that transaction. A director who violates this prohibition will be liable for damages. Additionally, our directors may not represent shareholders in our shareholders' meetings.

Withdrawal Rights

Whenever our shareholders approve a change of corporate purpose, change of nationality or transformation from one form of corporate organization to another, Mexican law provides that any shareholder entitled to vote on that chang e who has voted against it may withdraw from CEMEX and receive an amount calculated as specified by

Mexican law attributable to such shareholder's shares, provided that such shareholder exercises that right within 15 days following the meeting at which the change was approved.

Dividends

At the annual ordinary general shareholders' meeting, our board of directors submits, for approval by our shareholders, our financial statements together with a report on them prepared by our board of directors and the statutory auditors. Our shareholders, once they have approved the financial statements, determine the allocation of our net income, after provision for income taxes, legal reserve and statutory employee profit sharing payments, for the preceding year. All shares of our capital stock outstanding at the time a dividend or other distribution is declared are entitled to share equally in that dividend or other distribution.

Liquidation Rights

In the event we are liquidated, the surplus assets remaining after payment of all our creditors will be divided among our shareholders in proportion to the respective shares held by them. The liquidator may, with the approval of our shareholders, distribute the surplus assets in kind among our shareholders, sell the surplus assets and divide the proceeds among our shareholders or put the surplus assets to any other uses agreed to by a majority of our shareholders voting at an extraordinary shareholders' meeting.

Differences Between Our Corporate Governance Practices and NYSE Standards for Domestic Companies

For a description of significant ways in which our corporate governance practices differ from those required of domestic companies under NYSE standards, please visit our website at www.cemex.com (under the heading "Investor Center/Corporate Governance").

Material Contracts

On June 23, 2003, CEMEX España Finance LLC, as issuer, CEMEX España, Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. and Cemex Egyptian Investments B.V., as guarantors, and several institutional purchasers, entered into a Note Purchase Agreement in connection with a private placement by CEMEX España Finance, LLC. CEMEX España Finance, LLC issued to the institutional purchasers U.S.$103 million aggregate principal amount of 4.77% Senior Notes due 2010, U.S.$96 million aggregate principal amount of 5.36% Senior Notes due 2013 and U.S.$201 million aggregate principal amount of 5.51% Senior Notes due 2015. On October 30, 2006, all guarantors (other than CEMEX España) were removed as guarantors under this agreement.

On March 30, 2004, CEMEX España, with Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. and Cemex Egyptian Investments, B.V., as guarantors, entered into a Term and Revolving Facilities Agreement relating to three credit facilities with an aggregate amount of €250 million and ¥19,308,000,000. The first facility was a five-year multi-currency term loan facility with a variable interest rate; the second facility was a 364-day multi-currency revolving credit facility; and the third facility was a five-year Yen-denominated term loan facility with a fixed interest rate. The proceeds of these facilities were used to prepay part of CEMEX España's outstanding debt as of that date and for general corporate purposes. As of December 31, 2007, the ¥19,308,000,000 credit facility remained outstanding.

On April 15, 2004, CEMEX España Finance LLC, as issuer, CEMEX España, Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. and Cemex Egyptian Investments B.V., as guarantors, and several institutional purchasers, entered into a Note Purchase

Agreement in connection with a private placement by CEMEX España Finance, LLC. CEMEX España Finance, LLC issued to the institutional purchasers ¥4,980,600,000 aggregate principal amount of 1.79% Senior Notes due 2010 and ¥6,087,400,000 aggregate principal amount of 1.99% Senior Notes due 2011. The proceeds of the private placement were used to repay existing facilities and for general corporate purposes. On October 30, 2006, all guarantors (other than CEMEX España) were removed as guarantors under this agreement.

On June 23, 2004, we entered into a three-year U.S.$800 million revolving credit facility guaranteed by CEMEX México and Empresas Tolteca de México. The proceeds were applied to refinance outstanding debt. On June 6, 2005, this revolving credit facility was amended and restated; the total facility was reduced to U.S.$700 million and extended to a new four-year period. On May 9, 2007, the maturity of the revolving credit facility was extended to June 2010.

On September 24, 2004, CEMEX España (as borrower and guarantor) and Cemex American Holdings, B.V., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. and Cemex Egyptian Investments B.V. (as guarantors) entered into a U.S.$3.8 billion multi-currency term loan that consisted of three tranches. All proceeds were used in connection with the RMC acquisition. The facilities agreement has been amended and restated on several occasions. On October 30, 2006, all guarantors (other than CEMEX España) were removed as guarantors under this agreement. As of December 31, 2007, the amended facility is made up of two tranches, a U.S.$1.05 billion amortizing loan maturing in September 2009 and a U.S.$ 512.5 million term loan maturing in July 2012. All borrowings under the amended and restated facilities agreement can be denominated in Dollars, Euros, or Pounds, or a combination thereof.

On May 31, 2005, we entered into a multi-credit five-year U.S.$1.2 billion revolving credit agreement guaranteed by CEMEX México and Empresas Tolteca de México. The multi-currency credit facility was entered into to refinance existing indebtedness of CEMEX, S.A.B. de C.V. On May 9, 2007, the maturity of the revolving credit facility was extended to July 2011.

On June 27, 2005, New Sunward Holding B.V. entered into a U.S.$700 million Term and Revolving Facilities Agreement. This agreement is guaranteed by CEMEX, CEMEX México and Empresas Tolteca de México. The facility consists of two separate U.S.$350 million facilities. The proceeds from this agreement were used to refinance existing indebtedness of New Sunward Holding B.V. The first facility matures in June 2008, and the second facility matures in June 2010.

On June 13, 2005, CEMEX España Finance LLC, as issuer, CEMEX España, Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. (subsequently merged with and into Cemex Asia B.V.), Cemex Egyptian Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V., as guarantors, and several institutional purchasers, entered into a Note Purchase Agreement in connection with a private placement and issuance by CEMEX España Finance, LLC of U.S.$133 million aggregate principal amount of 5.18% Senior Notes due 2010, and U.S.$192 million aggregate principal amount of 5.62% Senior Notes due 2015. The proceeds of the private placement were used to repay existing facilities and for general corporate purposes. On October 30, 2006, all guarantors (other than CEMEX España) were removed as guarantors under this agreement.

On July 1, 2005, we and Ready Mix USA entered into limited liability company agreements and asset contribution agreements in connection with our establishment of two jointly-owned limited liability companies, CEMEX Southeast, LLC, a cement company, and Ready Mix USA, LLC, a ready-mix concrete company, to serve the construction materials market in the southeast region of the United States. Under the terms of the limited liability company agreements and related asset contribution agreements, we contributed two cement plants (Demopolis, Alabama and Clinchfield, Georgia) and eleven cement terminals to CEMEX Southeast, LLC, representing approximately 98% of its contributed capital, while Ready Mix USA contributed cash to CEMEX Southeast, LLC representing approximately 2% of its contributed capital. In addition, we contributed our ready-mix concrete, aggregates and concrete block assets in the Florida panhandle and southern Georgia to Ready Mix USA, LLC,

representing approximately 9% of its contributed capital, while Ready Mix USA contributed all its ready-mix concrete and aggregate operations in Alabama, Georgia, the Florida panhandle and Tennessee, as well as its concrete block operations in Arkansas, Tennessee, Mississippi, Florida and Alabama to Ready Mix USA, LLC, representing approximately 91% of its contributed capital. We own a 50.01% interest, and Ready Mix USA owns a 49.99% interest, in the profits and losses and voting rights of CEMEX Southeast, LLC, while Ready Mix USA owns a 50.01% interest, and we own a 49.99% interest, in the profits and losses and voting rights of Ready Mix USA, LLC. CEMEX Southeast, LLC is managed by us, and Ready Mix USA, LLC is managed by Ready Mix USA. Under the terms of the limited liability company agreements, after the third anniversary of the formation of these companies, Ready Mix USA will have the option, but not the obligation, to require us to purchase Ready Mix USA's interest in the two companies at a purchase price equal to the greater of the book value of the companies' assets or a formula based on the companies' earnings. This option will expire on the twenty fifth anniversary of the formation of these companies. On January 2, 2008, we entered into a definitive agreement with Ready Mix USA, Inc. to expand the scope of the Ready-Mix USA joint venture. As part of the transaction, which closed on January 11, 2008, we contributed assets valued at approximately $260 million to the joint venture and sold additional assets to the joint venture for approximately $120 million in cash. As part of the transaction, Ready Mix USA made a $125 million cash contribution to the joint venture and the joint venture made a $135 million special distribution to us. Ready Mix USA will manage all the newly acquired assets.

On September 1, 2005, RMC Mid-Atlantic, LLC, our indirect wholly-owned U.S. subsidiary, and Ready Mix USA entered into an asset purchase agreement pursuant to which we sold 27 ready-mix concrete plants and four concrete block facilities located in the Atlanta, Georgia metropolitan area to Ready Mix USA, LLC for approximately U.S.$125 million.

On October 24, 2006, we entered into a U.S.$1.2 billion committed facility to partially fund the acquisition of Rinker, guaranteed by CEMEX México and Empresas Tolteca de México. This facility will mature in September 2008, unless extended.

On December 6, 2006, CEMEX España entered into a U.S.$9 billion committed facilities agreement, to partially fund the acquisition of Rinker. The first facility was a U.S.$3 billion 364-day multicurrency revolving loan denominated in Dollars or Euros with two optional 6-month extensions. The second facility is a multicurrency three-year U.S.$3 billion term loan denominated in Dollars or Euros. The third facility is a multicurrency five-year U.S.$3 billion term loan denominated in Dollars or Euros. On December 21, 2006, the facilities agreement was amended to include new lenders. The first facility was canceled on June 19, 2007, effective as of June 22, 2007.

On December 18, 2006, CEMEX, by means of two special purpose vehicles, issued two tranches of fixed-to-floating rate callable perpetual debentures. U.S.$350 million was issued by C5 Capital (SPV) Limited under the first tranche, and the issuer has the option to redeem the debentures on December 31, 2011 and on each interest payment date thereafter. U.S.$900 million was issued by C10 Capital (SPV) Limited under the second tranche, and the issuer has the option to redeem the debentures on December 31, 2016 and on each interest payment date thereafter. Both tranches will pay coupons denominated in Dollars at a fixed rate until the call date and at a floating rate thereafter. Due to its perpetual nature and optional deferral of coupons, this transaction, in accordance with Mexican FRS, qualifies as equity.

On February 2, 2007, we issued notes under our Medium-Term Promissory Notes Program in a principal amount of Ps3 billion (approximately U.S.$275 million) with a maturity of approximately five years at an interest rate equal to the 28-day TIIE plus 10 basis points .

On February 12, 2007, CEMEX, by means of a special purpose vehicle, issued a third tranche of fixed-to-floating rate callable perpetual debentures. U.S.$750 million was issued by C8 Capital (SPV) Limited under this third tranche with a first optional call date on December 31, 2014 and on each interest payment date thereafter. This third issuance will also pay coupons denominated in Dollars at a fixed rate until the call date and at a floating rate

thereafter. Due to its perpetual nature and optional deferral of coupons, this transaction, in accordance with Mexican FRS, qualifies as equity.

On March 5, 2007, CEMEX Finance Europe B.V., issued €900 million in notes paying a fixed coupon of 4.75% and maturing in 2014. The notes have been listed for trading on the London Stock Exchange's Professional Securities Market. The notes are guaranteed by CEMEX España.

On May 9, 2007 CEMEX, by means of a special purpose vehicle, issued a fourth tranche of fixed-to-floating rate callable perpetual debentures. €730 million was issued by C10-EUR Capital (SPV) Limited under this fourth tranche with a first optional call date on June 30, 2017 and on each interest payment date thereafter. This fourth issuance will pay coupons denominated in Euros at a fixed rate until the call date and at a floating rate thereafter. Due to its perpetual nature and optional deferral of coupons, this transaction, in accordance with Mexican FRS, qualifies as equity.

On July 11, 2007, CEMEX España entered into a U.S.$1,500 million facility agreement to partially fund the acquisition of Rinker, maturing 364 days after the initial date, with a six-month extension option. As of December 31, 2007 the outstanding amount under this facility agreement was reduced to U.S.$ 750 million.

On September 28, 2007, CEMEX completed the issuance of notes under its Mexican Medium-Term Promissory Notes Program. CEMEX issued notes for Ps3.0 billion with maturity of approximately five years at an interest rate equal to the 28-day Mexican inter-bank rate (TIIE) plus 10 basis points.

On November 30 2007, CEMEX issued two tranches of notes under its Mexican Medium-Term Promissory Notes Program. The first tranche of notes consisted of Ps2.0 billion equivalent in UDIs (constant investment units) with a maturity of three years and a fixed real interest rate equal of 3.9%. The second tranche of notes consisted of Ps458 million equivalent in UDIs (constant investment units) with a maturity of 10 years and a fixed real interest rate equal of 4.4%.

On June 2, 2008, CEMEX, through one of its subsidiaries, closed two identical U.S.$525 million facilities with a group of relationship banks. Each facility allows the principal amount to be automatically extended for consecutive six months periods indefinitely after a period of three years by CEMEX and includes an option of CEMEX to defer interest at any time (except in limited situations), subject to the absence of an event of default under the facility. The amounts outstanding under the facilities, because of the interest deferral provision and the option of CEMEX to extend the maturity of the principal amounts indefinitely, will be treated as equity for accounting purposes in accordance with Mexican FRS and as debt under U.S. GAAP, in the same manner as CEMEX's outstanding perpetual debentures. Obligations of CEMEX under each facility rank pari-passu with CEMEX's obligations under the perpetual debentures and its senior unsecured indebtedness. Within the first three years that each facility is in place, CEMEX, subject to the satisfaction of specified conditions, has options to convert all (and not part) of the respective amounts outstanding under the respective facility into maturity loans, each with a fixed maturity date of June 30, 2011.

Exchange Controls

See Item 3— "Key Information — Mexican Peso Exchange Rates."

Taxation

Mexican Tax Considerations

General

The following is a summary of certain Mexican federal income tax considerations relating to the ownership and disposition of our CPOs or ADSs.

This summary is based on Mexican income tax law that is in effect on the date of this annual report, which is subject to change. This summary is limited to non-residents of Mexico, as defined below, who own our CPOs or ADSs. This summary does not address all aspects of Mexican income tax law. Holders are urged to consult their tax counsel as to the tax consequences that the purchase, ownership and disposition of our CPOs or ADSs, may have.

For purposes of Mexican taxation, an individual is a resident of Mexico if he or she has established his or her home in Mexico. If the individual also has a home in another country, he or she will be considered a resident of Mexico if his or her center of vital interests is in Mexico. Under Mexican law, an individual's center of vital interests is in Mexico if, among other things:

- more than the 50% of the individual's total income in the relevant year comes from Mexican sources; or
- the individual's main center of professional activities is in Mexico.

A legal entity is a resident of Mexico if it is organized under the laws of Mexico or if it maintains the principal administration of its business or the effective location of its management in Mexico.

A Mexican citizen is presumed to be a resident of Mexico for tax purposes unless such person or entity can demonstrate otherwise. If a legal entity or an individual is deemed to have a permanent establishment in Mexico for tax purposes, all income attributable to such permanent establishment will be subject to Mexican taxes, in accordance with relevant tax provisions.

Individuals or legal entities that cease to be residents of Mexico must notify the tax authorities within 15 business days before their change of residency.

A non-resident of Mexico is a legal entity or individual that does not satisfy the requirements to be considered a resident of Mexico for Mexican federal income tax purposes.

Taxation of Dividends

Dividends, either in cash or in any other form, paid to non-residents of Mexico with respect to A shares or B shares represented by the CPOs (or in the case of holders who hold CPOs represented by ADSs), will not be subject to withholding tax in Mexico.

Disposition of CPOs or ADSs

Gains on the sale or disposition of ADSs by a holder who is a non-resident of Mexico will not be subject to Mexican tax.

Gains on the sale or disposition of CPOs by a holder who is a non-resident of Mexico will not be subject to any Mexican tax if the sale is carried out through the Mexican Stock Exchange or other recognized securities market, as determined by Mexican tax authorities. Gains realized on sales or other dispositions of CPOs by non-residents of Mexico made in other circumstances would be subject to Mexican income tax.

Under the terms of the Convention Between the United States and Mexico for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Income Taxes, and a Protocol thereto, the Tax Treaty, gains obtained by a U.S. Shareholder eligible for benefits under the Tax Treaty on the disposition of CPOs will not generally be subject to Mexican tax, provided that such gains are not attributable to a permanent establishment of such U.S. Shareholder in Mexico and that the eligible U.S. Shareholder did not own, directly or indirectly, 25% or more of our outstanding stock during the 12-month period preceding the disposition. In the case of non-residents of Mexico eligible for the benefits of a tax treaty, gains derived from the disposition of ADSs or CPOs may also be exempt, in whole or in part, from Mexican taxation under a treaty to which Mexico is a party.

Deposits and withdrawals of ADSs will not give rise to any Mexican tax or transfer duties.

The term U.S. Shareholder shall have the same meaning ascribed below under the section "— U.S. Federal Income Tax Considerations."

Estate and Gift Taxes

There are no Mexican inheritance or succession taxes applicable to the ownership, transfer or disposition of ADSs or CPOs by holders that are non-residents of Mexico, although gratuitous transfers of CPOs may, in some circumstances, cause a Mexican federal tax to be imposed upon a recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by holders of ADSs or CPOs.

U.S. Federal Income Tax Considerations

General

The following is a summary of the material U.S. federal income tax consequences relating to the ownership and disposition of our CPOs and ADSs.

This summary is based on provisions of the U.S. Internal Revenue Code, or the Code, of 1986, as amended, U.S. Treasury regulations promulgated under the Code, and administrative rulings, and judicial interpretations of the Code, all as in effect on the date of this annual report and all of which are subject to change, possibly retroactively. This summary is limited to U.S. Shareholders (as defined below) who hold our ADSs or CPOs, as the case may be, as capital assets. This summary does not discuss all aspects of U.S. federal income taxation which may be important to an investor in light of its individual circumstances, for example, an investor subject to special tax rules (e.g., banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, expatriates, tax-exempt investors, persons who own 10% or more of our voting stock, or holders whose functional currency is not the Dollar or U.S. Shareholders who hold a CPO or an ADS as a position in a "straddle," as part of a "synthetic security" or "hedge," as part of a "conversion transaction" or other integrated

investment, or as other than a capital asset). In addition, this summary does not address any aspect of state, local or foreign taxation.

For purposes of this summary, a "U.S. Shareholder" means a beneficial owner of CPOs or ADSs, who is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation or other entity taxable as a corporation that is created or organized in the United States or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of CPOs or ADSs, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership that is the beneficial owner of CPOs or ADSs is urged to consult its own tax advisor regarding the associated tax consequences.

U.S. Shareholders should consult their own tax advisors as to the particular tax consequences to them under United States federal, state and local, and foreign laws relating to the ownership and disposition of our CPOs and ADSs.

Ownership of CPOs or ADSs in general

In general, for U.S. Federal income tax purposes, U.S. Shareholders who own ADSs will be treated as the beneficial owners of the CPOs represented by those ADSs, and each CPO will represent a beneficial interest in two A shares and one B share.

Taxation of dividends with respect to CPOs and ADSs

Distributions of cash or property with respect to the A shares or B shares represented by CPOs, including CPOs represented by ADSs, generally will be includible in the gross income of a U.S. Shareholder as foreign source "passive" or "general category" income on the date the distributions are received by the CPO trustee or successor thereof, to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. These dividends will not be eligible for the dividends-received deduction allowed to corporate U.S. Shareholders. To the extent, if any, that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of the U.S. Shareholder's adjusted tax basis in the CPOs or ADSs and thereafter as capital gain.

The gross amount of any dividends paid in Pesos will be includible in the income of a U.S. Shareholder in a Dollar amount calculated by reference to the exchange rate in effect the day the Pesos are received by the CPO

trustee or successor thereof whether or not they are converted into Dollars on that day. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date such payment is converted into Dollars will be treated as ordinary income or loss. Such gain or loss will generally be income from sources within the United States for foreign tax credit limitation purposes.

Dividend income is generally taxed as ordinary income. However, a maximum United States federal income tax rate of 15 percent will apply to "qualified dividend income" received by U.S. Shareholders that are individuals (as well as certain trusts and estates) in taxable years beginning before January 1, 2011, provided that certain holding period requirements are met. "Qualified dividend income" includes dividends paid on shares of "qualified foreign corporations" if, among other things: (i) the shares of the foreign corporation are readily tradable on an established securities market in the United States, or (ii) the foreign corporation is eligible with respect to substantially all of its income for the benefits of a comprehensive income tax treaty with the United States which contains an exchange of information program.

We believe that we are a "qualified foreign corporation" because (i) the ADSs trade on the New York Stock Exchange and (ii) we are eligible for the benefits of the comprehensive income tax treaty between Mexico and the United States which includes an exchange of information program. Accordingly, we believe that any dividends we pay should constitute "qualified dividend income" for United States federal income tax purposes. There can be no assurance, however, that we will continue to be considered a "qualified foreign corporation" and that our dividends will continue to be "qualified dividend income."

Taxation of capital gains on disposition of CPOs or ADSs

The sale or exchange of CPOs or ADSs will result in the recognition of gain or loss by a U.S. Shareholder for U.S. federal income tax purposes in an amount equal to the difference between the amount realized and the U.S. Shareholder's tax basis therein. That gain or loss recognized by a U.S. Shareholder will be long-term capital gain or loss if the U.S. Shareholder's holding period for the CPOs or ADSs exceeds one year at the time of disposition. Long-term capital gain realized by a U.S. Shareholder that is an individual (as well as certain trusts and estates) upon the sale or exchange of CPOs or ADSs before the end of a taxable year which begins before January 1, 2011, generally will be subject to a maximum United States federal income tax rate of 15 percent. The deduction of capital losses is subject to limitations. Gain from the sale or exchange of the CPOs or ADSs usually will be treated as U.S. source for foreign tax credit purposes; losses will generally be allocated against U.S. source income. Deposits and withdrawals of CPOs by U.S. Shareholders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

United States Backup Withholding and Information Reporting

A U.S. Shareholder may, under certain circumstances, be subject to information reporting with respect to some payments to that U.S. Shareholder such as dividends or the proceeds of a sale or other disposition of the CPOs or ADSs. Backup withholding at a 28 percent rate also may apply to amounts paid to such holder unless such holder (i) is a corporation or comes within certain exempt categories and demonstrates this fact when so required, or (ii) provides a correct taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be creditable against the U.S. Shareholder's federal income tax liability, and the U.S. Shareholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance with these requirements, file reports and information statements and other information with the

Securities and Exchange Commission. These reports and information statements and other information filed by us with the Securities and Exchange Commission can be inspected and copied at the public reference room of the Securities and Exchange Commission at 100 F Street, N.E., Washington, D.C. 20549.

Item 11 Quantitative and Qualitative Disclosures About Market Risk

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See Item 5 — "Operating and Financial Review and Prospects - Qualitative and Quantitative Market Disclosure - Our Derivative Financial Instruments."

Item 12 Description of Securities Other than Equity Securities

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Not applicable.

PART II

Item 13 Defaults, Dividend Arrearages and Delinquencies

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None.

Item 14 Material Modifications to the Rights of Security Holders and Use of Proceeds

-

None.

Item 15 Controls and Procedures

-

Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Executive Vice President of Planning and Finance, to allow timely decisions regarding required disclosure.

Our Chief Executive Officer and Executive Vice President of Planning and Finance have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, such officers have concluded that our disclosure controls and procedures are effective as of December 31, 2007.

Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the rules promulgated under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Under the supervision and with the participation of our management, including our Chief Executive Officer and principal financial and accounting officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control —Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The evaluation included a review of the documentation of controls, evaluation of the design effectiveness of controls, and testing of the operating effectiveness of controls.

Based on this evaluation, our management has concluded that internal control over financial reporting was effective as of December 31, 2007.

Changes in Internal Control Over Financial Reporting.

During 2007, we continued with the implementation initiated in the previous year of an IT platform to support our business model that included an Enterprise Resource Planning ("ERP") system, in some of our operations acquired in Europe in 2005. We plan to continue the implementation of this platform over the course of the next years, as we consider appropriate. Our management believes this business model improves the efficiency of our operations and financial information process.

The internal controls of Rinker, a recently acquired company, were included as part of our annual report on internal control over financial reporting as of December 31, 2007. There were no other changes in our internal control over financial reporting during 2007 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16A - Audit Committee Financial Expert

Our board of directors has determined that it has an "audit committee financial expert" (as defined in Item 16A of Form 20-F) serving on its audit committee. Mr. José Manuel Rincón Gallardo meets the requisite qualifications.

Item 16B - Code of Ethics

We have adopted a written code of ethics that applies to all our senior executives, including our principal executive officer, principal financial officer and principal accounting officer.

You may view our code of ethics in the corporate governance section of our website (www.cemex.com), or you may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

CEMEX, S.A.B. de C.V.
Av. Ricardo Margáin Zozaya #325
Colonia Valle del Campestre
Garza García, Nuevo León, México 66265.
Attn: Luis Hernández or Javier Amaya
Telephone: (011-5281) 8888-8888

Item 16C - Principal Accountant Fees and Services

Audit Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps247 million in fiscal year 2007 in connection with the professional services rendered for the audit of our annual financial statements and services normally provided by them relating to statutory and regulatory filings or engagements. In fiscal year 2006, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps194 million for these services.

Audit-Related Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps34 million in fiscal year 2007 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2006, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps3 million for audit-related services.

Tax Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps70 million in fiscal year 2007 for tax compliance, tax advice and tax planning. KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps27 million for tax-related services in fiscal year 2006.

All Other Fees: KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps16 million in fiscal year 2007 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2006, KPMG Cárdenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps4 million for products and services in this category. These fees relate mainly to services provided by KPMG to us with respect to our due diligence activities around the world.

Audit Committee Pre-approval Policies and Procedures

Our audit committee is responsible, among other things, for the appointment, compensation and oversight of our external auditors. To assure the independence of our independent auditors, our audit committee pre-approves annually a catalog of specific audit and non-audit services in the categories Audit Services, Audit-Related Services, Tax-Related Services, and Other Services that may be performed by our auditors, as well as the budgeted fee levels for each of these categories. All other permitted services must receive a specific approval from our audit committee. Our external auditor periodically provides a report to our audit committee in order for our audit committee to review the services that our external auditor is providing, as well as the status and cost of those services.

During 2007, none of the services provided to us by our external auditors were approved by our audit committee pursuant to the de minimis exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Item 16D - Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E - Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In connection with our 2005 and 2006 annual shareholders' meetings held on April 27, 2006, and April 26, 2007, respectively, our shareholders approved stock repurchase programs in an amount of up to Ps6,000 million (nominal amount) implemented between April 2006 and April 2008. No shares were purchased under this program.

In connection with our 2007 annual shareholders' meeting held on April 24, 2008, our shareholders approved a stock repurchase program in an amount of up to Ps6,000 million (nominal amount) to be implemented between April 2008 and April 2009. As of the date of this annual report, no shares had been repurchased under this program.

PART III

Item 17 - Financial Statements

Not applicable.

Item 18 - Financial Statements

See pages F-1 through F-81, incorporated herein by reference.

Item 19 - Exhibits

1.1	Amended and Restated By-laws of CEMEX, S.A.B. de C.V. (a)
2.1	Form of Trust Agreement between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs. (b)
2.2	Amendment Agreement, dated as of November 21, 2002, amending the Trust Agreement between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs. (c)
2.3	Form of CPO Certificate. (b)
2.4	Form of Second Amended and Restated Deposit Agreement (A and B share CPOs), dated as of August 10, 1999, among CEMEX, S.A.B. de C.V., Citibank, N.A. and holders and beneficial owners of American Depositary Shares. (b)
2.5	Form of American Depositary Receipt (included in Exhibit 2.3) evidencing American Depositary Shares. (b)
2.6	Form of Certificate for shares of Series A Common Stock of CEMEX, S.A.B. de C.V. (b)
2.7	Form of Certificate for shares of Series B Common Stock of CEMEX, S.A.B. de C.V. (b)
4.1	Note Purchase Agreement, dated June 23, 2003, by and among CEMEX España Finance, LLC, as issuer, and several institutional purchasers named therein, in connection with the issuance by CEMEX España Finance, LLC of U.S.$103 million aggregate principal amount of Senior Notes due 2010, U.S.$96 million aggregate principal amount of Senior Notes due 2013, U.S.$201 million aggregate principal amount of Senior Notes due 2015. (d)
4.1.1	Amendment No. 1 to Note Purchase Agreement, dated September 1, 2006. (g)
4.2	€250,000,000 and ¥19,308,000,000 Term and Revolving Facilities Agreement, dated as of March 30, 2004, by and among CEMEX España, as borrower, Banco Bilbao Vizcaya Argentaria, S.A. and Société Générale, as mandated lead arrangers, and the several banks and other financial institutions named therein, as lenders. (d)
4.3	CEMEX España Finance LLC Note Purchase Agreement, dated as of April 15, 2004 for ¥4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010 and ¥6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011. (e)
4.3.1	Amendment No. 1 to CEMEX España Finance LLC Note Purchase Agreement, dated September 1, 2006. (g)
4.4	U.S.$700,000,000 Amended and Restated Credit Agreement, dated as of June 6, 2005, among CEMEX, S.A.B. de C.V., as Borrower and CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mèxico, S.A. de C.V., as Guarantors, and Barclays Bank PLC as Issuing Bank and Documentation Agent and ING Bank N.V. as Issuing Bank and Barclays Capital, the Investment Banking division of Barclays Bank Plc as Joint Bookrunner and ING Capital LLC as Joint Bookrunner and Administrative Agent. (g)
4.4.1	Amendment No. 1 to U.S.$700,000,000 Amended and Restated Credit Agreement, dated June 21, 2006. (g)

4.4.2	Amendment and Waiver Agreement to U.S.$700,000,000 Amended and Restated Credit Agreement, dated dated December 1, 2006. (g)
4.4.3	Amendment No. 3 to U.S.$700,000,000 Amended and Restated Credit Agreement, dated May 9, 2007. (g)
4.5	U.S.$3,800,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for CEMEX España, S.A., as Borrower, arranged by Citigroup Global Markets Limited and Goldman Sachs International with Citibank International PLC acting as Agent. (e)
4.6	Implementation Agreement, dated September 27, 2004, by and between CEMEX UK Limited and RMC Group p.l.c. (e)
4.7	Scheme of Arrangement, dated October 25, 2004, pursuant to which CEMEX UK Limited acquired the outstanding shares of RMC Group p.l.c. (e)
4.8	Asset Purchase Agreement by and between CEMEX, Inc. and Votorantim Participações S.A., dated as of February 4, 2005. (e)
4.8.1	Amendment No. 1 to Asset Purchase Agreement, dated as of March 31, 2005, by and between CEMEX, Inc. and Votorantim Participações S.A. (e)
4.9	U.S.$1,200,000,000 Term Credit Agreement, dated as of May 31, 2005, among CEMEX, S.A.B. de C.V., as Borrower, CEMEX México, S.A. de C.V., as Guarantor, Empresas Tolteca de México, S.A. de C.V., as Guarantor, Barclays Bank PLC, as Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, and Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner. (f)
4.9.1	Amendment No. 1 to U.S.$1,200,000,000 Term Credit Agreement, dated as of June 19, 2006. (g)
4.9.2	Amendment and Waiver Agreement to U.S.$1,200,000,000 Term Credit Agreement, dated as of November 30, 2006. (g)
4.9.3	Amendment No. 3 to U.S.$1,200,000,000 Term Credit Agreement, dated as of May 9, 2007. (g)
4.10	U.S.$700,000,000 Term and Revolving Facilities Agreement, dated June 27, 2005, for New Sunward Holding B.V., as Borrower, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and Empresas Tolteca De México, S.A. de C.V., as Guarantors, arranged by Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas and Citigroup Global Markets Limited, as Mandated Lead Arrangers and Joint Bookrunners, the several financial institutions named therein, as Lenders, and Citibank, N.A., as Agent. (f)
4.10.1	Amendment Agreement to U.S.$700,000,000 Term and Revolving Facilities Agreement, dated June 22, 2006. (g)
4.10.2	Deed of Waiver and Second Amendment to U.S.$700,000,000 Term and Revolving Facilities Agreement, dated November 30, 2006. (g)
4.11	Note Purchase Agreement, dated as of June 13, 2005, among CEMEX España Finance LLC, as issuer, and several institutional purchasers, relating to the private placement by CEMEX España Finance, LLC of U.S.$133,000,000 aggregate principal amount of 5.18% Senior Notes due 2010, and U.S.$192,000,000 aggregate principal amount of 5.62% Senior Notes due 2015. (f)
4.11.1	Amendment No. 1 to Note Purchase Agreement, dated September 1, 2006. (g)
4.12	Amended and Restated Limited Liability Company Agreement of CEMEX Southeast LLC, dated as of July 1, 2005, among CEMEX Southeast LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.12.1	Amendment No. 1 to Amended and Restated Limited Liability Company Agreement of CEMEX Southeast LLC, dated as of September 1, 2005, among CEMEX Southeast LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.13	Limited Liability Company Agreement of Ready Mix USA, LLC, dated as of July 1, 2005, among Ready Mix USA, LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)

4.13.1	Amendment No. 1 to Limited Liability Company Agreement of Ready Mix USA, LLC, dated as of September 1, 2005, among Ready Mix USA, LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.14	Asset and Capital Contribution Agreement, dated as of July 1, 2005, among Ready Mix USA, Inc., CEMEX Southeast Holdings, LLC, and CEMEX Southeast LLC. (f)
4.15	Asset and Capital Contribution Agreement, dated as of July 1, 2005, among Ready Mix USA, Inc., CEMEX Southeast Holdings, LLC, and Ready Mix USA, LLC. (f)
4.16	Asset Purchase Agreement, dated as of September 1, 2005, between Ready Mix USA, LLC and RMC Mid-Atlantic, LLC. (f)
4.17	U.S.$1,200,000,000 Acquisition Facility Agreement, dated as of October 24, 2006, between CEMEX S.A.B. de C.V., as Borrower, CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., as Guarantors, and BBVA Bancomer, S.A. Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, acting as Agent. (g)
4.18	U.S.$9,000,000,000 Acquisition Facilities Agreement, dated as of December 6, 2006, between CEMEX España, S.A., as Borrower, Citigroup Global Markets Limited, The Royal Bank of Scotland PLC, and Banco Bilbao Vizcaya Argentaria, S.A. as Mandated Lead Arrangers and Joint Bookrunners, as amended on December 21, 2006. (g)
4.19	Debenture Purchase Agreement, dated as of December 11, 2006, among C5 Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and J.P. Morgan Securities Inc, as representative of the several initial institutional purchasers named therein, in connection with the issuance by C5 Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of U.S.$350,000,000 aggregate principal amount of 6.196% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.20	Debenture Purchase Agreement, dated as of December 11, 2006, among C10 Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and J.P. Morgan Securities Inc, as representative of the several initial institutional purchasers named therein, in connection with the issuance by C10 Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of U.S.$900,000,000 aggregate principal amount of 6.722% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.21	Debenture Purchase Agreement, dated as of February 6, 2007, among C8 Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and J.P. Morgan Securities Inc, as representative of the several initial institutional purchasers named therein, in connection with the issuance by C8 Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of U.S.$750,000,000 aggregate principal amount of 6.640% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.22	Subscription Agreement, dated as of February 28, 2007, among CEMEX Finance Europe B.V., as issuer, and several institutional purchasers, relating to the issuance by CEMEX Finance Europe B.V. of €900,000,000 aggregate principal amount of 4.75% Notes due 2014. (g)
4.23	Bid Agreement, dated as of April 9, 2007, among CEMEX, S.A.B. de C.V., CEMEX Australia Pty Ltd and Rinker Group Limited. (g)
4.24	Debenture Purchase Agreement, dated as of May 3, 2007, among C10-EUR Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and the institutional purchasers named therein, in connection with the issuance by C10-EUR Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of €730,000,000 aggregate principal amount of 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.25	U.S.$525,000,000 Club Loan Agreement, dated as of June 2, 2008, among New Sunward Holding Financial Ventures B.V., as Borrower, and a group of banks, as Lenders. (h)*
4.26	Forward Transaction (CEMEX Shares) Confirmation, Forward Transaction (NAFTRAC Shares) and Put Option Transaction Confirmation, with Credit Support Annex, each dated as of April 23, 2008, between Citibank, N.A. and a Mexican trust established by CEMEX on behalf of CEMEX's Mexican pension fund and certain of CEMEX's directors and current and former employees. (h)
4.27	Structured Transaction, dated June 2008, comprised of: (i) U.S.$500 million Credit Agreement, dated as of June 25, 2008, among CEMEX, S.A.B. de C.V., as borrower, CEMEX México S.A. de C.V, as guarantor, and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch, as lender; (ii) U.S.$500 million aggregate notional amount of Put Spread Option Confirmations, dated as of June 3, 2008 and June 5, 2008, between Centro Distribuidor de Cemento, S.A. de C.V. and Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander; and (iii) Framework Agreement, dated as of June 25, 2008, by and among CEMEX, S.A.B. de C.V., CEMEX México S.A. de C.V, Banco Santander (Mexico), S.A., Institución de Banca Múltiple, Grupo Financiero Santander and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch. (h)
8.1	List of subsidiaries of CEMEX, S.A.B. de C.V. (h)
12.1	Certification of the Principal Executive Officer of CEMEX, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (h)

12.2 Certification of the Principal Financial Officer of CEMEX, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (h)

13.1 Certification of the Principal Executive and Financial Officers of CEMEX, S.A.B. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (h)

14.1 Consent of KPMG Cárdenas Dosal, S.C. to the incorporation by reference into the effective registration statements of CEMEX, S.A.B. de C.V. under the Securities Act of 1933 of their report with respect to the consolidated financial statements of CEMEX, S.A.B. de C.V., which appears in this Annual Report on Form 20-F. (h)

(a) Incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement on Form F-3 of CEMEX, S.A.B. de C.V. (Registration No. 333-11382), filed with the Securities and Exchange Commission on August 27, 2003.

(b) Incorporated by reference to the Registration Statement on Form F-4 of CEMEX, S.A.B. de C.V. (Registration No. 333-10682), filed with the Securities and Exchange Commission on August 10, 1999.

(c) Incorporated by reference to the 2002 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on April 8, 2003.

(d) Incorporated by reference to the 2003 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on May 11, 2004.

(e) Incorporated by reference to the 2004 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on May 27, 2005.

(f) Incorporated by reference to the 2005 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on June 8, 2006.

(g) Incorporated by reference to the 2006 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on June 27, 2007.

(h) Filed herewith.

* An identical U.S.$525,000,000 Club Loan Agreement was entered into by the same parties on July 2, 2008.

SIGNATURES

CEMEX, S.A.B. de C.V. hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CEMEX, S.A.B. de C.V.

By : /s/ Lorenzo H. Zambrano
Name : Lorenzo H. Zambrano
Title : Chief Executive Officer

Date: June 30, 2008

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
CEMEX, S.A.B. de C. V.:

We have audited the accompanying consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2007, 2006 and 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2007 and 2006, and the results of their operations, the changes in their stockholders' equity and the changes in their financial position for each of the years ended December 31, 2007, 2006 and 2005, in conformity with Mexican Financial Reporting Standards.

The accompanying consolidated financial statements as of and for the year ended December 31, 2007 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Mexican pesos have been translated into dollars on the basis set forth in note 3A) of the notes to the consolidated financial statements.

Mexican Financial Reporting Standards vary in certain significant respects from accounting principles generally accepted in the United States of America. Application of accounting principles generally accepted in the United States of America would have affected results of operations for each of the years ended December 31, 2007, 2006, and 2005, and stockholders' equity as of December 31, 2007 and 2006, to the extent summarized in note 25 to the consolidated financial statements.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of CEMEX, S.A.B. de C.V. and subsidiaries internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 17, 2008 expressed an unqualified opinion on the effective operation of internal control over financial reporting.

KPMG Cárdenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
June 17, 2008

INTERNAL CONTROL REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
CEMEX, S.A.B. de C. V.:

We have audited CEMEX, S.A.B. de C.V.'s internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). CEMEX S.A.B. de C.V.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, CEMEX, S.A.B. de C.V. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in stockholders' equity, and changes in financial position for each of the years in the three-year period ended December 31, 2007, and our report dated June 17, 2008 expressed an unqualified opinion on those consolidated financial statements.

KPMG Cárdenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
June 17, 2008

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

Consolidated Balance Sheets

(Millions of constant Mexican pesos as of December 31, 2007)

	Note	December 31, 2007	December 31, 2006		2007 Convenience translation (note 3A)
ASSETS					
CURRENT ASSETS					
Cash and investments	4	Ps 8,670	18,494	U.S.$	794
Trade receivables less allowance for doubtful accounts	5	20,719	16,525		1,897
Other accounts receivable	6	9,830	9,206		900
Inventories, net	7	19,631	13,974		1,798
Other current assets	8	2,394	2,255		219
Total current assets		61,244	60,454		5,608
NON-CURRENT ASSETS					
Investments in associates	9A	10,599	8,712		971
Other investments and non-current accounts receivable	9B	10,960	9,966		1,003
Property, machinery and equipment, net	10	262,189	201,425		24,010
Goodwill, intangible assets and deferred charges, net	11	197,322	70,526		18,070
Total non-current assets		481,070	290,629		44,054
TOTAL ASSETS		Ps **542,314**	**351,083**	U.S.$	**49,662**
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term debt including current maturities of long-term debt	12	Ps 36,257	14,657	U.S.$	3,320
Trade payables		23,660	20,110		2,167
Other accounts payable and accrued expenses	13	23,471	17,203		2,149
Total current liabilities		83,388	51,970		7,636
NON-CURRENT LIABILITIES					
Long-term debt	12	180,654	73,674		16,544
Pension and other postretirement benefits	14	7,650	7,484		701
Deferred income tax liability	15B	50,307	30,119		4,607
Other non-current liabilities	13	16,162	14,725		1,479
Total non-current liabilities		254,773	126,002		23,331
TOTAL LIABILITIES		**338,161**	**177,972**		**30,967**
STOCKHOLDERS' EQUITY					
Majority interest:					
Common stock	16A	4,115	4,113		377
Additional paid-in capital	16A	63,379	56,982		5,804
Other equity reserves	16B	(104,574)	(91,244)		(9,577)
Retained earnings	16C	174,140	152,921		15,947
Net income		26,108	27,855		2,391
Total majority interest		163,168	150,627		14,942
Minority interest and perpetual debentures	16D	40,985	22,484		3,753
TOTAL STOCKHOLDERS' EQUITY		**204,153**	**173,111**		**18,695**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Ps **542,314**	**351,083**	U.S.$	**49,662**

The accompanying notes are part of these consolidated financial statements.

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

Consolidated Statements of Income

(Millions of constant Mexican pesos as of December 31, 2007, except for earnings per share)

	Note		Years ended December 31, 2007	2006	2005		2007 Convenience translation (note 3A)
Net sales	3Q	Ps	236,669	213,767	192,392	U.S.$	21,673
Cost of sales	3R		(157,696)	(136,447)	(116,422)		(14,441)
Gross profit			**78,973**	**77,320**	**75,970**		**7,232**
Administrative and selling expenses			(33,120)	(28,588)	(24,584)		(3,033)
Distribution expenses			(13,405)	(14,227)	(20,159)		(1,228)
Total operating expenses			(46,525)	(42,815)	(44,743)		(4,261)
Operating income			**32,448**	**34,505**	**31,227**		**2,971**
Other expenses, net	3T		(3,281)	(580)	(3,976)		(300)
Operating income after other expenses, net			**29,167**	**33,925**	**27,251**		**2,671**
Comprehensive financing result:							
Financial expense			(8,809)	(5,785)	(6,607)		(807)
Financial income			862	536	493		79
Results from financial instruments			2,387	(161)	4,849		219
Foreign exchange result			(243)	238	(989)		(22)
Monetary position result			6,890	4,667	5,330		631
Comprehensive financing result			1,087	(505)	3,076		100
Equity in income of associates			1,487	1,425	1,098		136
Income before income tax			**31,741**	**34,845**	**31,425**		**2,907**
Income tax	15		(4,796)	(5,698)	(4,214)		(439)
Consolidated net income			26,945	29,147	27,211		2,468
Minority interest net income			837	1,292	692		77
MAJORITY INTEREST NET INCOME		Ps	**26,108**	**27,855**	**26,519**	U.S.$	**2,391**
BASIC EARNINGS PER SHARE	19	Ps	**1.17**	**1.29**	**1.28**	U.S.$	**0.11**
DILUTED EARNINGS PER SHARE	19	Ps	**1.17**	**1.29**	**1.27**	U.S.$	**0.11**

The accompanying notes are part of these consolidated financial statements.

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

Statement of Changes in Stockholders' Equity

(Millions of constant Mexican pesos as of December 31, 2007)

	Note		Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total majority interest	Minority interest	Total stockholders' equity
Balance at December 31, 2004		Ps	**4,109**	**46,081**	**(89,652)**	**138,379**	**98,917**	**4,914**	**103,831**
Results from holding non-monetary assets	**16B**		–	–	2,611	–	2,611	–	2,611
Currency translation of foreign subsidiaries netoneto	**16B**		–	–	(4,446)	–	(4,446)	–	(4,446)
Hedge derivative financial instruments	**12**		–	–	(1,607)	–	(1,607)	–	(1,607)
Deferred income tax in equity	**15**		–	–	2,063	–	2,063	–	2,063
Net income			–	–	–	26,519	26,519	692	27,211
Comprehensive income for the period			–	–	(1,379)	26,519	25,140	692	25,832
Dividends (Ps0.25 pesos per share)	**16A**		–	–	–	(5,751)	(5,751)	–	(5,751)
Issuance of common stock	**16A**		2	4,927	–	–	4,929	–	4,929
Treasury shares owned by subsidiaries	**16B**		–	–	149	–	149	–	149
Changes and transactions related to minority interest	**16D**		–	–	–	–	–	1,031	1,031
Balance at December 31, 2005			**4,111**	**51,008**	**(90,882)**	**159,147**	**123,384**	**6,637**	**130,021**
Results from holding non-monetary assets	**16B**		–	–	(4,031)	–	(4,031)	–	(4,031)
Currency translation of foreign subsidiaries netnet	**16B**		–	–	3,331	–	3,331	–	3,331
Hedge derivative financial instruments	**12**		–	–	148	–	148	–	148
Deferred income tax in equity	**15**		–	–	(641)	–	(641)	–	(641)
Net income			–	–	–	27,855	27,855	1,292	29,147
Comprehensive income for the period			–	–	(1,193)	27,855	26,662	1,292	27,954
Dividends (Ps0.27 pesos per share)	**16A**		–	–	–	(6,226)	(6,226)	–	(6,226)
Issuance of common stock	**16A**		2	5,974	–	–	5,976	–	5,976
Treasury shares owned by subsidiaries	**16B**		–	–	983	–	983	–	983
Issuance and effects of perpetual debentures	**16D**		–	–	(152)	–	(152)	14,642	14,490
Changes and transactions related to minority interest	**16D**		–	–	–	–	–	(87)	(87)
Balance at December 31, 2006			**4,113**	**56,982**	**(91,244)**	**180,776**	**150,627**	**22,484**	**173,111**
Results from holding non-monetary assets	**16B**		–	–	(13,910)	–	(13,910)	–	(13,910)
Currency translation of foreign subsidiaries netnet	**16B**		–	–	2,927	–	2,927	–	2,927
Hedge derivative financial instruments	**12**		–	–	(117)	–	(117)	–	(117)
Deferred income tax in equity	**15**		–	–	(427)	–	(427)	–	(427)
Net income			–	–	–	26,108	26,108	837	26,945
Comprehensive income for the period			–	–	(11,527)	26,108	14,581	837	15,418
Dividends (Ps0.28 pesos per share)	**16A**		–	–	–	(6,636)	(6,636)	–	(6,636)
Issuance of common stock	**16A**		2	6,397	–	–	6,399	–	6,399
Treasury shares owned by subsidiaries	**16B**		–	–	44	–	44	–	44
Issuance and effects of perpetual debentures	**16D**		–	–	(1,847)	–	(1,847)	18,828	16,981
Changes and transactions related to minority interest	**16D**		–	–	–	–	–	(1,164)	(1,164)
Balance at December 31, 2007		Ps	**4,115**	**63,379**	**(104,574)**	**200,248**	**163,168**	**40,985**	**204,153**

The accompanying notes are part of these financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Changes in Financial Position
(Millions of constant Mexican pesos as of December 31, 2007)

	Note		Years ended December 31, 2007	2006	2005		2007 Convenience translation (note 3A)
OPERATING ACTIVITIES							
Majority interest net income		Ps	**26,108**	**27,855**	**26,519**	U.S.$	**2,391**
Adjustments for items which are non cash:							
Depreciation of property, machinery and equipment	10		14,876	12,357	11,808		1,362
Amortization of intangible assets and deferred charges	11		2,790	1,604	1,898		255
Impairment of assets	3K		195	704	196		18
Pensions and other postretirement benefits	14		995	915	2,366		91
Deferred income taxes	15		(427)	1,258	1,329		(39)
Deferred employees' statutory profit sharing			25	–	(210)		2
Equity in income of associates	9A		(1,487)	(1,425)	(1,098)		(136)
Minority interest			837	1,292	692		77
Resources provided by operating activities			**43,912**	**44,560**	**43,500**		**4,021**
Changes in working capital, excluding acquisition effects:							
Trade receivables, net			2,837	3,495	(547)		260
Other accounts receivable and other assets			422	289	(1,623)		39
Inventories			(1,185)	(1,043)	1,863		(109)
Trade payables			(566)	2,995	2,158		(52)
Other accounts payable and accrued expenses			205	(2,451)	(2,271)		19
Net change in working capital			1,713	3,285	(420)		157
Net resources provided by operating activities			**45,625**	**47,845**	**43,080**		**4,178**
FINANCING ACTIVITIES							
Proceeds from debt (repayments), net, excluding debt assumed through business acquisitions			114,065	(31,235)	15,855		10,446
Decrease of treasury shares owned by subsidiaries			158	3,126	372		14
Dividends paid			(6,636)	(6,226)	(5,751)		(608)
Issuance of common stock under stock dividend elections and stock option programs			6,399	5,976	4,929		586
Issuance of perpetual debentures, net of interest paid	16D		16,981	14,490	–		1,555
Other financing activities, net			(618)	1,729	(6,955)		(56)
Net resources provided by (used in) financing activities			**130,349**	**(12,140)**	**8,450**		**11,937**
INVESTING ACTIVITIES							
Property, machinery and equipment, net	10		(21,779)	(16,067)	(9,862)		(1,994)
Disposal (acquisition) of subsidiaries and associates	9A and 11		(146,663)	2,958	(48,729)		(13,431)
Minority interest			(1,166)	(86)	(183)		(107)
Goodwill, intangible assets and other deferred charges	11		(1,408)	(2,629)	12,153		(129)
Other investments and monetary foreign currency effect			(14,782)	(8,938)	(1,681)		(1,354)
Resources used in investing activities			**(185,798)**	**(24,762)**	**(48,302)**		**(17,015)**
Increase (decrease) in cash and investments			(9,824)	10,943	3,228		(900)
Cash and investments at beginning of year			18,494	7,551	4,323		1,694
CASH AND INVESTMENTS AT END OF YEAR	4	Ps	**8,670**	**18,494**	**7,551**	U.S.$	**794**

The accompanying notes are part of these consolidated financial statements.

CEMEX S.A.B. BE C.V. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
As of December 31, 2007, 2006 and 2005
(Millions of constant Mexican pesos as of December 31, 2007)

1. DESCRIPTION OF BUSINESS

CEMEX, S.A.B. de C.V. is a Mexican corporation, a holding company (parent) of entities whose main activities are oriented to the construction industry, through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials. CEMEX is a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States, or Mexico.

CEMEX, S.A.B. de C.V. was founded in 1906 and was registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, N.L., Mexico, on June 11, 1920 for a period of 99 years. In 2002 this period was extended to the year 2100. The shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange as Ordinary Participation Certificates ("CPOs"). Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V. In addition, CEMEX, S.A.B. de C.V. shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares or "ADSs" under the symbol "CX". Each ADS represents ten CPOs.

On July 17, 2006, a two-for-one stock split became effective, by means of which each of the existing series "A" shares was surrendered in exchange for two new series "A" shares, and each of the existing series "B" shares was surrendered in exchange for two new series "B" shares. The proportional equity interest participation of existing stockholders did not change as a result of the stock split (note 16). Unless otherwise indicated, all amounts in CPOs, shares and prices per share for 2005 included in these notes to the financial statements have been adjusted to present a retroactive effect resulting from this stock split.

The terms "CEMEX, S.A.B. de C.V." or the "Parent Company" used in these accompanying notes to the financial statements refer to CEMEX, S.A.B. de C.V. without its consolidated subsidiaries. The terms the "Company" or "CEMEX" refer to CEMEX, S.A.B. de C.V. together with its consolidated subsidiaries. The consolidated financial statements under Mexican Financial Reporting Standards were authorized for their issuance by the Company's management on January 25, 2008 and approved by the stockholders at the annual ordinary meeting held on April 24, 2008.

2. OUTSTANDING EVENT IN 2007 (note 3A)

In 2007, CEMEX acquired 100% of the shares of Rinker Group Limited ("Rinker"), an Australian producer of construction materials. The purchase price of the Rinker shares including acquisition expenses was approximately U.S.$14,245 (Ps155,559), which does not include U.S.$1,277 (Ps13,943) assumed debt. For its fiscal year ended March 31, 2007, Rinker reported consolidated revenues of approximately U.S.$5,300 (unaudited), of which approximately U.S.$4,100 (unaudited) were generated in the United States and approximately U.S.$1,200 (unaudited) in Australia and China. The consolidated financial statements include Rinker's balance sheet as of December 31, 2007 and its results of operations for the six-month period from July 1 to December 31, 2007 (note 11A).

3. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated balance sheet as of December 31, 2007, as well as the statement of income and the statement of changes in financial position for the year ended December 31, 2007, include the presentation, caption by caption, of amounts denominated in dollars under the column "Convenience translation". These amounts in dollars have been presented solely for the convenience of the reader at the rate of Ps10.92 pesos per dollar, the CEMEX accounting

exchange rate as of December 31, 2007. These translations are informative data and should not be construed as representations that the amounts in pesos actually represent those dollar amounts or could be converted into dollars at the rate indicated.

In the accompanying notes to the financial statements, when CEMEX has deemed relevant and only for the convenience of the reader, next to an amount in pesos or dollars, CEMEX includes between parentheses the corresponding translation into dollars or pesos, as applicable. When the amount between parentheses is in dollars, it means that: a) the amount in pesos also appears on the face of the financial statements; or b) the amount was generated in pesos or in a currency other than the dollar. Such dollar translations were calculated dividing the constant peso amounts as of December 31, 2007, by the closing accounting exchange rate as of December 31, 2007. When the amount between parentheses is in pesos, it means that the amount was originated from a transaction denominated in dollars. These peso translations were calculated multiplying the dollar amounts by the closing accounting exchange rate of the respective year and restated into constant pesos as of December 31, 2007.

Beginning in 2006, the financial statements are prepared in accordance with Mexican Financial Reporting Standards ("MFRS") issued by the Mexican Board for Research and Development of Financial Reporting Standards ("CINIF"). The MFRS, which replaced the Generally Accepted Accounting Principles in Mexico ("Mexican GAAP") issued by the Mexican Institute of Public Accountants, have recognized the effects of inflation on the financial information. The regulatory framework of the MFRS applicable beginning in 2006 initially adopted in their entirety the former Mexican GAAP effective until 2005; therefore, there were no effects in CEMEX's financial statements resulting from the adoption of the MFRS. Note 3X explains significant changes in Mexican inflationary accounting which are effective beginning January 1, 2008.

New MFRS B-3, "Income Statement", effective beginning January 1, 2007, establishes presentation and disclosure requirements for the captions that are included in the income statement. CEMEX's income statements for the years ended December 31, 2006 and 2005 were reclassified to comply with the presentation rules required in 2007 (note 3T).

When reference is made to "pesos" or "Ps", it means Mexican pesos. Except when specific references are made to "earnings per share" and "prices per share", the amounts in these notes are stated in millions of constant Mexican pesos as of the latest balance sheet date. When reference is made to "U.S.$" or dollars, it means dollars of the United States of America ("United States" or "U.S.A."). When reference is made to "£" or pounds, it means British pounds sterling. When reference is made to "€" or euros, it means the currency in circulation in a significant number of the European Union countries. Except for per share data and as otherwise noted, all amounts in such currencies are stated in millions.

B) RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

The restatement factors applied to the consolidated financial statements of prior periods were calculated using the weighted average inflation and the fluctuation in the exchange rate of each country in which the Company operates relative to the Mexican peso. The restatement factors for the Parent Company-only financial statements for prior periods were calculated using Mexican inflation.

	Weighted average restatement factor	Mexican inflation restatement factor
06 to 2007	1.0846	1.0398
05 to 2006	1.0902	1.0408
04 to 2005	0.9590	1.0300

Common stock and additional paid-in capital are restated by Mexican inflation. The weighted average inflation factor is used for all other restatement adjustments to stockholders' equity.

C) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of CEMEX, S.A.B. de C.V. and the entities in which the Parent Company holds, directly or through subsidiaries, more than 50% of their common stock and/or has control. Control exists when CEMEX has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity in order to obtain benefits from its activities.

The financial statements of joint ventures, which are those entities in which CEMEX and third-party investors have agreed to exercise joint control, are consolidated through the proportional integration method considering CEMEX's interest in the results of operations, assets and liabilities of such entities, based on International Accounting Standard No. 31, "Interests in Joint Ventures". CEMEX applies the full consolidation or the equity method, as applicable, for those joint ventures in which one of the venture partners controls the entity's administrative, financial and operating policies.

Investments in associates (note 9A) are accounted for by the equity method, when CEMEX holds between 10% and 50% of the issuer's capital stock and does not have effective control. Under the equity method, after acquisition, the investment's original cost is adjusted for the proportional interest of the holding company in the associate's equity and earnings, considering the effects of inflation.

All significant balances and transactions between related parties have been eliminated in consolidation.

D) USE OF ESTIMATES

The preparation of financial statements in accordance with MFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. These assumptions are reviewed on an ongoing basis using available information. Actual results could differ from these estimates.

The main captions subject to estimates and assumptions include, among others, the book value of fixed assets, allowances for doubtful accounts, inventories and deferred income tax assets, the fair market values of financial instruments and the assets and liabilities related to labor obligations.

E) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the dates of their execution. Monetary assets and liabilities denominated in foreign currencies are adjusted into pesos at the exchange rates prevailing at the balance sheet date, and the resulting foreign exchange fluctuations are recognized in earnings, except for the exchange fluctuations arising from: 1) foreign currency indebtedness directly related to the acquisition of foreign entities and 2) fluctuations associated with related parties balances denominated in foreign currency that are of a long-term investment nature, considering that CEMEX does not anticipate their liquidation in the foreseeable future. These fluctuations are recorded against stockholders' equity, as part of the foreign currency translation adjustment of foreign subsidiaries.

The financial statements of foreign subsidiaries, which are determined using the functional currency applicable in each country, are restated in their functional currency based on the subsidiary country's inflation rate and subsequently translated by using the foreign exchange rate at the end of the reporting period for balance sheet and income statement accounts.

The closing exchange rates used to translate the financial statements of the Company's main foreign subsidiaries as of December 31, 2007, 2006 and 2005 are as follows:

	Pesos per 1 unit of foreign currency		
Currency	**2007**	**2006**	**2005**
United States Dollar	10.9200	10.8000	10.6200
Euro	15.9323	14.2612	12.5829
British Pound Sterling	21.6926	21.1557	18.2725
Colombian Peso	0.0054	0.0048	0.0046
Venezuelan Bolivar	0.0051	0.0050	0.0049
Egyptian Pound	1.9802	1.8888	1.8452
Philippine Peso	0.2645	0.2203	0.2000

The financial statements of foreign subsidiaries are initially translated from their functional currencies into dollars and subsequently into pesos. Therefore, the foreign exchange rates presented in the table above between the functional currency and the peso represent the accounting exchange rates resulting from this methodology. Likewise, the peso to U.S. dollar exchange rate used by CEMEX is an average of free market rates available to settle its foreign currency transactions. The Mexican central bank ("*Banco de México*" or "Banxico") publishes exchange rates of the U.S. dollar, the pound sterling and the euro, among others, vis-à-vis the peso. No significant differences exist, in any case, between the foreign exchange rates used by CEMEX and those exchange rates published by Banxico in the most relevant foreign currencies for CEMEX.

F) CASH AND INVESTMENTS (note 4)

The balance in this caption is comprised of available amounts of cash and cash equivalents, represented by investments held for trading purposes, which are easily convertible into cash and have maturities of less than three months from the investment date. Those investments in fixed-income securities are recorded at cost plus accrued interest. Investments in marketable securities, such as shares of public companies, are recorded at market value. Gains or losses resulting from changes in market values, accrued interest and the effects of inflation arising from these investments are included in the income statements as part of the Comprehensive Financing Result.

G) INVENTORIES (note 7)

Inventories are valued using the lower between replacement cost and market value. Replacement cost is based upon the latest purchase price, the average price of the last purchases or the last production cost. The Company analyzes its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realizable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognized against the results of the period.

H) OTHER INVESTMENTS AND NON-CURRENT RECEIVABLES (note 9B)

Other investments and non-current accounts receivable include the Company's collection rights with maturities of more than twelve months as of the reporting date. Non-current assets resulting from the valuation of derivative

financial instruments, as well as investments in private funds and other investments are recognized at their estimated fair value as of the balance sheet date, and their changes in valuation are included in the income statement as part of the Comprehensive Financing Result.

I) PROPERTY, MACHINERY AND EQUIPMENT (note 10)

Property, machinery and equipment ("fixed assets") are presented at their restated value, using the inflation index of each country, except for those foreign assets which are restated using the inflation index of the fixed assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the functional currency of the country holding the asset.

Depreciation of fixed assets is recognized within "Cost of sales" and "Administrative and selling expenses", depending on the utilization of the respective assets, and is calculated using the straight-line method over the estimated useful lives of the assets, except for mineral reserves, which are depleted using the units-of-production method. The maximum average useful lives by category of assets are as follows:

	Years
Administrative buildings	33
Industrial buildings	30
Machinery and equipment in plant	23
Ready-mix trucks and motor vehicles	10
Office equipment and other assets	9

The Comprehensive Financing Result ("CFR"), which includes interest expense and monetary position result, arising from indebtedness incurred during the construction or installation period of significant fixed assets is capitalized as part of the historical cost of such assets. New MFRS D-6, "Capitalization of the Comprehensive Financing Result", effective January 1, 2007, requires the capitalization of the CFR generated during significant construction projects and eliminates the election to recognize it as expense through the income statement as incurred. The new rule does not represent any change with respect to CEMEX's accounting policy.

Costs incurred in respect of operating fixed assets that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalized as part of the carrying amount of the related assets. These capitalized costs are depreciated over the remaining useful lives of the related fixed assets. Other costs, including periodic maintenance on fixed assets, are expensed as incurred.

J) BUSINESS COMBINATIONS, GOODWILL, OTHER INTANGIBLE ASSETS AND DEFERRED CHARGES (note 11)

In accordance with MFRS B-7, "Business Acquisitions", CEMEX applies the following accounting principles to business combinations: a) adoption of the purchase method as the sole recognition alternative; b) allocation of the purchase price to all assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date; c) intangible assets acquired are identified, valued and recognized; d) any unallocated portion of the purchase price is recognized as goodwill; and e) goodwill is not amortized and is subject to periodic impairment tests.

CEMEX capitalizes intangible assets acquired, as well as costs incurred in the development of intangible assets, when future economic benefits associated are identified and control over such benefits is evidentiated. Intangible assets are presented at their restated value and are classified as having a definite or indefinite life; the latter are not

amortized since the period cannot be accurately established in which the benefits associated with such intangibles will terminate. Amortization of intangible assets of definite life is calculated under the straight-line method.

Intangible assets acquired in a business combination are accounted for at their estimated fair value at the acquisition date. When such assets cannot be separately recognized, they are included as part of goodwill, which is not amortized and is subject to periodic impairment tests (note 3K).

Direct costs incurred in debt issuances or borrowings are capitalized and amortized as part of the effective interest rate of each transaction over its maturity. These costs include commissions and professional fees. Direct costs incurred in the development stage of computer software for internal use are capitalized and amortized through the operating results over the useful life of the software, which is approximately 4 years.

Pre-operational expenses are recognized in the income statement as they are incurred. Costs associated with research and development activities ("R&D"), performed by CEMEX to create new products and services, as well as to develop processes, equipment and methods to optimize operational efficiency and reduce costs, are recognized in the operating results as incurred. The Technology and Energy departments in CEMEX undertake all significant R&D activities as part of their daily routines. In 2007, 2006 and 2005, total combined expenses of these departments were approximately Ps437 (U.S.$40), Ps503 (U.S.$46) and Ps477 (U.S.$44), respectively.

K) IMPAIRMENT OF LONG LIVED ASSETS (notes 10 and 11)

Property, machinery and equipment, intangible assets of definite life and other investments

Fixed assets, intangible assets of definite life and other investments are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in the operating environment in which CEMEX operates, changes in projected use or in technology, as well as expectations of lower operating results for each cash generating unit, in order to determine whether their book value may not be recovered, in which case an impairment loss is recorded in the income statement, within other expenses, net, for the period when such determination is made. The impairment loss results from the excess of the carrying amount over the net present value of estimated cash flows related to such assets.

Goodwill and intangible assets of indefinite life

Goodwill and other intangible assets of indefinite life are tested for impairment at least once a year, during the second half of the period, by determining the value in use (fair value) of the reporting units, which consists in the discounted amount of estimated future cash flows to be generated by the reporting units to which those assets relate. A reporting unit refers to a group of one or more cash generating units. An impairment loss is recognized if such discounted cash flows are lower than the net book value of the reporting unit. CEMEX determines the discounted amount of estimated future cash flows over a period of 5 years.

As of December 31, 2007, 2006 and 2005, the geographic segments reported by CEMEX (note 18), each integrated by multiple cash generating units, also represent the reporting units for purposes of testing goodwill for impairment. CEMEX concluded that the operating components that integrate the reported segment have similar economic characteristics, by considering: a) that the reported segments are the level used by CEMEX to organize and evaluate its activities in the internal information system; b) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; c) the vertical integration in the value chain of the products comprising each component; d) the type of clients, which are substantially similar in all components; e)

the operative integration among operating components; and f) that the compensation system of a specific country is based on the consolidated results of the geographic segment and not in the particular results of the components.

Impairment tests are significantly sensitive, among other factors, to the estimation of future prices of CEMEX's products, the development of operating expenses, local and international economic trends in the construction industry, as well as the long-term growth expectations in the different markets. Likewise, the discount rates and the rates of growth in perpetuity used have an effect on such impairment tests. CEMEX uses specific discount rates for each reporting unit, which consider the weighted average cost of capital of each country.

L) DERIVATIVE FINANCIAL INSTRUMENTS (note 12C, D and E)

In compliance with the guidelines established by its Risk Management Committee, CEMEX uses derivative financial instruments ("derivative instruments"), in order to change the risk profile associated with changes in interest rates and exchange rates of debt agreements denominated in foreign currency, as a vehicle to reduce financing costs, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) the Company's net assets in foreign subsidiaries, and (iii) executive stock option programs.

CEMEX recognizes derivative financial instruments as assets or liabilities in the balance sheet at their estimated fair value, and the changes in such fair values are recognized in the income statement within "Results from financial instruments" for the period in which they occur, except for changes in fair value of derivative instruments designated and that are effective as hedges of the variability in the cash flows associated to existing assets or liabilities and/or forecasted transactions. These effects are initially recognized in stockholders' equity and subsequently reclassified to earnings as the effects of the underlying hedged instruments or transactions have an impact on the income statement.

Some derivative instruments have been designated as hedges. For the years ended December 31, 2007, 2006 and 2005, the accounting rules applied to specific derivative instruments were as follows:

(a) Changes in the estimated fair value of interest rate swaps to exchange floating rates for fixed rates, designated as hedges of the variability in the cash flows associated with the interest expense of a portion of the outstanding debt, as well as those instruments negotiated to hedge the interest rates at which certain forecasted debt is expected to be contracted or existing debt is expected to be renegotiated, are recognized temporarily in stockholders' equity. These effects are reclassified to earnings as the interest expense of the related debt is accrued, in the case of the forecasted transactions, once the related debt has been negotiated and recognized in the balance sheet.

(b) Changes in the estimated fair value of foreign currency forwards, designated as hedges of a portion of CEMEX's net investments in foreign subsidiaries, whose functional currency is different from the peso, are recognized in stockholders' equity, offsetting the foreign currency translation result (notes 3E and 16B). The accumulated effect in stockholders' equity is reversed through the income statement when the foreign investment is disposed of.

Changes in the estimated fair value of forward contracts in the Company's own shares are recognized in the income statement as incurred, including those contracts designated as hedges of executive stock option programs. These effects are recognized as part of the costs related to such programs.

(c) Changes in the estimated fair value of foreign currency forward contracts or options, negotiated to hedge an underlying firm commitment, are recognized through stockholders' equity, and are reclassified to the

income statement once the firm commitment takes place, as the effects from the hedged item are recognized in the income statement. With respect to hedges of the foreign exchange risk associated with a firm commitment for the acquisition of a net investment in a foreign country (note 12D), the accumulated effect in stockholders' equity is reclassified to the income statement when the purchase occurs.

(d) Changes in fair value, generated by cross currency swaps ("CCS") and other derivative instruments, are recognized in the income statement as they occur. For presentation purposes of short-term and long-term debt in the balance sheets, the valuation effects of related CCS are recognized and presented separately from the primary financial instruments; consequently, debt associated with the CCS is presented in the currencies originally negotiated.

Interest accruals generated by interest rate swaps and CCS are recognized as financial expense, adjusting the effective interest rate of the related debt. Interest accruals from other hedging derivative instruments are recorded within the same caption when the effects of the primary instrument subject to the hedging relation are recognized.

Derivative instruments are negotiated with institutions with significant financial capacity; therefore, CEMEX considers the risk of non-performance of the obligations agreed to by such counterparties to be minimal. The estimated fair value represents the amount at which a financial asset could be bought or sold, or a financial liability could be extinguished, between willing parties in an arm's length transaction. Occasionally, there is a reference market that provides the estimated fair value; in the absence of such market, such value is determined by the net present value of projected cash flows or through mathematical valuation models. The estimated fair values of derivative instruments determined by CEMEX and used for valuation, recognition and disclosure purposes in the financial statements and their notes, are supported by the confirmations of these values received from the financial counterparties.

M) PROVISIONS

CEMEX recognizes a provision when it has a legal or constructive obligation resulting from past events, whose resolution would imply cash outflows or the delivery of other resources owned by the Company.

Restructuring **(note 13)**

CEMEX recognizes a provision for restructuring costs, only when the restructuring plans have been properly finalized and authorized by management, and have been communicated to third parties involved and/or affected prior to the balance sheet date. These provisions may include costs not associated with CEMEX's ongoing activities.

Asset retirement obligations **(note 13)**

CEMEX recognizes a liability for unavoidable obligations, legal or constructive, to restore operating sites upon retirement of tangible long-lived assets at the end of their useful lives. These liabilities represent the net present value of estimated future cash flows to be incurred in the restoration process, and they are initially recognized against the related assets' book value. The additional asset is depreciated during its remaining useful life. The increase in the liability, by the passage of time, is charged to the income statement. Adjustments to the liability for changes in the estimated cash flows or the estimated disbursement period are made against fixed assets, and depreciation is modified prospectively.

Asset retirement obligations are related mainly to future costs of demolition, cleaning and reforestation, so that the sites for the extraction of raw materials, the maritime terminals and other production sites are left in acceptable condition at the end of their operation.

Costs related to remediation of the environment **(notes 13 and 21C)**

CEMEX recognizes a provision when it is probable that an environmental remediation liability exists and that it will represent an outflow of resources. The provision represents the estimated future cost of remediation. Reimbursements from insurance companies are recognized as assets only when their recovery is practically certain. In that case, such insurance reimbursement assets are not offset against the provision for remediation costs. Provisions for environmental remediation costs are recognized at their nominal value when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant. Otherwise, such provisions are recognized at their discounted value.

Contingencies and commitments **(notes 20 and 21)**

Obligations or losses, related to contingencies, are recognized as liabilities in the balance sheet when present obligations exist resulting from past events that are expected to result in an outflow of resources and the amount can be measured reliably. Otherwise, a qualitative disclosure is included in the notes to the financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognized in the financial statements on the incurred or accrued basis, after taking into consideration the substance of the agreements. Relevant commitments are disclosed in the notes to the financial statements. The Company does not recognize contingent revenues, income or assets.

N) PENSIONS, OTHER POSTRETIREMENT BENEFITS AND TERMINATION BENEFITS **(note 14)**

Defined contribution plans

The costs of defined contribution pension plans are recognized in the operating results as they are incurred. Liabilities arising from such plans are periodically settled through cash transfers to the employees' retirement accounts, without generating future obligations.

Defined benefit plans, other postretirement benefits and termination benefits

Under MFRS D-3, "Labor Obligations", CEMEX recognizes the costs associated with employees' benefits for: a) defined benefit pension plans; b) other postretirement benefits, basically comprised of health care benefits, life insurance and seniority premiums, granted pursuant to applicable law or by Company grant; and c) termination benefits, not associated to a restructuring event, which mainly represent ordinary severance payments by law. These costs are recognized in the operating results, as services are rendered, based on actuarial estimations of the benefits' present value.

The actuarial assumptions upon which the Company's employee benefit liabilities are determined consider the use of real rates (nominal rates discounted by inflation). The portion of the actuarial gains and losses ("actuarial results"), which exceeds a corridor of the greater of 10% of the fair value of any plan assets and 10% of the present value of the defined benefit obligation, as well as the prior service cost and the transition liability, are amortized to the operating results over the employees' estimated active service life.

For certain pension plans, irrevocable trust funds have been created to cover future benefit payments. These assets are valued at their estimated fair value at the balance sheet date.

The net period cost recognized in the operating results includes: a) the increase in the obligation resulting from additional benefits earned by employees during the period; b) interest cost, which results from the increase in the liability by the passage of time; c) the amortization of the actuarial gains and losses, prior service cost and transition liability; and d) the expected return on plan assets for the period.

O) INCOME TAX, BUSINESS ASSETS TAX, EMPLOYEES' STATUTORY PROFIT SHARING AND DEFERRED INCOME TAXES (note 15)

Effective January 1, 2007, under new MFRS B-3 (note 3A), the caption in the income statement including income taxes and equivalent taxes shall be denominated as "Income tax". In substance, this does not represent any change with respect to the presentation of prior years. The effects reflected in the income statements for Income Tax ("IT") and minimum taxes, such Business Assets Tax ("BAT") applicable to the Mexican operations, include amounts incurred during the period, as well as the amounts of deferred IT, in both cases determined according to the income tax law applicable to each subsidiary. Consolidated deferred IT represents the addition of the amounts determined in each subsidiary under the assets and liabilities method, by applying the enacted statutory income tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, taking into account when the amounts become available and subject to a recoverability analysis, tax loss carryforwards as well as other recoverable taxes and tax credits. The effect of a change in enacted statutory tax rates is recognized in the income statement for the period in which the change occurs and is officially enacted.

Management analyzes projections of future taxable income in each consolidated entity, to evaluate whether it will obtain the tax benefits associated with the deferred income tax assets and tax loss carryforwards, prior to their expiration. When it is determined that future operations would not generate sufficient taxable income, or that tax strategies are no longer viable, the valuation allowance on such assets would be increased against the income statement.

P) STOCKHOLDERS' EQUITY

Common stock and additional paid-in capital (note 16A)

Balances of common stock and additional paid-in capital represent the value of stockholders' contributions, restated to constant pesos as of the most recent reporting period presented, using Mexican inflation.

Other equity reserves (note 16B)

The caption of "Other equity reserves" groups the accrued balances of items and transactions that are, temporarily or permanently, recognized directly to stockholders' equity. This caption includes the elements of "Comprehensive income for the period", which is presented in the statement of changes in stockholders' equity. Comprehensive income includes, in addition to net income, certain changes in stockholders' equity during a period, not resulting from investments by owners and distributions to owners.

The most important items within "Other equity reserves" are as follows:

Items of comprehensive income within "Other equity reserves":

Results from holding non-monetary assets, which represent the effect arising from the revaluation of non-monetary assets (inventories, fixed assets, intangible assets) in each country, using specific restatement factors that differ from the weighted average consolidated inflation;

- Currency translation effects from the translation of foreign subsidiaries' financial statements, net of the foreign exchange fluctuations arising from foreign currency indebtedness directly related to the acquisition of foreign subsidiaries and foreign currency related parties balances that are of a long-term investment nature (note 3E);

- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity (note 3L); and

- The deferred income tax for the period arising from items whose effects are directly recognized in stockholders' equity.

Items of "Other equity reserves" not included in comprehensive income:

- Effects related to majority stockholders' equity for changes or transactions affecting minority interest stockholders in CEMEX's consolidated subsidiaries;

- Effects attributable to majority stockholders' equity for financial instruments issued by consolidated subsidiaries that qualify for accounting purposes as equity instruments;

- This caption includes the adjustments related to the cancellation of own shares held in the Parent Company's treasury, as well as those held by consolidated subsidiaries; and

- The cumulative initial effect of deferred income taxes arising from the adoption of the assets and liabilities method on January 1, 2000. Note 16B presents the consolidated cumulative initial effect of deferred income taxes.

Retained earnings **(note 16C)**

Represents the cumulative net results of prior accounting periods, net of dividends declared to stockholders, restated to constant pesos as of the most recent balance sheet date.

Minority interest and perpetual debentures **(note 16D)**

Represents the share of minority stockholders in the results and equity of consolidated subsidiaries. Likewise, this caption includes the notional amount of financial instruments issued by consolidated entities that qualify as equity instruments. An equity instrument, which may take the form of a perpetual debenture or preferred stock, is an instrument in which the issuer does not have a contractual obligation to deliver cash or another financial asset, does

not have a predefined maturity date, meaning that it is issued to perpetuity, and in which CEMEX has the unilateral option to defer interest payments or preferred dividends for indeterminate periods.

Q) REVENUE RECOGNITION

CEMEX's consolidated net sales represent the value, before tax on sales, of products and services sold by consolidated subsidiaries as a result of ordinary activities, after the elimination of transactions between related parties. Revenues are quantified at the fair value of the consideration received or receivable, decreased by any trade discounts or volume rebates granted to customers.

Revenue from the sale of goods and services is recognized upon shipment of products or through goods delivered or services rendered to customers, when there is no condition or uncertainty implying a reversal thereof, and they have assumed the risk of loss.

R) COST OF SALES

Cost of sales reflects the replacement cost of inventories at the time of sale, expressed in constant pesos as of the most recent balance sheet date.

S) MONETARY POSITION RESULT

The monetary position result, which represents the gain or loss from holding monetary assets and liabilities in inflationary environments, is determined by applying the inflation rate of the country of each subsidiary to its net monetary position (difference between monetary assets and liabilities).

T) OTHER EXPENSES, NET

The caption "Other expenses, net" in the income statements consists primarily of revenue and expense derived from transactions or events not directly related to CEMEX's main activity, or which are of unusual or non-recurring nature. The most significant items included under this caption are: a) anti-dumping duties paid and reimbursement obtained of anti-dumping duties previously paid; b) results from the sale of fixed assets and permanent investments; c) impairment losses of long-lived assets; d) amortization of intangible assets based on customer relationships, resulting from the acquisition of Rinker; e) net results from the early extinguishment of debt; f) restructuring costs; and g) employees' statutory profit sharing ("ESPS") for the period, as well as the estimated deferred ESPS.

Under new MFRS B-3, "Income Statement", beginning on January 1, 2007, current and deferred ESPS is included within "Other expenses, net". Until December 31, 2006, ESPS was presented in a specific line item within the income taxes section of the income statement. The consolidated income statements for 2006 and 2005 were reclassified to conform with the presentation required for 2007. For the years ended December 31, 2007, 2006, and 2005, "Other expenses, net" includes aggregate current and deferred ESPS expenses of approximately Ps246 and Ps180, and income of Ps11, respectively. CEMEX recognizes deferred ESPS for those temporary differences, which are of a non-recurring nature, arising from the reconciliation of net income for the period and the taxable income for the period for ESPS.

U) EXECUTIVE STOCK OPTION PROGRAMS (note 17)

In 2005, considering its mandatory application under MFRS, CEMEX adopted the International Financial Reporting Standard No. 2, "Share-based Payment" ("IFRS 2"). Under IFRS 2, options granted to executives are defined as equity instruments, in which services received from employees are settled through the delivery of shares; or as liability instruments, in which the Company incurs a liability by committing to pay, in cash or other instruments, the intrinsic value of the option as of the exercise date. The cost of equity instruments represents their estimated fair value at the date of grant and is recognized in earnings during the period in which the exercise rights of the employees become vested. In respect to liability instruments, under IFRS 2 these instruments should be valued at their estimated fair value at each reporting date, recognizing the changes in valuation through the income statement. CEMEX determines the estimated fair value of options using the binomial financial option-pricing model.

When implementing IFRS 2, CEMEX determined that the options in its "fixed program" (note 17A) represent equity instruments considering that services received are settled through the issuance of new shares upon exercise. CEMEX considers that the options granted under its other programs (note 17B, C and D) represent liability instruments. Upon adoption of IFRS 2 in 2005, CEMEX did not recognize cost for those options classified as equity instruments, considering that all executives' exercise rights were fully vested. For the other programs, CEMEX determined the estimated fair value of the outstanding options and recognized in the income statement in 2005 an expense of approximately Ps1,172 (Ps976 net of income tax), resulting from the difference between the estimated fair value of the instruments and the existing accrual related to such programs, which was quantified through the intrinsic value of the options. This expense was recognized in the caption "Results from financial instruments". Activity under these programs and their accounting effect are presented in note 17. The intrinsic value represents the existing appreciation between the market price of the share and the exercise price of such share established in the option.

V) EMISSION RIGHTS: EUROPEAN EMISSION TRADING SYSTEM TO REDUCE GREENHOUSE GAS EMISSIONS

CEMEX, as a cement producer, is involved in the European Emission Trading Scheme ("EU ETS"), which aims to reduce carbon-dioxide emissions ("CO_2"). Under this directive, governments of the European Union ("EU") countries grant, currently at nil cost, CO_2 emission allowances ("EUAs"). If upon conclusion of an annual review period, CO_2 emissions exceeded EUAs received, CEMEX would then be required to purchase the deficit of EUAs in the market, which would represent an additional production cost, complementary to fines or penalties imposed by governments. The EUAs granted by any member state of the EU can be used to settle emissions in another member state. Consequently, CEMEX manages its portfolio of EUAs held on a consolidated basis for its cement production operations in the EU.

As of December 31, 2007, 2006 and 2005, years comprising the first phase of the EU ETS, CEMEX maintained a consolidated surplus of EUAs held over the total tons of CO_2 emissions. During 2007, 2006 and 2005, CEMEX's purchase or sale transactions of EUAs were not significant. During the second phase of the EU ETS, comprising years 2008 to 2012, CEMEX expects a reduction in the number of EUAs granted by governments as compared to the first phase. Considering the reduction of EUAs in the second phase and CEMEX's estimated production during the 2008 - 2012 period, CEMEX considers that deficits of EUAs, if any, would not be significant and may be hedged with purchases in the market and/or exchange of EUAs, or through the internal generation of Certified Emission Reductions ("CERs"), which are granted by the United Nations environmental agency to qualified CO_2 emission reduction projects. These certificates may be used in specified proportions to settle EUAs obligations with the EU governments.

CEMEX's accounting policy to recognize the effects derived from the EU ETS is the following: a) EUAs received from different EU countries are recognized in the balance sheet at cost; this presently means at zero value; b) any revenues received from eventual sales of spare EUAs are recognized by decreasing "Cost of sales"; c) EUAs and/or

CERs acquired to hedge current CO_2 emissions for the period are recognized at cost as intangible assets, and are amortized to "Cost of sales" during the remaining compliance period; d) EUAs and/or CERs acquired for trading purposes are recognized at cost as financial assets and are restated at their market value as of the balance sheet date, recognizing changes in valuation within "Results from financial instruments"; e) CEMEX accrues a provision against "Cost of sales" when the estimated annual emissions of CO_2 are expected to exceed the number of EUAs and/or CERs received for the period, net of any benefit in the form of EUAs and/or CERs obtained through exchange transactions; and f) forward purchase and sale transactions of EUAs and/or CERs to hedge deficits, or to dispose of certain surpluses, are treated as contingencies and are recognized at the amount paid or received upon physical settlement; meanwhile, forward transactions with trading purposes are treated as financial instruments and are recognized as assets or liabilities at their estimated fair value. Changes in valuation are recognized within "Results from financial instruments".

W) CONCENTRATION OF CREDIT

CEMEX sells its products primarily to distributors in the construction industry, with no specific geographic concentration within the countries in which CEMEX operates. For 2007, 2006 and 2005, no single customer individually accounted for a significant amount of the reported amounts of sales or in the balances of trade receivables. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

X) NEWLY ISSUED FINANCIAL REPORTING STANDARDS WITH IMPACT IN 2008

In 2007, CINIF issued the following MFRS effective beginning January 1, 2008:

MFRS B-10, "Inflation Effects" ("MFRS B-10"). During 2007, CINIF issued the new MFRS B-10, which establishes significant changes to inflationary accounting in Mexico effective beginning January 1, 2008. The most significant changes are:

- Inflationary accounting will only be applied in a high-inflation environment, defined by the MFRS B-10 as existing when the cumulative inflation for the preceding three years equals or exceeds 26%. Until December 31, 2007, inflationary accounting was applied to all CEMEX subsidiaries regardless of the inflation level of their respective country. Beginning in 2008, only the financial statements of those subsidiaries whose functional currency corresponds to a country under high inflation will be restated to take account of inflation,

- The new standard eliminates the alternative to restate inventories using the specific cost indexes, as well as the rule to restate fixed assets of foreign origin using the factor that considers the inflation of the country of origin of the asset and the variation in the foreign exchange rate between the currency of the country of origin and the country holding the asset,

- This standard eliminates the requirement to restate the amounts of the income statement for the period, as well as the comparative financial statements for prior periods, into constant pesos as of the most recent balance sheet date. Beginning in 2008, the income statement for subsequent periods will be presented in nominal values and, as long as the cumulative inflation for the preceding three years in Mexico is below 26%, the financial statements for periods prior to 2008 will be presented in constant pesos as of December 31, 2007, the last date in which inflationary accounting was applied.

In respect to inventories and fixed assets, MFRS B-10 establishes the use of the factors derived from the general price indexes of the country holding the assets as the sole alternative for restatement. When moving from a high-inflation to a low-inflation environment, the restatement adjustments as of the date of discontinuing the inflationary accounting should prevail as part of the carrying amount. When moving from a low-inflation to a high-inflation environment, the initial restatement factor for property, machinery and equipment, as well as for intangible assets, should consider the cumulative inflation since the last time inflationary accounting was discontinued. Upon adoption of new MFRS B-10, the accumulated result for holding non-monetary assets, included within "Deficit in equity restatement" (note 16B), should be reclassified to "Retained earnings". As of December 31, 2007, most of CEMEX's subsidiaries operate in low-inflation environments; therefore, restatement of their historical cost financial statements to take account of inflation will be suspended starting January 1, 2008. CEMEX does not anticipate that the adoption of new MFRS B-10 will have a material adverse effect on its results of operations.

MFRS D-3, "Labor Obligations" ("MFRS D-3"). CINIF has modified MFRS D-3. The most significant changes, which became effective on January 1, 2008, are as follows:

- Liabilities and the net cost for the period related to defined benefit pension plans and other postretirement benefits, as well as to termination benefits, should be determined using nominal discount rates;

- In connection with defined benefit pension plans and other postretirement benefits, a company may continue to defer and recognize the actuarial results for the period during the years of service of the employees subject to the plan's benefits. In respect to termination benefits, such results should be recognized in the income statement for the period in which they occur;

- Referring to the transition liability, prior services and actuarial results, determined under previous MFRS D-3, and which are pending for recognition in the income statement as of December 31, 2007 (note 14), under new MFRS D-3 these amounts should be applied proportionately to the income statement over the five-year period beginning on January 1, 2008; and

- Current and deferred ESPS is now treated as employees' benefits and removed as an equivalent of income taxes under MFRS D-4. Nonetheless, MFRS D-3 requires the assets and liabilities method to determine deferred ESPS.

CEMEX does not anticipate a material effect on its results of operations or its financial position for the changes in MFRS D-3.

MFRS D-4, "Accounting for Income Taxes" ("MFRS D-4"). CINIF made changes to MFRS D-4 effective beginning January 1, 2008, which are summarized as follows:

- Current and deferred ESPS was relocated to MFRS D-3;

- In connection with BAT (minimum tax), recoverable amounts should be recognized as a deferred tax asset only when it is probable such BAT will be recovered against income tax of future periods; otherwise it should be treated as an account receivable. Under MFRS D-4 effective as of December 31, 2007, subject to a recoverability analysis, such BAT asset was presented net with the deferred income tax liability; and

- Upon adoption of new MFRS D-4 on January 1, 2008, the "Cumulative initial deferred income tax effects" resulting in the year 2000 from the adoption of the assets and liabilities method, should be reclassified to "Retained earnings". As of December 31, 2007, such amount is included in a separate line item within "Other equity reserves".

CEMEX does not anticipate a material effect on its results of operations or its financial position for the changes in MFRS D-4.

MFRS B-2, "Cash Flow Statement" ("MFRS B-2"). Supersedes Bulletin B-12, "Statement of Changes in Financial Position".

The main changes of MFRS B-2 are: (i) a new cash flow statement replaces the statement of changes in financial position; (ii) the presentation of cash inflows and outflows is in nominal currency, not including the effects of inflation; (iii) establishes two alternative methods for the preparation of cash flow statements (direct and indirect), not indicating a preference for either of them; (iv) requires that cash flows related to operating activites shall be presented first, followed by those of investment activities and finally those of financing activities; (v) requires that items in the main captions are presented in gross amounts; and (vi) requires the breakdown of items considered as cash equivalents.

MFRS B-15, "Foreign Currency Translation" ("MFRS B-15"). Replaces Bulletin B-15, "Foreign Currency Transactions and Translation of Financial Statements of Foreign Entities".

The main changes of MFRS B-15 are: (i) eliminates the concepts of integrated foreign operations and foreign subsidiary, and replaces them for recognition currency, functional currency and reporting currency, requiring that translation be made based on the economic environment in which the entity operates, regardless of its dependency to the parent company; and (ii) includes translation procedures for situations in which the reporting currency differs from the functional currency. CEMEX does not anticipate a material effect on its results of operations or its financial position resulting from the adoption of MFRS B-15.

4. CASH AND INVESTMENTS

Consolidated cash and investments as of December 31, 2007 and 2006, consists of:

		2007	2006
Cash and bank accounts	Ps	5,980	14,361
Fixed-income securities		2,516	4,122
Investments in marketable securities		174	11
	Ps	8,670	18,494

5. TRADE ACCOUNTS RECEIVABLE

Consolidated trade accounts receivable as of December 31, 2007 and 2006, consist of:

		2007	2006
Trade accounts receivable	Ps	22,854	18,051
Allowances for doubtful accounts		(2,135)	(1,526)
	Ps	20,719	16,525

As of December 31, 2007 and 2006, trade receivables exclude accounts for Ps12,325 (U.S.$1,129) and Ps12,731 (U.S.$1,166), respectively, that were sold to financial institutions under securitization programs for the sale of trade receivables, established in Mexico, the United States, Spain and France. Under these programs, CEMEX effectively surrenders control associated with the trade receivables sold and there is no guarantee nor obligation to reacquire the assets; therefore, the amount of receivables sold is removed from the balance sheet at the moment of sale, except for the amounts owed by the counterparties, which are reclassified to other short-term accounts receivable. Trade receivables qualifying for sale do not include amounts over certain days past due or concentrations over certain limits to any one customer, according to the terms of the programs. The discount granted to the acquirers of the trade receivables is recognized as financial expense and amounted to approximately Ps673 (U.S.$62) in 2007, Ps475 (U.S.$44) in 2006 and Ps248 (U.S.$23) in 2005.

Allowances for doubtful accounts are established according to the credit history and risk profile of each customer. Changes in the valuation allowance for doubtful accounts in 2007, 2006 and 2005, are as follows:

		2007	2006	2005
Allowances for doubtful accounts at beginning of period	Ps	1,526	1,469	857
Charged to selling expenses		397	275	329
Deductions		(79)	(191)	(304)
Business combinations		175	–	547
Foreign currency translation and inflation effects		116	(27)	40
Allowances for doubtful accounts at end of period	Ps	2,135	1,526	1,469

6. OTHER ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of December 31, 2007 and 2006, consist of:

		2007	2006
Non-trade accounts receivable	Ps	3,582	5,900
Current portion for valuation of derivative instruments		2,094	374
Interest and notes receivable		1,001	1,279
Loans to employees and others		1,850	948
Refundable taxes		1,303	705
	Ps	9,830	9,206

Non-trade accounts receivable are mainly originated by the sale of assets. Interest and notes receivable include Ps957 (U.S.$88) in 2007 and Ps1,196 (U.S.$110) in 2006, arising from uncollected trade receivables sold under securitization programs (note 5).

7. INVENTORIES

Consolidated balances of inventories as of December 31, 2007 and 2006, are summarized as follows:

		2007	2006
Finished goods	Ps	7,293	4,687
Work-in-process		3,565	2,311
Raw materials		3,297	2,284
Materials and spare parts		4,892	4,033
Advances to suppliers		567	573
Inventory in transit		573	652
Allowance for obsolescence		(556)	(566)
	Ps	19,631	13,974

Impairment losses of inventory of approximately Ps131 and Ps93 in 2007 and 2006, respectively, were recognized within "Other expenses, net". There were no impairment losses of inventory in 2005.

8. OTHER CURRENT ASSETS

Other current assets in the consolidated balance sheets of as of December 31, 2007 and 2006, consist of:

		2007	2006
Advance payments	Ps	1,954	1,717
Assets held for sale		440	538
	Ps	2,394	2,255

Assets held for sale are stated at their estimated realizable value.

9. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

9A) INVESTMENTS IN ASSOCIATES

Consolidated investments in shares of associates as of December 31, 2007 and 2006, are summarized as follows:

		2007	2006
Book value at acquisition date	Ps	4,624	3,785
Revaluation by equity method		5,975	4,927
	Ps	10,599	8,712

As of December 31, 2007 and 2006, CEMEX's main investments in associates are as follows:

	Activity	Country	%		2007	2006
Control Administrativo Mexicano, S.A. de C.V.	Cement	Mexico	49.0	Ps	3,684	3,430
Cement Australia Holdings Pty Limited	Cement	Australia	25.0		1,447	–
Trinidad Cement Ltd	Cement	Trinidad	20.0		454	410
Huttig Building Products Inc.	Materials	United States	28.1		333	374
Cancem, S.A. de C.V.	Cement	Mexico	10.0		387	349
Lime & Stone Production Co Ltd.	Aggregates	Israel	50.0		302	338
Ready Mix USA, LLC	Concrete	United States	49.9		277	311
Société des Ciments Antillais	Cement	French Antilles	26.1		231	223
Société Méridionale de Carrières	Aggregates	France	33.3		248	207
Lehigh White Cement Company	Cement	United States	24.5		183	188
Société d'Exploitation de Carrières	Aggregates	France	50.0		215	148
Metromix Pty Limited	Concrete	Australia	50.0		115	–
Other companies	–	–			2,723	2,734
				Ps	10,599	8,712

During 2006 CEMEX sold its 25.5% interest in the Indonesian cement producer PT Semen Gresik ("Gresik") for approximately U.S.$346 (Ps4,053), including dividends declared of approximately U.S.$7 (Ps82). The sale of Gresik´s shares generated a gain of approximately Ps1,045 (U.S.$96), net of selling expenses and the write-off of related goodwill of approximately Ps117. This gain was recognized in 2006 within other expenses, net. In connection with the sale of CEMEX's interest in Gresik, it was agreed by mutual consent with the Indonesian government to discontinue the arbitration case filed by CEMEX in December 2003 before the International Centre for Settlement of Investment Disputes.

In 2005, CEMEX sold its 11.9% interest in the Chilean cement producer Cementos Bio Bio, S.A. for approximately U.S.$65 million (Ps817), resulting in a gain of Ps245, net of the write-off of goodwill of approximately Ps15, recorded within other expenses, net.

9B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

As of December 31, 2007 and 2006, other investments and non-current accounts receivable are summarized as follows:

		2007	2006
Non-current portion from valuation of derivative instruments	Ps	5,035	5,742
Non-current accounts receivable and other assets		5,555	3,874
Investments in private funds		370	350
	Ps	10,960	9,966

In 2007 and 2006, the amounts contributed to private funds were approximately U.S.$4 (Ps44) and U.S.$14 (Ps164), respectively.

10. PROPERTY, MACHINERY AND EQUIPMENT

Consolidated property, machinery and equipment as of December 31, 2007 and 2006, consist of:

		2007	2006
Land and mineral reserves	Ps	84,920	51,623
Buildings		64,975	60,335
Machinery and equipment		245,270	217,959
Construction in progress		21,260	10,348
Accumulated depreciation and depletion		(154,236)	(138,840)
	Ps	262,189	201,425

Changes in property, machinery and equipment in 2007, 2006 and 2005, are as follows:

		2007	2006	2005
Cost of property, machinery and equipment at beginning of period	Ps	340,265	325,382	242,837
Accumulated depreciation and depletion at beginning of period		(138,840)	(130,217)	(121,398)
Net book value at beginning of period		201,425	195,165	121,439
Capital expenditures		22,289	18,044	10,001
Disposals		(510)	(1,977)	(139)
Additions through business combinations		53,870	342	83,145
Capitalized comprehensive financing result		68	6	–
Depreciation and depletion for the period		(14,876)	(12,357)	(11,808)
Impairment losses		(64)	(611)	(196)
Foreign currency translation and inflation effects		(13)	2,813	(7,277)
Cost of property, machinery and equipment at end of period		416,425	340,265	325,382
Accumulated depreciation and depletion at end of period		(154,236)	(138,840)	(130,217)
Net book value at end of period	Ps	262,189	201,425	195,165

Impairment losses of fixed assets were derived from idle assets in the United Kingdom, Mexico and the Philippines. These assets were adjusted to their estimated realizable value.

11. GOODWILL, INTANGIBLE ASSETS AND DEFERRED CHARGES

Consolidated goodwill, intangible assets and deferred charges as of December 31, 2007 and 2006, are summarized as follows:

	2007			2006		
	Cost	Accumulated amortization	Carrying amount	Cost	Accumulated amortization	Carrying amount
Intangible assets of indefinite useful life:						
Goodwill	Ps 151,409	–	151,409	Ps 56,546	–	56,546
Extraction rights	10,156	–	10,156	–	–	–
Intangible assets of definite useful life:						
Extraction rights	14,378	(709)	13,669	658	(343)	315
Cost of internally developed software	7,769	(2,473)	5,296	5,793	(2,755)	3,038
Industrial property and trademarks	5,529	(900)	4,629	2,143	(845)	1,298
Customer relationships	4,914	(255)	4,659	–	–	–
Mining projects	1,929	(204)	1,725	1,147	(78)	1,069
Other intangible assets	6,240	(3,038)	3,202	4,758	(1,868)	2,890
Deferred charges and others:						
Deferred income taxes (note 15B)	776	–	776	4,118	–	4,118
Intangible assets for pensions (note14)	905	–	905	796	–	796
Deferred financing costs	1,222	(326)	896	562	(106)	456
	Ps 205,227	(7,905)	197,322	Ps 76,521	(5,995)	70,526

The amortization of intangible assets and deferred charges was approximately Ps2,790 in 2007, Ps1,604 in 2006 and Ps1,898 in 2005, recognized within operation costs and expenses, except for approximately Ps255 in 2007 and Ps261 in 2005, which was recognized within other expenses, net.

Goodwill and intangible assets of indefinite life

Goodwill is recognized at the acquisition date based on the preliminary allocation of the purchase price. If applicable, goodwill is subsequently adjusted for any correction to the preliminary assessment given to the assets acquired and/or liabilities assumed, within the twelve-month period after purchase. The increase in goodwill in 2007 results from the acquisition of Rinker.

As mentioned in note 3J, intangible assets of indefinite life are not amortized, since the period cannot be accurately established in which the benefits associated with such intangibles will terminate, but such assets are subject to periodic impairment testing. In connection with Rinker's acquisition in 2007, extraction rights were identified and valued as part of the allocation of the purchase price of fair value of assets acquired and liabilities assumed in the aggregates and cement sectors in the United States and in the aggregates sector in Australia. These assets were identified as of indefinite life considering that CEMEX has the ability and the intention to renew them indefinitely.

Changes in goodwill by reporting unit as of December 31, 2007 and 2006, are summarized as follows:

	2005	Acquisitions (disposals)	Adjustments(1)	2006	Acquisitions (disposals)	Adjustments(1)	2007
North America							
United States.	Ps 24,369	222	(1,688)	22,903	88,383	(1,549)	109,737
Mexico	7,118	–	89	7,207	–	(795)	6,412
Europe							
Spain	8,874	575	(829)	8,620	–	(443)	8,177
France	2,612	331	60	3,003	57	79	3,139
United Kingdom	1,768	1,562	229	3,559	–	386	3,945
Other Europe (2)	958	105	35	1,098	–	(57)	1,041
Central and South America and the Caribbean							
Colombia	4,351	–	(131)	4,220	–	82	4,302

Venezuela	588	–	22	610	–	17		627
Dominican Republic	169	–	12	181	–	10		191
Costa Rica	58	–	(26)	32	–	(2)		30
Other Central and South America and the Caribbean (3)	1,010	–	(161)	849	–	(40)		809
Africa and Middle East								
Egypt	261	–	(14)	247	–	(18)		229
United Arab Emirates	1,629	–	(81)	1,548	–	(98)		1,450
Asia and Australia								
Australia	–	–	–	–	9,065	–		9,065
Philippines	1,282	–	2	1,284	–	(139)		1,145
Thailand	432	–	(44)	388	–	(30)		358
Other Asia	14	–	(1)	13	–	(1)		12
Others								
Other reporting units (4)	828	–	(44)	784	–	(44)		740
Associates	126	(117)	(9)	–	–	–	–	
Ps	56,447	2,678	(2,579)	56,546	97,505	(2,642)		151,409

(1) The amounts presented in this column refer to the effects on goodwill from foreign exchange fluctuations during the period between the reporting units' currencies and the Mexican peso, and the effect of the restatement into constant pesos.

(2) "Other Europe" refers to the reporting units in the Czech Republic, Ireland and Latvia.

(3) "Other Central and South America and the Caribbean" refers mainly to the reporting units in Panama and Puerto Rico.

(4) This segment primarily consists of CEMEX's subsidiary in the information technology and software development business.

Intangible assets of definite life

During 2007, 2006 and 2005, CEMEX capitalized the costs incurred in the development stage of internal-use software for Ps3,034, Ps2,383 and Ps210, respectively. In 2006, CEMEX initiated the replacement of the technological platform in which CEMEX executes the most important processes of its business model. This effort continued in 2007 and will continue in 2008 and 2009. The items capitalized refer to direct costs incurred in the development phase of the software and relate mainly to professional fees, direct labor and related travel expenses.

In connection with Rinker acquisition in 2007, extraction permits in the aggregates and ready-mix concrete sectors in the United States and Australia were identified and valued, and were assigned an estimated useful life of 30 years. Likewise, trademarks and commercial names were identified and valued, and were assigned an estimated useful life of 5 years. In addition, intangible assets related to customer relationships were identified and valued, and have been assigned an estimated useful life of 10 years.

A) PRINCIPAL ACQUISITIONS AND DIVESTITURES

Rinker acquisition

In 2007, CEMEX acquired 100% of Rinker's equity, an Australian producer of aggregates, ready-mix concrete, cement and other construction materials, by means of a public purchase offer started in October 2006 and concluded on July 16, 2007. On June 7, 2007, CEMEX's offer to acquire all outstanding shares of Rinker became unconditional after obtaining support of more than 50% of the shares. On July 10, 2007, the date in which CEMEX obtained acceptances over more than 90% of the shares, CEMEX announced the compulsory purchase of other shares which were not acquired under the offer. For accounting purposes, July 1, 2007 was established as Rinker's acquisition date. The purchase price paid for the shares, including direct acquisition costs, was approximately U.S.$14,245 (Ps155,559), which does not include U.S.$1,277 (Ps13,943) of assumed debt. For its fiscal year ended March 31,

2007, Rinker reported consolidated revenues of approximately U.S.$5,300 (unaudited). Approximately U.S.$4,100 (unaudited) of these revenues were generated in the United States, and approximately U.S.$1,200 (unaudited) were generated in Australia and China. As of that date, Rinker had more than 13,000 employees. During such fiscal period, Rinker produced approximately 2 million tons of cement, 93 million tons of aggregates and sold close to 13 million cubic meters of ready-mix concrete. In Australia, Rinker's main activities are oriented to the production and sale of ready-mix concrete and other construction materials.

As required by the Department of Justice of the United States, pursuant to a divestiture order in connection with the Rinker acquisition, in December 2007, CEMEX sold to the Irish producer CRH plc, ready-mix concrete and aggregates plants in Arizona and Florida for approximately U.S.$250, of which approximately U.S.$30 corresponded to the sale of assets from CEMEX's pre-Rinker acquisition operations, which generated a gain of approximately Ps142, recognized within Other expenses, net.

As of December 31, 2007, CEMEX was in the final stages of allocating the purchase price of Rinker to the fair values of the assets acquired and liabilities assumed. CEMEX has substantially finalized the valuation of such assets acquired and liabilities assumed; nevertheless, some adjustments may arise during the period allowed to conclude this allocation, which terminates June 30, 2008. Rinker's purchase price allocation as of the acquisition date of July 1, 2007, considering an exchange rate of Ps10.92 pesos per dollar, is as follows:

		Rinker allocation
Current assets (1)	Ps	19,180
Investments and other non-current assets		2,903
Property, machinery and equipment		53,870
Other assets (2)		836
Intangible assets (3)		33,582
Goodwill		97,448
Total assets acquired		**207,819**
Current liabilities (4)		10,218
Non-current liabilities (4)		15,278
Remediation liabilities		807
Deferred income tax liability		25,957
Total liabilities assumed		**52,260**
Total net assets	Ps	**155,559**

(1) Includes Ps4,174 of cash and cash equivalents and Ps2,169 of assets held for sale related to the divestiture order of the U.S. Department of Justice.

(2) This caption includes Ps398 of deferred tax assets.

(3) Intangible assets refer to: 1) extraction rights and permits, of which approximately Ps10,156 have an indefinite useful life, and approximately Ps13,598 have an estimated useful life of 30 years; 2) commercial names and trademarks of approximately Ps4,914 with an estimated useful life of 5 years; and 3) intangible assets related to customer relationships of approximately Ps4,914 with an estimated useful life of 10 years.

(4) Current liabilities include approximately Ps100 of debt. Long-term liabilities include approximately Ps13,843 of debt and approximately Ps144 of pensions and other postretirement benefits.

Acquisition of a cement-grinding mill in Guatemala

In January 2006, CEMEX acquired a 51% equity interest in a cement-grinding mill facility with capacity of 400,000 tons per year in Guatemala for approximately U.S.$17 (Ps204).

Acquisition of RMC Group p.l.c.

On March 1, 2005, CEMEX completed the acquisition of 100% of the outstanding stock of RMC Group p.l.c. ("RMC"). The final purchase price of the shares, net from the sale of certain assets, and considering acquisition expenses, amounted to approximately U.S.$4,301 (Ps50,381). This amount does not include approximately U.S.$2,249 (Ps28,242) of assumed debt. RMC, headquartered in the United Kingdom, was one of Europe's largest cement producers and one of the world's largest suppliers of ready-mix concrete and aggregates, with operations in 22 countries, primarily in Europe and the United States, and employed over 26,000 people. The assets acquired included 13 cement plants with an approximate installed capacity of 17 million tons, located in the United Kingdom, the United States, Germany, Croatia, Poland and Latvia. The consolidated income statement for the year ended December 31, 2005, includes the operating results of RMC for the ten-month period ended December 31, 2005. The resulting goodwill arising from this acquisition was approximately Ps15,809 (U.S.$1,448).

Acquisition of Concretera Mayaguezana ("Mayaguezana")

In July 2005, CEMEX acquired 15 ready-mix concrete plants through the purchase of Mayaguezana, a ready-mix concrete producer located in Puerto Rico, for approximately Ps326 (U.S.$30). The consolidated income statement for the year ended December 31, 2005, includes the operating results of Mayaguezana for the six-month period ended December 31, 2005. The resulting goodwill arising from this acquisition was approximately Ps175.

Divestiture of ReadyMix Asland in Spain, Betecna in Portugal and other assets in the United States

In December 2005, CEMEX terminated its joint ventures with the French company Lafarge S.A. ("Lafarge"), through the sale to Lafarge of its 50% equity interest in ReadyMix Asland S.A. ("RMA") in Spain and Betecna Betao Pronto S.A. ("Betecna") in Portugal. Subsequent to the sale and according to the agreements, CEMEX acquired from RMA assets in the ready-mix concrete and aggregates sector, representing 29 concrete plants and 5 aggregates quarries. The net sale price, considering the purchase of assets from RMA, was approximately U.S.$61 (Ps766). CEMEX's equity interest in RMA and Betecna was acquired with the purchase of RMC. The consolidated income statement for the year ended December 31, 2005, includes the operating results of RMA and Betecna from March 1 to December 22, 2005, recognized under the proportionate consolidation method (note 3C).

By requirement of antitrust authorities in the United States in connection with the acquisition of RMC, in August 2005, assets in the ready-mix concrete sector in Arizona were sold to California Portland Cement Company for approximately U.S.$16.

Alliance with Ready Mix USA, Inc. ("Ready Mix USA")

In July 2005, CEMEX Inc., the Company's subsidiary in the United States, and Ready Mix USA, Inc., a ready-mix concrete producer in the Southeastern United States, established two limited liability companies, CEMEX Southeast, LLC and Ready Mix USA, LLC. Pursuant to the relevant agreements, CEMEX contributed to CEMEX Southeast, LLC the cement plants in Demopolis, AL and Clinchfield, GA and 11 cement terminals, representing approximately 98% of the contributed capital, while Ready Mix USA's contributions represented approximately 2% of the contributed capital. To Ready Mix USA, LLC, CEMEX contributed ready-mix concrete, aggregates and concrete block plants in Florida and Georgia, representing approximately 9% of the contributed capital, while Ready Mix USA contributed all of its ready-mix concrete and aggregates operations in Alabama, Georgia, the Florida Panhandle and Tennessee, as well as its concrete block operations in Arkansas, Tennessee, Mississippi, Florida and Alabama, representing approximately 91% of the contributed capital. CEMEX owns a 50.01% interest, and Ready Mix USA owns a 49.99% interest, in the profits and losses and voting rights of CEMEX Southeast, LLC; whereas

Ready Mix USA owns a 50.01% interest, and CEMEX owns a 49.99% interest, in the profits and losses and voting rights of Ready Mix USA, LLC. As of December 31, 2007 and 2006, CEMEX has control and fully consolidates CEMEX Southeast, LLC, while the CEMEX interest in Ready Mix USA, LLC is accounted for by the equity method.

In September 2005, CEMEX sold to Ready Mix USA, LLC, 27 ready-mix concrete plants and 4 concrete block facilities located in the Atlanta, GA area for approximately U.S.$125 (Ps1,565). As of December 31, 2007, Ready Mix USA, LLC, under the joint venture agreements, had an option to purchase some of the ready-mix concrete assets acquired in the Rinker acquisition. This option was exercised on January 11, 2008 (note 23).

Divestiture of Charlevoix and Dixon in the United States

In March 2005, CEMEX sold to Votorantim Participações S.A. the cement plants in Charlevoix, MI, and Dixon, IL. In July 2005, CEMEX sold a cement terminal to the city of Detroit. The aggregate sale price of both transactions was approximately U.S.$413, and a portion of goodwill associated to the reporting unit for approximately Ps1,857 was cancelled. The annual capacity of the two cement plants was approximately two million tons, and their operations represented approximately 9% of CEMEX's annual operating cash flow in the U.S. before the RMC and Rinker acquisitions. The consolidated income statement for the year ended December 31, 2005, includes the operating results of these plants for the three-month period ended March 31, 2005.

B) CONDENSED PRO FORMA INCOME STATEMENT (UNAUDITED)

CEMEX presents condensed pro forma income statements for the years ended December 31, 2007 and 2006, giving effect to the Rinker acquisition as if it had occurred on January 1, 2006. The pro forma financial information is presented solely for the convenience of the reader and is not indicative of the results that CEMEX would have reported, nor should such information be taken as representative of CEMEX's future results. Pro forma adjustments consider the fair values of the net assets acquired, under assumptions that CEMEX considered reasonable.

Year ended December 31, 2007		CEMEX (1)	Rinker (2)	Adjustments (3)	CEMEX pro forma
Sales	Ps	236,669	28,249	–	264,918
Operating costs and expenses		(204,221)	(24,522)	–	(228,743)
Operating income		32,448	3,727	–	36,175
Other expenses, net		(3,281)	111	–	(3,170)
Comprehensive financing result		1,087	(194)	(3,463)	(2,570)
Equity in income of associates		1,487	122	–	1,609
Income before income taxes		31,741	3,766	(3,463)	32,044
Income taxes		(4,796)	(1,278)	970	(5,104)
Consolidated net income		26,945	2,488	(2,493)	26,940
Minority interest net income		837	15	–	852
Majority interest net income	Ps	26,108	2,473	(2,493)	26,088
Basic EPS	Ps	1.17	–	–	1.17
Diluted EPS	Ps	1.17	–	–	1.17

(1) Includes Rinker's operations for the six-month period from July 1 to December 31, 2007.

(2) Refers to the pro forma six-month period from January 1 to June 30, 2007, prepared under International Financing Reporting Standards ("IFRS") by Rinker, which was translated from dollars into pesos at the average exchange rate of Ps10.95, and then restated to constant pesos at December 31, 2007. The pro forma information for the period was adjusted to include the effects of the purchase price allocation and application of MFRS. Pro forma adjustments for the six months ended June 30, 2007, are as follows:

Item		2007
Depreciation expense	Ps	(519)
Intangible assets amortization		(1,035)
Monetary position result		96
Deferred income taxes *		502
	Ps	(956)

* The effect of pro forma adjustments for the six-month period was determined using the approximate average tax rate of 33%.

(3) Refers to pro forma adjustments from January 1 to June 30, 2007, related to the financing to acquire Rinker:

Item	2007
Financial expense *	(4,522)
Monetary position result	1,059
Deferred income taxes *	970
Ps	(2,493)

* Determined on the basis of approximately U.S.$14,159 of average debt incurred for the purchase of Rinker, using the weighted average interest rate of 5.65% for 2007. For the six-month period there are no foreign exchange results from such debt considering that the exchange rate at June 30, 2007 of Ps10.80 pesos per dollar was the same that at December 31, 2006. The tax rate of 28% applicable in Mexico in 2007 was used for the consolidated pro forma adjustments.

Income statement condensed pro forma information - continued

Year ended December 31, 2006		CEMEX	Rinker (1)	Adjustments (2)	CEMEX pro forma
Sales	Ps	213,767	64,735	–	278,502
Operating costs and expenses		(179,262)	(53,537)	–	(232,799)
Operating income		34,505	11,198	–	45,703
Other expenses, net		(580)	(313)	–	(893)
Comprehensive financing result		(505)	431	(5,698)	(5,772)
Equity in income of associates		1,425	307	–	1,732
Income before income taxes		34,845	11,623	(5,698)	40,770
Income taxes		(5,698)	(3,661)	1,653	(7,706)
Consolidated net income		29,147	7,962	(4,045)	33,064
Minority interest net income		1,292	49	–	1,341
Majority interest net income	Ps	27,855	7,913	(4,045)	31,723
Basic EPS	Ps	1.29	–	–	1.47
Diluted EPS	Ps	1.29	–	–	1.47

(1) Refers to the income statement for the twelve-month period ended on March 31, 2007, prepared under IFRS by Rinker, which was translated into pesos at the average exchange rate of Ps10.91, and then restated to constant pesos as of December 31, 2007. This information was adjusted to include the effects of the purchase price allocation and application of MFRS, as if the acquisition had occurred on January 1, 2006. Adjustments to the twelve-month pro forma information are as follows:

Item		2006
Depreciation expense	Ps	(1,092)
Intangible assets amortization		(2,176)
Inventory revaluation		(262)
Monetary position result		398
Deferred income taxes *		1,079
	Ps	(2,053)

* The effect of pro forma adjustments for the twelve-month period was determined using the approximate average tax rate of 34%.

(2) Refers to pro forma adjustments for the twelve-month period, in connection with financing to acquire Rinker:

Item	2006
Financial expense *	(9,165)
Foreign exchange fluctuations *	(2,764)
Results from financial instruments	2,015
Monetary position result	4,216
Deferred income taxes *	1,653
Ps	(4,045)

* Determined on a basis of approximately U.S.$14,159 of average debt incurred for the purchase of Rinker, using the weighted average interest rate of 5.53% for 2006. Foreign exchange results from the debt for the twelve-month period were determined considering the variation between the exchange rate as of December 31, 2006 of Ps10.80 per dollar, and the exchange rate as of December 31, 2005 of Ps10.62 per dollar. The tax rate of 29% applicable in Mexico in 2006 was used for the consolidated pro forma adjustments.

C) ANALYSIS OF GOODWILL IMPAIRMENT

For the years ended December 31, 2007, 2006 and 2005, CEMEX did not recognize impairment losses of goodwill, considering that all the annual impairment testings presented an excess of the value in use over the net book value of the reporting units.

CEMEX's methodology for testing goodwill for impairment is described in note 3K. Goodwill amounts are allocated to the multiple cash generating units, which comprise a geographic operating segment, commonly the operations in each country as explained in the financial information by geographic segments presented in note 18. CEMEX's geographic segments also represent its reporting units for purposes of impairment testing.

The fair value of each reporting unit is determined through the value in use method, considering cash flow projections over a five-year period. CEMEX uses after-tax discount rates, which are applied to after-tax cash flows. The following table presents the discount rates and perpetual growth rates used in the impairment testing of those reporting units that represent a significant portion of the consolidated goodwill in 2007 and 2006:

	Discount rates		Perpetual growth rates	
Reporting units	2007	2006	2007	2006
United States	9.3%	8.9%	2.5%	2.5%
Spain	9.6%	9.1%	2.5%	2.5%
Mexico	10.3%	10.1%	2.5%	2.5%
Colombia	10.8%	10.4%	2.5%	2.5%
France	9.6%	9.0%	2.5%	2.5%
United Arab Emirates	9.8%	9.4%	2.5%	2.5%
United Kingdom	9.4%	9.0%	2.5%	2.5%

The reporting units acquired from Rinker were not tested for impairment in 2007, considering that the related net assets were recorded at their estimated fair values as of the acquisition date of July 1, 2007 and there were no significant changes in such values as of December 31, 2007.

The main assumptions used in the impairment testing of CEMEX's other cash generating units, which account for the remaining portion of goodwill in 2007 and 2006, are summarized as follows:

	2007	2006
Range of discount rates	8.9% – 13.1%	8.9% – 12.7%
Perpetual growth rates	2.5%	2.5%

12. FINANCIAL INSTRUMENTS

A) SHORT-TERM AND LONG-TERM DEBT

Consolidated debt as of December 31, 2007 and 2006, is summarized as follows:

Debt according to the interest rate in which debt was contracted:

		Carrying amount		Effective rate (1)	
		2007	2006	2007	2006
Short-term					
Floating rate	Ps	33,946	11,823	5.8%	4.1%
Fixed rate		2,311	2,834	5.2%	3.1%
		36,257	14,657		
Long-term					
Floating rate		137,992	34,517	5.2%	4.5%
Fixed rate		42,662	39,157	4.9%	4.7%
		180,654	73,674		
	Ps	216,911	88,331		

Debt according to currency contracted:

	2007				2006			
Currency	Short-term	Long-term	Total	Efective Rate (1)	Short-term	Long-term	Total	Effective rate (1)
Dollars	Ps 25,383	117,277	142,660	5.4%	Ps 581	28,536	29,117	5.0%
Pesos	6,278	25,291	31,569	5.1%	4,883	21,895	26,778	5.0%
Euros	4,280	34,690	38,970	5.0%	8,615	17,805	26,420	3.8%
Japanese yen	–	2,974	2,974	1.6%	382	4,610	4,992	1.2%
Pounds sterling	271	402	673	5.9%	189	789	978	5.0%
Other currencies	45	20	65	4.0%	7	39	46	4.0%
	Ps 36,257	180,654	216,911		Ps 14,657	73,674	88,331	

(1) Represents the weighted average effective interest rate and includes the effects of interest rate swaps and derivative instruments that exchange interest rates and currencies, which are denominated as cross currency swaps (note 12C).

Debt by category or instrument type and maturity:

2007		Short-term	Long-term	2006		Short-term	Long-term
Bank loans				**Bank loans**			
Lines of credit in Mexico	Ps	1,529	–	Lines of credit in Mexico	Ps	234	–
Lines of credit in foreign countries		14,751	–	Lines of credit in foreign countries		8,923	–
Syndicated loans, 2008 to 2012		–	98,016	Syndicated loans, 2007 to 2011		–	37,066
Other bank loans, 2008 to 2016		–	41,147	Other bank loans, 2007 to 2016		–	2,870
		16,280	139,163			9,157	39,936
Notes payable				**Notes payable**			
Euro medium-term notes, 2008 to 2014		–	15,010	Euro medium-term notes, 2007 to 2009		–	720
Medium-term notes, 2008 to 2017		–	37,585	Medium-term notes, 2007 to 2012		–	34,358
Foreign commercial paper programs		–	2,239	Other notes payable		1,804	2,356
Other notes payable		2,416	4,218			1,804	37,434
		2,416	59,052				
Total bank loans and notes payable		18,696	198,215	Total bank loans and notes payable		10,961	77,370
Current maturities		17,561	(17,561)	Current maturities		3,696	(3,696)
	Ps	36,257	180,654		Ps	14,657	73,674

The most representative exchange rates to the financial debt as of December 31, 2007 and 2006 are as follows:

	2007	2006
Mexican pesos per dollar	10.92	10.80
Japanese yen per dollar	111.53	119.05
Euros per dollar	0.6854	0.7573
Pounds sterling per dollar	0.5034	0.5105

Changes in consolidated debt during 2007 and 2006 are as follows:

		2007	2006
Debt at beginning of year	Ps	88,331	119,015
Proceeds from new credits		206,690	37,199
Debt repayments		(84,412)	(63,182)
Increase from business combinations		13,943	551
Foreign currency translation and inflation effects		(7,641)	(5,252)
Debt at end of year	Ps	216,911	88,331

The maturities of consolidated long-term debt as of December 31, 2007 are as follows:

		2007
2009	Ps	61,878
2010		26,096
2011		54,039
2012		16,200
2013 and thereafter		22,441
	Ps	180,654

As of December 31, 2007 and 2006, there were short-term debt obligations amounting to U.S.$1,477 (Ps16,129) and U.S.$110 (Ps1,289), respectively, classified as long-term debt considering that CEMEX has, according to the terms of the contracts, the ability and the intention to defer to long-term the payments under such obligations.

As of December 31, 2007, CEMEX has the following lines of credit, both committed and subject to the banks' availability, at annual interest rates ranging between 0.925% and 15.5%, depending on the negotiated currency:

		Lines of credit	Available
Revolving credit facilities (U.S.$700)	Ps	7,644	2,730
Multi-currency revolving credit facility (U.S.$1,200)		13,104	1,856
Other lines of credit in foreign subsidiaries		121,993	14,925
Other lines of credit from banks		14,381	568
	Ps	157,122	20,079

Covenants

Certain debt contracts of CEMEX contain restrictive covenants, among others, those relating to CEMEX's leverage ratio. As of December 31, 2007 and 2006, CEMEX was in compliance with all its restrictive covenants. Since 2006 and in 2007, CEMEX and its creditors have agreed to waive the leverage ratio covenants, in order to delay the application of such covenants that limit the leverage ratio until September 30, 2008. CEMEX projects to be in compliance with the leverage ratio financial covenants by such date.

B) FAIR VALUE OF ASSETS AND FINANCIAL INSTRUMENTS

CEMEX's carrying amounts of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses, as well as short-term debt, approximate their corresponding estimated fair values due to the short-term maturity and revolving nature of these financial assets and liabilities. Temporary investments (cash equivalents) and long-term investments are recognized at fair value, considering quoted market prices for the same or similar instruments.

The estimated fair value of long-term debt is either based on estimated market prices for similar instruments, considering interest rates currently available for CEMEX to negotiate debt with the same maturities, or determined by discounting future cash flows using interest rates currently available to CEMEX. The carrying amounts of long-term debt (including current maturities) and their respective fair values as of December 31, 2007 are as follows:

		Carrying amount	Fair value
Bank loans	Ps	139,163	138,484
Notes payable		59,052	61,031

C) DERIVATIVE FINANCIAL INSTRUMENTS RELATED TO DEBT

As described in CEMEX's accounting policy for derivative instruments in note 3L, derivative instruments are recognized at their estimated fair value. Changes in such values are recognized in the income statement for the period in which they occur, except for those changes originated by derivative instruments for which there is a cash flow hedge relationship, which are originally recognized within stockholders' equity and are subsequently reflected in the income statement as adjustments to the interest expense of the debt related to the hedge.

As of December 31, 2007 and 2006, derivative instruments related to short-term and long-term debt are summarized as follows:

		2007		2006	
(U.S. dollars millions)		Notional amount	Fair value	Notional amount	Fair value
erest rate swaps	U.S.$	4,473	68	3,184	39
oss currency swaps		2,532	126	2,144	154
reign exchange forward contracts		2,098	39	703	(3)
	U.S.$	9,103	233	6,031	190

Interest rate swap contracts

As of December 31, 2007 and 2006, in order to change the profile of the interest rates originally negotiated on a portion of its debt, CEMEX has negotiated interest rate swaps, which are detailed as follows:

	2007				2006		
(U.S. dollars millions)	Notional amount	Fair value	Effective rate	(U.S. dollars millions)	Notional amount	Fair value	Effective rate
Long-term debt in U.S.$ (1)	188	–	5.0%	(i) Long-term debt in U.S.$ 6	363	6	4.2%
Long-term debt in U.S.$ (2)	59	2	5.5%	(i) Long-term debt in U.S.$ 7	1,037	10	4.9%
Long-term debt in U.S.$ (3)	1,688	3	5.1%	Long-term debt in U.S.$ 8	1,584	21	4.5%
Long-term debt in € (4)	1,313	42	4.9%	Long-term debt in U.S.$ 9	200	2	4.5%
Long-term debt in € (5)	1,225	21	4.7%	–	–	–	–
	4,473	68			3,184	39	

(i) Until their settlement during 2007, these contracts were recognized as cash flow hedges. Other contracts, in both 2007 and 2006, have not been designed as hedges since they contain optionality.

	2007				2006		
	Maturity	**CEMEX receives**	**CEMEX pays**		**Maturity**	**CEMEX receives**	**CEMEX pays**
(1)	February 2008	LIBOR*	Dollar 4.7%	6	June 2009	LIBOR*	Dollar 4.0%
(2)	January 2008	LIBOR* plus 475bps	LIBOR* plus 50bps	7	August 2009	LIBOR*	Dollar 4.7%
(3)	August 2010	LIBOR*	Dollar 5.0%	8	August 2010	LIBOR*	Dollar 5.0%
(4)	March 2014 *	Euro 4.8%	EURIBOR* plus 78bps	9	March 2010	LIBOR*	Dollar 4.3%
(5)	June 2011	EURIBOR*	Euro 4.3%		–	–	–

* LIBOR represents the *London Inter-Bank Offered Rate* used in international markets for debt denominated in U.S. dollars. EURIBOR is the equivalent rate for debt denominated in Euros. At December 31, 2007 and 2006, LIBOR rate was 4.70% and 5.32%, respectively, while the EURIBOR closing rate at the end of 2007 and 2006 was 4.71% and 3.85%, respectively. The contraction "bps" means basis points. One basis point is .01 per cent. The rate that CEMEX pays in this instrument is limited to 4.9%.

During 2007 and 2006, in order to modify the interest rate mix of CEMEX's debt portfolio, interest rate swaps were negotiated and settled for a net notional amount of U.S.$1,289 and U.S.$459, respectively. As a result of these negotiations and settlements, CEMEX realized a loss of U.S.$27 (Ps295) in 2007, and gains of U.S.$48 (Ps562) in 2006 and U.S.$4 (Ps50) in 2005, which were recognized in the results of those periods.

In June 2005, CEMEX settled interest rate swaps covering a notional amount of approximately U.S.$585, assumed through the purchase of RMC, generating a gain of approximately U.S.$8 (Ps101) recognized in earnings in 2005.

Cross currency swap contracts

With the intention of reducing financial costs, CEMEX has negotiated cross currency swaps ("CCS") in order to change the profile of interest rates and currencies in a portion of its short-term and long-term debt. These contracts are not designated as hedges; therefore, changes in fair value are recognized in earnings as they occur. During the tenure of the CCS and at their maturity, the cash flows related to the exchange of interest rates and currencies under the CCS match, in interest payment dates and conditions, those of the related debt. As of December 31, 2007 and 2006, information with respect to the financial instruments is summarized as follows:

(U.S. dollars millions)	**2007**			**(U.S. dollars millions)**	**2006**		
	Notional amount	Fair value	**Effective rate**		**Notional amount**	Fair value	**Effective rate**
Short-term				**Short-term**			
Exchange UDIs 341 to U.S.$ (1)	110	13	8.1%	Exchange Ps1,400 to U.S.$ **1**	126	4	5.3%
Exchange UDIs 432 to U.S.$ (2)	136	25	4.8%	Exchange Ps3,213 to U.S.$ **2**	295	14	2.0%
Exchange Ps2,000 to U.S.$ (3)	184	(1)	5.1%	Exchange Ps869 to U.S.$ **3**	65	17	5.1%
Exchange Ps800 to U.S.$ (4)	74	–	6.6%	Exchange Ps800 to U.S.$ **4**	77	–	4.1%
	504	37			563	35	
Long-term				**Long-term**			
Exchange UDIs 425 to U.S.$ (5)	148	13	5.4%	Exchange Ps3,126 to U.S.$ **5**	271	66	3.9%
Exchange Ps750 to U.S.$ (6)	70	1	5.3%	Exchange Ps2,031 to U.S.$ **6**	181	17	7.1%
Exchange Ps1,500 to U.S.$ (7)	136	29	3.0%	Exchange Ps2,140 to U.S.$ **7**	193	17	3.3%
Exchange Ps2,140 to U.S.$ (8)	193	9	3.3%	Exchange Ps7,250 to U.S.$ **8**	664	14	5.4%
Exchange Ps7,150 to U.S.$ (9)	664	15	4.8%	Exchange Ps2,950 to U.S.$ **9**	272	5	5.3%
Exchange Ps8,950 to U.S.$ (10)	817	22	5.1%		1,581	119	
	2,028	89			2,144	154	
	2,532	126					

		2007		2006	
	Maturity	**CEMEX receives**	**CEMEX pays**	**CEMEX receives**	**CEMEX pays**
(1)	January 2008	UDIs 8.9%	*L* plus 278bps	TIIE minus 23bps	*L* minus 13bps
(2)	December 2008	UDIs 5.9%	Dollar 4.8%	Peso 10.8%	Dollar 2.0%
(3)	June 2008	TIIE minus 32bps	*L* minus 0bps	Peso 10.6%	*L* plus 23bps
(4)	October 2008	CETES plus 145bps	*L* plus 136bps	CETES plus 145bps	Dollar 4.1%
(5)	January 2009	UDIs 6.5%	*L* minus 20bps	Peso 8.7%	Dollar 3.9%
(6)	March 2011	Peso 8.7%	*L* minus 19bps	Peso 8.8%	*L* plus 162bps
(7)	April 2012	Peso 11.5%	Dollar 3.0%	CETES plus 99bps	Dollar 3.3%
(8)	April 2009	CETES plus 99bps	Dollar 3.3%	CETES plus 52bps	*L* minus 2bps
(9)	September 2011	CETES plus 52bps	*L* minus 20bps	TIIE plus 9bps	*L* minus 2.5bps
(10)	September 2012	TIIE plus 10bps	*L* minus 3bps	–	–

***** TIIE represents the *Interbank Offering Rate* in Mexico. UDIs are investment units indexed to inflation in Mexico, whose closing quotation at the end of 2007 and 2006 was 3.932983 pesos per UDI and 3.788954 pesos per UDI, respectively. CETES are public debt instruments issued by the Mexican government. LIBOR or "*L*" represents the *London Interbank Offered Rate* used in international markets for debt denominated in U.S. dollars. At December 31, 2007 and 2006, LIBOR rate was 4.70% and 5.32%, respectively, TIIE at year-end was 7.93% in 2007 and 7.37% in 2006, and the CETES yield at year-end was 7.46% in 2007 and 7.10% in 2006. The contraction "bps" means basis points. One basis point is .01 per cent.

The carrying amounts of CEMEX's debt as of December 31, 2007 and 2006, exclude the valuation effects of related CCS, which are presented within other short-term and long-term accounts receivable and/or payable, as applicable.

As of December 31, 2007 and 2006, in connection with the fair value of the CCS, CEMEX recognized net assets of U.S.$126 (Ps1,376) and U.S.$154 (Ps1,804), respectively, of which U.S.$34 (Ps398) in 2006 related to prepayments made of dollar denominated obligations under the contracts. The estimated fair value of CCS in 2006, excluding the effects of prepayments, resulted in a net asset of U.S.$120 (Ps1,406). In 2007, 2006 and 2005, changes in the estimated fair value of the CCS, before prepayments, resulted in losses of U.S.$28 (Ps306), U.S.$58 (Ps679), and a gain of U.S.$3 (Ps38), respectively. The periodic interest rate cash flows under the CCS were recognized within financial expense as part of the effective interest rate of the related debt.

In May and June 2005, CEMEX settled CCS for a notional amount of approximately U.S.$397, assumed through the purchase of RMC, generating a gain of approximately U.S.$21 (Ps264), which was recognized in the Comprehensive Financing Result.

Foreign exchange forward contracts related to debt

During 2007 and 2006, in order to change the mix of currencies in its debt portfolio, CEMEX negotiated foreign exchange forward contracts for a notional amount of U.S.$2,098 and U.S.$703, respectively. As of December 31, 2007 and 2006, the fair value of these contracts represented a gain of approximately U.S.$39 (Ps426) and loss of U.S.$3 (Ps35), respectively. Of the notional amount as of December 31, 2007 and 2006, U.S.$1,447 and U.S.$566 exchange euros to dollars, U.S.$82 and U.S.$92 exchange pounds sterling to dollars, and U.S.$254 and U.S.$45 exchange Japanese yen to dollars, respectively. In addition, during 2007, CEMEX negotiated contracts for a notional amount of U.S.$315 that exchange pesos to dollars. Changes in fair values of these contracts are recognized in the income statement since they were not designated as cash flow hedges.

In 2005, CEMEX settled foreign exchange options for a notional amount of U.S.$488. These options were sold in 2003 for approximately U.S.$63. Changes in fair value of these options generated losses of approximately U.S.$6 (Ps75) in 2005, and were recognized in the income statement.

Between April and August 2007, in connection with the acquisition of Rinker, CEMEX negotiated foreign exchange forward contracts in order to hedge the variability in a portion of the cash flows associated with exchange

fluctuations between the Australian dollar and the U.S. dollar, the currency in which CEMEX obtained the proceeds. The notional amount of these contracts reached approximately U.S.$5,663 in June 2007. Resulting from changes in the fair value of these contracts, upon settlement, CEMEX realized a gain of approximately U.S.$137 (Ps1,496), which was recognized in the 2007 results. Likewise, in 2004, CEMEX negotiated derivative instruments related to the acquisition of RMC, in order to hedge the variability in cash flows associated with exchange fluctuations between the U.S. dollar, the currency in which CEMEX obtained the proceeds, and pounds sterling. CEMEX negotiated foreign exchange forwards, collars and options, for a combined notional amount of U.S.$3,453. These contracts were designated as hedges of the foreign exchange risk associated with the firm commitment to purchase the RMC shares. Changes in the fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132 (Ps1,667), were recognized in stockholders' equity in 2004. This gain was reclassified to earnings in 2005 on the date RMC was purchased.

D) OTHER DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2007 and 2006, outstanding derivative instruments, other than those related to debt (note 12C) and those related to equity items (note 12E), are as follows:

		2007		2006	
		Notional amount	Fair value	Notional amount	Fair value
Equity forwards in CEMEX's own shares	U.S.$	121	2	171	–
Other foreign exchange instruments		273	(18)	81	1
Derivatives related to energy projects		219	14	159	(4)
	U.S.$	613	(2)	411	(3)

Equity forwards in CEMEX's own shares

For the years ended December 31, 2007 and 2006, changes in the fair value of equity forward contracts in CEMEX's own shares were recognized in the results of the corresponding period, considering that upon liquidation, such contracts allow for net cash settlement.

In December 2007, CEMEX negotiated an equity forward contract covering 47,050,614 CPOs with maturity in March 2008. The notional amount of the contract is approximately U.S.$121 (Ps1,321). This contract was negotiated to hedge future exercises of options under the executives' stock option programs (note 17). Changes in the estimated fair value of these contracts are recognized in the income statement, in addition to the costs originated by such programs. Likewise, in December 2006, CEMEX sold in the market 50 million CPOs that it held in CEMEX's treasury for approximately Ps1,932. On the same date, CEMEX negotiated a forward contract for the same number of CPOs with maturity in December 2009. The notional amount of the contract was approximately U.S.$171 (Ps2,003). This derivative was liquidated in 2007, generating a gain of approximately U.S.$13 (Ps142) recognized in the income statement.

On October 3, 2005, through a secondary equity offering agreed by CEMEX, launched simultaneously on the Mexican Stock Exchange and the NYSE, financial institutions offered and sold 45,886,680 ADSs and 161,000,000 CPOs, at a price of approximately U.S.$24.75 per ADS and Ps26.95 per CPO. Of the total consideration of approximately U.S.$1,500 (Ps18,836), net of the offering expenses, the financial institutions kept approximately U.S.$1,300 as payment for the liquidation of the related forward contracts based on the CPO price. The ADSs and CPOs subject to the offer represented the entire amount of shares subject to the forward contracts in CEMEX's own shares as of the offering date. This transaction did not increase the number of shares outstanding. For the year ended December 31, 2005, considering the results of the secondary offering, as well as those of the forward contracts initiated and settled during the year to hedge the exercises of options under the stock option programs, CEMEX recognized in the income statement a gain of approximately U.S.$422 (Ps5,299), which offset the expenses generated by the stock option programs (note 17).

Other foreign exchange instruments

As of December 31, 2007 and 2006, CEMEX had foreign exchange forward contracts for notional amounts of U.S.$273 and U.S.$81, respectively, not designated as hedges, whose valuation effects are recognized in the income statement for the period.

Derivatives related to energy projects

In connection with agreements entered into by CEMEX for the acquisition of electric energy (note 20D), as of December 31, 2007 and 2006, CEMEX had an interest rate swap (exchanging fixed for floating interest rate) for notional amounts of U.S.$214 and U.S.$141, respectively, maturing in September 2022. During the life of the swap and based on its notional amount, CEMEX will pay a LIBOR rate and will receive a 5.40% fixed rate until September 2022. In addition, during 2001, CEMEX sold a floor option, which had a notional amount of U.S.$149 in 2006, and that was settled in 2007, generating a loss of U.S.$16 (Ps175) in 2007. As of December 31, 2007, after giving effect to the settlement of the floor option, the fair value of the swap represented a gain U.S.$14 (Ps153). As of December 31, 2006, the combined fair value of the interest rate swap and the floor option represented losses of approximately U.S.$3 (Ps35). Changes in fair value of these contracts were recognized in earnings during the respective period. The notional amount of these contracts was not aggregated in 2006 considering that there was only one notional amount with exposure to changes in interest rates and the effects of both contracts offset each other.

During 2006, CEMEX negotiated a derivative instrument based on gas prices with maturity in January 2008. As of December 31, 2007 and 2006, this instrument had notional amounts of U.S.$5 and U.S.$9, respectively.

E) DERIVATIVE FINANCIAL INSTRUMENTS RELATED TO EQUITY

As of December 31, 2007 and 2006, outstanding derivative instruments that hedge equity transactions or items, other than those related to debt (note 12C) and those related to other transactions (note 12D), are detailed as follows:

		2007		2006	
		Notional amount	Fair value	Notional amount	Fair value
Foreign exchange forward contracts	U.S.$	4,845	(72)	5,034	132
Derivatives related to perpetual debentures		3,065	202	1,250	46
	U.S.$	7,910	130	6,284	178

Foreign exchange forward contracts

As of December 31, 2007 and 2006, in order to hedge financial risks associated with variations in foreign exchange rates of certain net investments in foreign countries denominated in euros and dollars vis-à-vis the peso, and consequently reducing volatility in the value of stockholders' equity in CEMEX's reporting currency, CEMEX has negotiated foreign exchange forward contracts for notional amounts of U.S.$4,845 and U.S.$5,034, respectively, with different maturities until 2010. These contracts have been designated as hedges of the Company's net investment in foreign subsidiaries. Changes in the estimated fair value of these instruments are recorded in stockholders' equity as part of the foreign currency translation effect.

Derivative instruments related to perpetual debentures

In connection with the issuance of perpetual debentures (note 16D), as of December 31, 2007 and 2006, there are CCS associated to such instruments for approximately U.S.$3,065 (Ps33,470) and U.S.$1,250 (Ps14,642), respectively, through which CEMEX changes the risk profile associated with interest rates and foreign exchange rates from the U.S. dollar and the euro to the yen.

	(U.S. dollars millions) 2007				(U.S. dollars millions) 2006		
Issue of perpetual debentures	Notional amount	Fair value	Effective rate	Issue of perpetual debentures	Notional amount	Fair value	Effective rate
C-10 € 730 to ¥119,085 (1)	1,065	81	3.6%	–	–	–	–
C-8 U.S.$750 to ¥90,193 (2)	750	52	4.0%	–	–	–	–
C-5 U.S.$350 to ¥40,905 (3)	350	13	5.1%	C-5 U.S.$350 to ¥40,905 **3**	350	6	2.8%
C-10 U.S.$900 to ¥105,115 (4)	900	56	4.0%	C-10 U.S.$900 to ¥105,115 **4**	900	40	2.2%
	3,065	202			1,250	46	

		2007		2006	
	Maturity	CEMEX receives	CEMEX pays	CEMEX receives	CEMEX pays
(1)	June 2017	Euro 6.3%	¥ LIBOR * 3.1037	–	–
(2)	December 2014	Dollar 6.6%	¥ LIBOR * 3.5524	–	–
(3)	December 2011	Dollar 6.2%	¥ LIBOR * 4.3531	Dollar 6.2%	¥ LIBOR * 4.3531
(4)	December 2016	Dollar 6.7%	¥ LIBOR * 3.3878	Dollar 6.7%	¥ LIBOR * 3.3878

***** The symbol "¥" represents the Japanese yen. ¥ LIBOR represents the *London Inter-Bank Offered Rate*, which is the interest rate for transactions denominated in Japanese yen in international markets.

Each CCS includes an extinguishable swap, which provides that if the relevant perpetual debentures are extinguished for stated conditions but before the maturity of the CCS, such CCS would be automatically extinguished, with no amounts payable by the swaps counterparties. In addition, in order to eliminate variability during the first two years in the yen denominated payments due under the CCS, CEMEX entered into foreign exchange forwards for notional amounts of U.S.$273 in 2007 and U.S.$89 in 2006, under which CEMEX pays U.S. dollars and receives payments in yen. Changes in fair value of all the derivative instruments associated with the perpetual debentures are recognized in the income statement.

F) FAIR VALUE OF DERIVATIVE INSTRUMENTS

The estimated fair value of derivative instruments fluctuates over time and is determined by measuring the effect of future interest rates, exchange rates, prices of natural gas and share prices according to the yield curves shown in the market as of the balance sheet date. These values should be viewed in relation to the fair values of the underlying transactions and as part of CEMEX's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not necessarily represent amounts exchanged by the parties, and consequently, there is no direct measure of CEMEX's exposure to the use of these derivatives. The amounts exchanged are determined based on the basis of the notional amounts and other terms included in the derivative instruments.

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2007 and 2006, other current accounts payable and accrued expenses are as follows:

		2007	2006
Provisions	Ps	10,504	9,241
Other accounts payable and accrued expenses		4,715	3,375
Tax payable		4,631	2,664
Current liabilities for valuation of derivative instruments		425	106
Advances from customers		1,466	1,390
Interest payable		1,665	427
Dividends payable		65	–
	Ps	23,471	17,203

The carrying amount of current provisions primarily consist of employee benefits accrued at the balance sheet date, insurance payments, and accruals related to legal and environmental assessments expected to be settled in the short-term (note 21C). These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.

As of December 31, 2007 and 2006, other non-current liabilities are detailed as follows:

		2007	2006
Asset retirement obligations	Ps	2,000	1,427
Other remediation or environmental liabilities		4,087	3,447
Accruals for legal assessments and other responsibilities		1,085	1,798
Non-current liabilities for valuation of derivative instruments		3,432	2,016
Other non-current liabilities and provisions		5,558	6,037
	Ps	16,162	14,725

Non-current provisions refer to the best estimate of cash flows with respect to diverse issues where CEMEX is determined to be responsible and which are expected to be settled over a period greater than 12 months.

Asset retirement obligations include future estimated costs for demolition, cleaning and reforestation of production sites at the end of their operation, which are initially recognized against the related assets and are depreciated over their estimated useful life.

Other remediation and environmental liabilities include future estimated costs arising from legal or constructive obligations, related to cleaning, reforestation and other remedial actions, in order to remedy damage caused to the environment. The expected average period to settle these obligations is greater than 15 years.

As of December 31, 2007 and 2006, the most significant legal proceedings that give rise to the carrying amount of CEMEX's other non-current liabilities and provisions are detailed in note 21.

Changes in consolidated other non-current liabilities for the years ended December 31, 2007 and 2006 are as follows:

		2007	2006
Balance at beginning of period	Ps	14,725	12,178
Current period additions due to new obligations or increase in estimates		1,797	7,860
Current period releases due to payments or decrease in estimates		(1,906)	(6,786)
Additions through business combinations		2,098	221
Reclassification from current to non-current liabilities, net		(5)	1,197
Foreign currency translation and inflation effects		(547)	55
Balance at end of period	Ps	16,162	14,725

14. PENSIONS, OTHER POSTRETIRMENT BENEFITS AND TERMINATION BENEFITS

As mentioned in note 3N, the costs of defined contribution pension plans are recognized in the period in which the funds are transferred to the employees' investment accounts, without generating future obligations. Costs of defined contribution pension plans for the years ended December 31, 2007, 2006 and 2005 were approximately Ps393, Ps344 and Ps199, respectively.

Costs of defined benefit pension plans and other postretirement benefits, such as health care benefits, life insurance and seniority premiums, as well as termination benefits not associated with a restructuring event, are recognized in the income statement as employees' services are rendered, based on actuarial calculations of the benefits' present value. The net periodic costs of pension plans and other benefits in 2007, 2006 and 2005 are summarized as follows:

	Pensions			Other benefits			Total		
Net periodic cost:	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**	**2007**	**2006**	**2005**
Service cost	Ps 848	797	758	117	101	95	965	898	853
Interest cost	1,591	1,463	1,347	87	87	89	1,678	1,550	1,436
Actuarial return on plan assets	(1,569)	(1,572)	(1,273)	(1)	(2)	(1)	(1,570)	(1,574)	(1,274)
Amortization of prior service cost, transition liability and actuarial results	40	(16)	146	51	57	52	91	41	198
Loss (gain) for settlements and curtailments	(169)	–	1,153	–	–	–	(169)	–	1,153
	Ps 741	672	2,131	254	243	235	995	915	2,366

The reconciliation of the actuarial benefits obligations, pension plan assets, and the carrying amounts as of December 31, 2007 and 2006 are presented as follows:

	Pensions		Other benefits		Total	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
Change in benefits obligation:						
Projected benefit obligation at beginning of year	Ps 33,228	28,819	1,972	1,884	35,200	30,703
Service cost	848	797	117	101	965	898
Interest cost	1,591	1,463	87	87	1,678	1,550
Actuarial results	(3,280)	2,674	(83)	75	(3,363)	2,749
Employee contributions	73	82	–	–	73	82
Additions through business combinations	750	92	15	66	765	158
Foreign currency translation and inflation effects	(1,381)	913	(96)	(91)	(1,477)	822
Settlements and curtailments	(282)	(2)	2	(29)	(280)	(31)
Benefits paid	(1,744)	(1,610)	(146)	(121)	(1,890)	(1,731)
Projected benefit obligation at end of year	29,803	33,228	1,868	1,972	31,671	35,200
Change in plan assets:						
Fair value of plan assets at beginning of year	26,459	23,825	27	31	26,486	23,856
Return on plan assets	(51)	2,280	1	2	(50)	2,282
Foreign currency translation and inflation effects	(1,330)	561	–	(2)	(1,330)	559
Additions through business combinations	660	55	–	–	660	55
Employer contributions	928	1,270	145	87	1,073	1,357
Employee contributions	73	82	–	–	73	82
Settlements and curtailments	(68)	(2)	–	(29)	(68)	(31)
Benefits paid	(1,835)	(1,612)	(147)	(62)	(1,982)	(1,674)
Fair value of plan assets at end of year	24,836	26,459	26	27	24,862	26,486
Amounts recognized in the balance sheets:						
Funded status	4,967	6,769	1,842	1,945	6,809	8,714
Transition liability	(100)	(112)	(281)	(363)	(381)	(475)
Prior service cost and actuarial results	242	(1,578)	75	27	317	(1,551)
Accrued benefit liability	5,109	5,079	1,636	1,609	6,745	6,688
Additional minimum liability (note 11)	663	529	242	267	905	796
Net projected liability recognized	Ps 5,772	5,608	1,878	1,876	7,650	7,484

CEMEX recognizes an additional minimum liability in those individual cases in which the actual benefit obligation ("ABO") less the plan assets (net actual liability) is lower than the net projected liability. As of December 31, 2007 and 2006, CEMEX recognized minimum liabilities against intangible assets for approximately Ps905 and Ps796, respectively.

The transition liability, prior service cost and actuarial results are amortized over the estimated service life of the employees under plan benefits. As of December 31, 2007, the average estimated service life for pension plans is approximately 11.8 years, and for other postretirement benefits is approximately 11.9 years.

As of December 31, 2007 and 2006, the projected benefit obligation is derived from the following types of plans and benefits:

		2007	2006
Plans and benefits totally unfunded	Ps	2,349	1,721
Plans and benefits partially or totally funded		29,322	33,479
Projected benefit obligation ("PBO") at end of the period	Ps	31,671	35,200

As of December 31, 2007 and 2006, the consolidated plan assets are valued at their estimated fair value and consist of:

		2007	2006
Fixed-income securities	Ps	8,980	9,701
Marketable securities quoted in formal markets		12,941	13,288
Private funds and other investments		2,941	3,497
	Ps	24,862	26,486

As of December 31, 2007, estimated future benefit payments for pensions and other postretirement benefits during the next ten years are as follows:

		2007
2008	Ps	2,046
2009		1,946
2010		2,064
2011		2,012
2012		2,047
2013 – 2017		10,909

The most significant assumptions used in the determination of the net periodic cost, agreed with external actuaries, are as follows:

	2007				2006			
	Mexico	United States	United Kingdom	Other countries (1)	Mexico	United States	United Kingdom	Other countries (1)
Discount rates	4.5%	6.2%	5.7%	4.2% - 9.8%	5.5%	5.8%	5.1%	3.5% - 11.2%
Rate of return on plan assets	6.0%	8.0%	6.1%	4.0% - 8.2%	6.5%	8.0%	6.4%	4.0% - 9.0%
Rate of salary increases	1.5%	3.5%	3.1%	2.2% - 4.8%	1.5%	3.5%	3.6%	2.0% - 4.0%

(1) Range of rates.

As of December 31, 2007 and 2006, the aggregate PBO for pension plans and other benefits and the plan assets by country are as follows:

	2007			2006		
	PBO	Assets	Deficit (Excess)	PBO	Assets	Deficit (Excess)
Mexico	Ps 3,207	1,868	1,339	Ps 3,064	2,323	741
United States	4,153	4,772	(619)	4,363	4,447	(84)
United Kingdom	18,727	16,305	2,422	21,810	17,648	4,162
Other countries	5,584	1,917	3,667	5,963	2,068	3,895
	Ps 31,671	24,862	6,809	Ps 35,200	26,486	8,714

Other information related to employees' benefits at retirement

The defined benefit program in the United Kingdom has been closed to new participants since January 2004. Regulation in the United Kingdom requires entities to maintain plan assets in a level similar to that of the obligations; consequently, it is expected that CEMEX will incur significant contributions to the United Kingdom's pension plans in the following years. As presented in the table above, as of December 31, 2007, the deficit in the funded status amounted to approximately Ps2,422. After reducing the deficits related to other postretirement benefits, which do not require mandatory funding and are financed through normal operations, the deficit was approximately Ps2,084.

During 2007, CEMEX Inc., the subsidiary of CEMEX in the United States, made changes to its defined benefit plans, by means of which employees' benefits under such plans were frozen as of December 31, 2007, generating a settlement gain of approximately Ps169. In connection with the decision to freeze benefits under the U.S. defined benefit pension plans, the employees' benefits were increased through defined contribution plans. CEMEX considers that the changes in pension benefits will be a more attractive incentive to hire and retain personnel.

In January 2006, CEMEX communicated to its employees in Mexico subject to pension benefits a new defined contribution pension plan, which, from the communication date, replaced the former defined benefit pension plan. CEMEX contributed to the employees' retirement individual accounts, with a private retirement funds manager, the actuarial value of the PBO as of the date of change. Approximately 5% of the employees, or those with 50 years of age or more, had a period to elect between the previous defined benefit plan and the new plan. For all other employees the change was automatic. As a result of the new plan, events of settlement and curtailment of obligations occurred, and since this was a material event which occurred before the issuance of the financial statements, the accounting effects arising from the change were retroactively recognized in the consolidated financial statements as of December 31, 2005. The administrative execution of the migration from the old to the new pension plan occurred during the first quarter of 2006. The initial contributions to the employees' individual accounts were transferred from the existing pension funds.

For purposes of the early accounting recognition in 2005 resulting from the change of plan in Mexico, the actuarial calculations assumed that approximately 85% of the employees with 50 years of age or more would elect to remain in the defined benefit plan. As a result of the settlement and curtailment events, the accrued actuarial results were amortized proportionally to the decrease in the PBO, which was estimated at Ps1,254, representing a 32% reduction, while the unrecognized transition liability and prior service costs were amortized proportionally to the reduction of the expected years of future service of the employees under the plan benefits, generating in 2005 an aggregate loss of approximately Ps1,154, recognized within "Other expenses, net". Upon finalization of the election period in 2006 for those employees with 50 years of age or more, approximately 78% elected to migrate to the defined contribution plan. Therefore, in 2006 the PBO decreased by approximately Ps476 in addition to the Ps1,254 recognized in 2005, while the total contribution to the individual accounts was approximately Ps1,626. The differences between the estimates determined in 2005 and the final results in 2006 in connection with the PBO and the plan assets were included within the "Actuarial results" in the reconciliation of the actuarial value of obligations.

There are benefits paid to personnel pursuant to legal requirements upon termination of the working relationship, based on the years of service and the last salary received. The PBO of these benefits as of December 31, 2007 and 2006 was approximately Ps574 and Ps512, respectively.

In some countries, CEMEX has established health care benefits for retired personnel, limited to a certain number of years after retirement. As of December 31, 2007 and 2006, the PBO related to these benefits, included in the table above, was approximately Ps1,104 and Ps1,283, respectively. The medical inflation rate used in 2007 to determine the PBO of these benefits was 3.0% in Mexico, 5.0% in Puerto Rico, 5.2% in the United States and 7.1% in the United Kingdom.

15. CURRENT AND DEFERRED INCOME TAXES

A) INCOME TAX

As mentioned in note 3(O), CEMEX determines income tax ("IT"), both current and deferred. Income tax included in the income statements for the years ended December 31, 2007, 2006 and 2005, is summarized as follows:

		2007	2006	2005
Current IT	Ps			
From Mexican operations		(1,649)	57	(15)
From foreign operations		(3,574)	(4,497)	(2,870)
		(5,223)	(4,440)	(2,885)
Deferred IT				
From Mexican operations		(357)	2,331	(2,528)
From foreign operations		784	(3,589)	1,199
		427	(1,258)	(1,329)
	Ps	(4,796)	(5,698)	(4,214)

As of December 31, 2007, consolidated tax loss and tax credits carryforwards maturities are as follows:

		Amount of carryforwards
2008	Ps	29
2009		2,334
2010		1,665
2011		11,454
2012 and thereafter		94,021
	Ps	109,503

B) DEFERRED INCOME TAXES

The valuation method for deferred income taxes is detailed in note 3(O). Deferred IT for the period represents the difference in nominal pesos between the deferred IT initial balance and the year-end balance. All items charged or credited directly in stockholders' equity are recognized net of their deferred income tax effects. Deferred IT assets and liabilities relating to different tax jurisdictions are not offset. As of December 31, 2007 and 2006, the IT effects of the main temporary differences that generate the consolidated deferred IT assets and liabilities are presented below:

		2007	2006
Deferred tax assets:			
Tax loss and tax credits carryforwards	Ps	31,730	25,633
Accounts payable and accrued expenses		4,943	5,854
Others		2,071	1,078
Total deferred tax assets		38,744	32,565
Less – Valuation allowance		(21,093)	(14,690)
Net deferred tax asset		17,651	17,875
Deferred tax liabilities:			
Property, machinery and equipment		(62,202)	(39,963)
Trade accounts receivable		–	(762)
Others		(4,980)	(3,151)
Total deferred tax liabilities		(67,182)	(43,876)
Net deferred tax position (liability)		(49,531)	(26,001)
Less – Deferred IT of acquired subsidiaries at acquisition date		(46,116)	(20,558)
Total effect of deferred IT in stockholders' equity at end of year		(3,415)	(5,443)
Less – Total effect of deferred IT in stockholders' equity at beginning of year		(5,443)	(5,718)
Restatement effect of beginning balance		(2,028)	(2,174)
Change in deferred IT for the period	Ps	–	(1,899)

The change in consolidated deferred IT for the period in 2007, 2006 and 2005 is as follows:

		2007	2006	2005
Deferred IT charged to the income statement	Ps	427	(1,258)	(1,329)
Changes in accounting principles		–	–	156
Deferred IT of the period applied directly to stockholders' equity		(427)	(641)	2,063
Change in deferred IT for the period	Ps	–	(1,899)	890

CEMEX considers that sufficient taxable income will be generated to realize the tax benefits associated with the deferred income tax assets, and the tax loss carryforwards, prior to their expiration. Nevertheless, a valuation allowance on tax loss carryforwards has been determined for the amount that is estimated may not be recoverable in the future. In the event that present conditions change, and it is determined that future operations would not generate sufficient taxable income, or that tax strategies are no longer viable, the valuation allowance on deferred tax assets would be increased against the income statement.

CEMEX has not provided any deferred tax liability for the undistributed earnings generated by its subsidiaries and associates, recognized under the equity method, considering that such undistributed earnings are expected to be reinvested, not generating income tax in the foreseeable future (note 16C). Likewise, CEMEX does not recognize a deferred income tax liability related to its investments in subsidiaries and associates, and interests in joint ventures, considering that CEMEX controls the reversal of the temporary differences arising from these investments.

C) EFFECTIVE TAX RATE

Differences between the financial reporting and the corresponding tax basis of assets and liabilities and the different IT rates and laws applicable to CEMEX, among other factors, give rise to permanent differences between the approximate statutory tax rate and the effective tax rate presented in the consolidated income statements, which in 2007, 2006 and 2005 are as follows:

	2007	2006	2005
	%	%	%
Approximate consolidated statutory tax rate	28.0	29.0	30.0
Non-taxable dividend income	(3.9)	(18.2)	(7.0)
Other non-taxable income (1)	(12.9)	(3.8)	(3.7)
Expenses and other non-deductible items	9.3	13.4	(1.4)
Non-taxable sale of marketable securities and fixed assets	(2.7)	(3.5)	(0.3)
Difference between book and tax inflation	(2.5)	(2.7)	1.2
Others	(0.2)	2.1	(5.4)
Effective consolidated tax rate	15.1	16.3	13.4

(1) Includes the effects of the different income tax rates in the countries where CEMEX operates.

16. STOCKHOLDERS' EQUITY

On April 27, 2006, the annual extraordinary stockholders' meeting approved a stock split, which became effective on July 17, 2006. In connection with the stock split, each of the existing series "A" shares was surrendered in exchange for two new series "A" shares, and each of the existing series "B" shares was surrendered in exchange for two new series "B" shares. Amounts in CPOs, shares and prices per share, except as otherwise indicated, reflect the stock split of July 17, 2006.

The carrying amounts of consolidated stockholders' equity as of December 31, 2007 and 2006 for Ps204,153 and Ps173,111, respectively, exclude investments in shares of CEMEX, S.A.B. de C.V. held by subsidiaries, which implied a reduction to majority interest stockholders' equity of Ps6,366 (569,671,633 CPOs) in 2007 and Ps6,410 (559,984,409 CPOs) in 2006. This reduction is included within "Other equity reserves".

A) COMMON STOCK

As of December 31, 2007 and 2006, the common stock of CEMEX, S.A.B. de C.V. was as follows:

	2007		2006	
Shares [1]	**Series A** [2]	**Series B** [3]	**Series A** [2]	**Series B** [3]
Subscribed and paid shares	16,157,281,752	8,078,640,876	15,778,133,836	7,889,066,918
Treasury shares [4]	425,224,094	212,612,047	536,248,572	268,124,286
Unissued shares authorized for stock option programs	581,451,054	290,725,527	425,823,064	212,911,532
	17,163,956,900	8,581,978,450	16,740,205,472	8,370,102,736

(1) 13,068,000,000 shares in both years relate to the fixed portion and 12,677,935,350 in 2007 and 12,042,308,208 in 2006 to the variable portion.

(2) Series "A" or Mexican shares must represent at least 64% of CEMEX's capital stock.

(3) Series "B" or free subscription shares must represent at most 36% of CEMEX's capital stock.

(4) In both years, includes the shares issued as stock dividends that were not subscribed by stockholders that elected to receive the cash dividend.

On April 26, 2007, the annual ordinary stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps6,000 (nominal amount); (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps7,889 (nominal amount), issuing shares as a stock dividend for up to 1,440 million shares, equivalent to 480 million CPOs, based on a price of approximately Ps32.75 pesos (nominal amount) per CPO; or instead, stockholders could have chosen to receive a cash dividend of U.S.$0.0745 in cash for each CPO, or approximately Ps0.8036 pesos (nominal amount) for each CPO, considering the exchange rate of *Banco de Mexico* on May 31, 2007 of Ps10.7873 pesos per 1 dollar. As a result, shares equivalent to approximately 189 million CPOs were issued, representing an increase in common stock of Ps2 and additional paid-in capital of Ps6,397, considering

a nominal value of Ps0.00833 pesos (nominal amount) per CPO, while an approximate cash dividend payment was made for approximately Ps140 (nominal amount); and (iii) the cancellation of the corresponding shares held in the CEMEX's treasury.

On April 27, 2006, the annual ordinary stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps6,000 (nominal amount); (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps6,718 (nominal amount), issuing shares as a stock dividend for up to 720 million shares equivalent to 240 million CPOs, based on a price of Ps52.5368 pesos (nominal amount) per CPO; or instead, stockholders could have chosen to receive a cash dividend of Ps1.4887 pesos (nominal amount) in cash for each CPO. As a result, shares equivalent to approximately 106 million CPOs were issued, representing an increase in common stock of Ps2 and additional paid-in capital of Ps5,974, considering a nominal value of Ps0.01665 pesos (nominal amount) per CPO, while an approximate cash dividend payment was made for Ps148 (nominal amount); and (iii) the cancellation of the corresponding shares held in the CEMEX's treasury. The amounts of shares, CPOs and other prices per share related to the annual ordinary stockholders' meeting held on April 27, 2006 were not adjusted to retroactively reflect the stock split of July 17, 2006.

During 2007 and 2006, the CPOs issued pursuant the exercise of options under the "fixed program" (note 17) generated additional paid-in capital of approximately Ps2 and Ps5, respectively, and increased the number of shares outstanding.

B) OTHER EQUITY RESERVES

As of December 31, 2007 and 2006, other equity reserves are summarized as follows:

		2007	2006
Deficit in equity restatement	Ps	(91,290)	(77,916)
Treasury shares		(6,366)	(6,410)
Cumulative initial deferred income tax effects		(6,918)	(6,918)
	Ps	(104,574)	(91,244)

In 2007, 2006 and 2005, the most significant items within deficit in equity restatement, which are also elements of the comprehensive income presented in the statement of changes in stockholders' equity, are detailed as follows:

		2007	2006	2005
Foreign currency translation adjustment (1)	Ps	3,327	3,911	(6,118)
Capitalized foreign exchange gain (loss) (2)		(400)	(580)	1,672
Effects from holding non-monetary assets		(13,910)	(4,031)	2,611
Hedge derivative instruments (note 12C and E)		(117)	148	(1,607)
Deferred IT for the period recorded in stockholders' equity (note 15B)		(427)	(641)	2,063
	Ps	(11,527)	(1,193)	(1,379)

1 These effects result from the translation of the financial statements of foreign subsidiaries and include foreign exchange fluctuations from financing related to the acquisition of foreign subsidiaries generated by CEMEX's subsidiary in Spain, representing a loss of Ps12 in 2005. There were no exchange fluctuations capitalized by this subsidiary during 2006. In 2007, Rinker's acquisition generated a gain of Ps5,588.

2 Generated by foreign exchange fluctuations of debt associated with the acquisition of foreign subsidiaries.

C) RETAINED EARNINGS

Retained earnings as of December 31, 2007 and 2006 include Ps172,409 and Ps145,660, respectively, of earnings generated by subsidiaries and associates that are not available to be paid as dividends by CEMEX until these entities distribute such amounts to CEMEX. Additionally, retained earnings include a share repurchase reserve in the amount of Ps6,266 in 2007 and Ps6,672 in 2006.

Net income for the year is subject to a 5% allocation toward a legal reserve until such reserve equals one fifth of the common stock. As of December 31, 2007, the legal reserve amounted to Ps1,804.

D) MINORITY INTEREST AND PERPETUAL DEBENTURES

Minority interest

Minority interest represents the share of minority stockholders in the results and equity of consolidated subsidiaries. As of December 31, 2007 and 2006, minority interest amounts to approximately Ps7,515 and Ps7,842, respectively.

Perpetual debentures

As of December 31, 2007 and 2006, consolidated balance sheets include approximately U.S.$3,065 (Ps33,470) and U.S.$1,250 (Ps14,642), respectively, representing the notional amount of perpetual debentures. These debentures have no fixed maturity date and do not represent a contractual payment obligation for CEMEX. Based on their characteristics, these debentures issued entirely by Special Purpose Vehicles ("SPVs"), qualify as equity instruments and are classified within minority interest as they were issued by consolidated entities, considering that there is no contractual obligation to deliver cash or any other financial asset, the debentures do not have any maturity date, meaning that they were issued to perpetuity, and CEMEX has the unilateral right to defer indefinitely the payment of interest due on the debentures. The definition of the debentures as equity instruments was made under applicable IFRS, which were applied to these transactions in compliance with the supplementary application of IFRS in Mexico. Issuance costs, as well as the interest expense, which is accrued based on the principal amount of the perpetual debentures, are included within "Other equity reserves" and represented expenses of approximately Ps1,847 in 2007 and Ps152 in 2006. The different SPVs were established solely for purposes of issuing the perpetual debentures and are included in CEMEX's consolidated financial statements.

As of December 31, 2007, CEMEX's perpetual debentures are as follows:

Issuer	Issuance Date	Nominal Amount	Repurchase Option	Interest Rate
C10-EUR Capital (SPV) Ltd.	May 2007	€ 730	Tenth anniversary	6.3%
C8 Capital (SPV) Ltd.	February 2007	U.S.$750	Eigth anniversary	6.6%
C5 Capital (SPV) Ltd.	December 2006	U.S.$350	Fifth anniversary	6.2%
C10 Capital (SPV) Ltd.	December 2006	U.S.$900	Tenth anniversary	6.7%

As mentioned in note 12E, there are derivative instruments associated with the perpetual debentures, through which CEMEX changes the risk profile associated with interest rates and foreign exchange rates in respect of the debentures from the U.S. dollar and euro to the yen.

17. EXECUTIVE STOCK OPTION PROGRAMS

Between 1995 and 2004, CEMEX granted to a group of executives several types of stock options. Starting in 2005, stock option programs were replaced by a long-term compensation scheme through which such executives receive cash bonuses, recognized in the operating results, which are used by the executives to acquire CPOs in the market. The expense recognized through the income statement during 2007, 2006 and 2005 was Ps645, Ps431 and Ps362, respectively. The fair value of CPOs at acquisition date equals the cash bonuses. Pursuant to an agreement between CEMEX and the executives, the acquired CPOs are placed in an executives' owned trust to comply with a restriction for sale period of 4 years, which vests up to 25% at the end of each year.

As mentioned in note 3U, in 2005, CEMEX adopted IFRS 2 to account for its stock option programs. Under IFRS 2, the cost associated with stock options that qualify as equity instruments is represented by the estimated fair value of the awards as of the grant date, and should be recognized through earnings over the options' vesting period. Likewise, IFRS 2 defines liability instruments, comprised by those awards in which an entity incurs an obligation by committing to pay the employee, through the exercise of the option, an amount in cash or in other financial assets. In connection with liability instruments, IFRS 2 requires the determination of the estimated fair value of the awards at each reporting date, recognizing the changes in valuation through the income statement.

The stock options granted by CEMEX, except for those under the "fixed program" described below, represent liability instruments, considering that CEMEX is committed to pay the executive the intrinsic value of the options at the exercise date. Starting in 2001 and until the adoption of IFRS 2, CEMEX recognized the cost associated with those programs that under IFRS 2 qualify as liability instruments through the intrinsic value method. Under this method, CEMEX accrued a provision at each balance sheet date against the income statement, for the difference between the CPO's market price and the exercise price of such CPO established in the option. In respect of those options that now qualify as equity instruments under IFRS 2, CEMEX did not recognize cost considering that: 1) the CPO exercise price equaled its market price as of the grant date; 2) the exercise price was fixed throughout the tenure of the award; and 3) the exercise of these options implied the issuance of new CPOs.

The information related to options granted in respect of CEMEX, S.A.B. de C.V. shares is as follows:

Options	Fixed programs (A)	Variable programs (B)	Restricted programs (C)	Special program (D)
Options at the beginning of 2006	1,080,300	2,489,999	16,810,046	1,663,806
Changes in 2006:				
Options cancelled	(12,554)	–	–	–
Options exercised	(118,042)	(934,885)	(1,208,373)	(433,853)
Options at the end of 2006	949,704	1,555,114	15,601,673	1,229,953
Changes in 2007:				
Options cancelled and adjustments	928	–	–	–
Options exercised	(52,162)	(178,767)	(579,401)	(384,529)
Options at the end of 2007	898,470	1,376,347	15,022,272	845,424
Underlying CPOs (1)	4,904,103	6,718,048	65,474,573	16,908,480
Exercise prices:				
Options outstanding at the beginning of 2007 (1), (2)	Ps7.12	$ U.S.1.36	$ U.S.1.92	$ U.S.1.33
Options exercised in the year (1), (2)	Ps6.10	$ U.S.1.48	$ U.S.1.94	$ U.S.1.29
Options outstanding at the end of 2007 (1), (2)	Ps7.02	$ U.S.1.43	$ U.S.2.00	$ U.S.1.34
Average useful life of options:	1.5 years	4.3 years	4.5 years	5.8 years
Number of options per exercise price:	266,385 - Ps5.1	886,170 - $ U.S.1.5	15,022,272 - $ U.S.2.0	89,575 - $ U.S.1.1
	134,294 - Ps7.4	141,679 - $ U.S.1.7	–	135,093 - $ U.S.1.4
	155,099 - Ps6.8	67,295 - $ U.S.1.3	–	194,238 - $ U.S.1.0
	148,964 - Ps8.3	222,461 - $ U.S.1.2	–	296,008 - $ U.S.1.4
	193,728 - Ps8.7	58,742 - $ U.S.1.4	–	130,510 - $ U.S.1.9
Percent of options fully vested at year-end 2007:	100%	98.9%	100%	72.8%

1 Exercise prices and the number of underlying CPOs are technically adjusted for the dilutive effect of stock dividends.

2 Weighted average exercise prices per CPO. Prices include the effects of the stock split detailed in note 16A.

A) Fixed program

From June 1995 through June 2001, CEMEX granted stock options with a fixed exercise price in pesos ("fixed program"), equivalent to the market price of the CPO at the grant date and with tenure of 10 years. The employees' option rights vested up to 25% annually during the first four years after having been granted.

B) Variable programs

These programs started in November 2001, through an exchange of fixed program options, with exercise prices denominated in dollars increasing annually at a 7% rate.

C) Restricted programs

These programs started in February 2004 through a voluntary exchange of options mainly from the variable program. These options have an exercise price denominated in dollars which, depending on the program, increase annually at a 5.5% rate or at a 7% rate. Executives' gains under these options are settled in the form of CPOs, which are restricted for sale for an approximate period of four years from the exercise date.

D) Special program

From June 2001 through June 2005, CEMEX's subsidiary in the United States granted to a group of its employees a stock option program to purchase CEMEX ADSs. The options granted have a fixed exercise price denominated in dollars and tenure of 10 years. The employees' option rights vested up to 25% annually after having been granted. The option exercises are hedged using ADSs currently owned by subsidiaries, which increases stockholders' equity and the number of shares outstanding. The amounts of these ADS programs are presented in terms of equivalent CPOs (ten CPOs represent one ADS).

Other programs

As of December 31, 2007 and 2006, CEMEX's subsidiary in Ireland has an outstanding stock option program in its own shares covering 849,708 and 1,230,000 shares, respectively, with an average exercise price per share of approximately €1.32 in 2007 and €1.41 in 2006. As of December 31, 2007 and 2006, the market price per share of this subsidiary was €1.60 and €2.60, respectively.

FAIR VALUE OF OPTIONS, ACCOUNTING RECOGNITION AND OPTIONS' HEDGING ACTIVITIES

Valuation of options at fair value and accounting recognition

All options of programs that qualify as liability instruments are valued at their estimated fair value as of the financial statements date, recognizing changes in valuations in the income statement. Upon adoption of IFRS 2 in 2005, CEMEX recognized a cost of approximately Ps1,172 (Ps1,017 net of IT). Changes in the provision for the executive stock option programs for the years ended December 31, 2007 and 2006 are as follows:

		Restricted programs	Variable programs	Special program	Total
Provision as of December 31, 2005	Ps	1,919	372	851	3,142
Net valuation effects in current period results		29	(43)	31	17
Estimated decrease from exercises of options		(93)	(74)	(139)	(306)
Foreign currency translation effect		(129)	(25)	(57)	(211)
Provision as of December 31, 2006		1,726	230	686	2,642
Net valuation effects in current period results		(643)	(75)	(257)	(975)
Estimated decrease from exercises of options		(40)	(19)	(99)	(158)
Foreign currency translation effect		(116)	(16)	(47)	(179)
Provision as of December 31, 2007	Ps	927	120	283	1,330

The options' fair values were determined through the binomial option-pricing model. As of December 31, 2007 and 2006, the most significant assumptions used in the valuations are as follows:

Assumptions	2007	2006
Expected dividend yield	3.7%	2.8%
Volatility	35%	35%
Interest rate	3.7%	4.7%
Weighted average remaining tenure	5.8 years	5.9 years

Options hedging activities

From 2001 until September 2005, CEMEX hedged most of its stock option programs through equity forward contracts in its own stock (note 12D), negotiated to guarantee that shares would be available at prices equivalent to those established in the options, without the necessity of issuing new CPOs into the market; therefore, these programs did not increase the number of shares outstanding and consequently did not result in dilution to the stockholders. The equity forward contracts were fully settled during September 2005 through a secondary public offering of shares. Changes in the estimated fair value and cash flows generated through the settlement of the forward contracts related to the stock option plans, generated gains of approximately U.S.$422 (Ps5,299) in 2005, which were recognized in earnings, offsetting the cost related to stock option programs.

In December 2005, CEMEX negotiated a derivative instrument by means of which, through a prepayment of U.S.$145 (Ps1,821), CEMEX secured the appreciation rights over 50 million CPOs, sufficient to hedge cash flows from the exercise of options in the short and medium term. For the years ended December 31, 2007, 2006 and 2005, changes in the fair value of this instrument generated a loss of approximately U.S.$39 (Ps425) and gains of U.S.$10 (Ps117) and U.S.$3 (Ps38), respectively, recognized in earnings of the respective period. This instrument was settled in December 2007 and replaced by a forward over approximately 47,050,610 CPOs (note 12D).

18. SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

Operating segments are defined as the components of an entity oriented to the production and sale of goods and services, which are subject to risks and benefits different from those associated with other business segments. CEMEX operates principally in the construction industry segment through the production, distribution, marketing and sale of cement, ready-mix concrete and aggregates.

CEMEX operates geographically on regional basis. Each regional manager supervises and is responsible for all the business activities undergoing in the countries comprising the region. These activities refer to the production, distribution, marketing and sale of cement, ready-mix concrete and aggregates. The country manager, who is one level below the regional manager in the organizational structure, reports to the regional manager the operating results of the country manager's business unit, including all the operating sectors. In consequence, CEMEX's management internally evaluates the results and performance of each country and region for decision-making purposes, following a vertical integration approach. According to this approach, in the daily operations, management allocates economic resources on a country basis rather than on an operating component basis.

The main indicator used by CEMEX's management to evaluate the performance of each country is operating cash flow, which CEMEX defines as operating income plus depreciation and amortization. This indicator, which is presented in the selected financial information by geographic operating segment, is consistent with the information used by CEMEX's management for decision-making purposes.

The accounting policies applied to determine the financial information by geographic operating segment are consistent with those described in note 3. CEMEX recognizes sales and other transactions between related parties based on market values.

For purposes of the following tables, in 2005, the segments "United States" and "Spain" include the operations acquired from RMC for the 10-month period ended December 31, 2005. In 2007, the segment "United States" includes Rinker's operations in that country for the six-month period ended December 31, 2007. For the years reported, the segment "Rest of Europe" refers primarily to operations in Germany, France, Ireland, Czech Republic, Austria, Poland, Croatia, Hungary, Latvia and Italy.

In 2005, the segment "Rest of Central and South America and the Caribbean" includes CEMEX's operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua and the Caribbean, as well as small ready-mix concrete operations in Jamaica and Argentina and, in 2006, the segment also includes a cement-grinding mill in Guatemala. Likewise, the segment "Rest of Africa and Middle East" includes the operations in the United Arab Emirates and Israel. In 2007, the segment "Australia" includes Rinker's operations in that country for the six-month period ended December 31, 2007. In addition, for the years reported, the segment "Rest of Asia" includes the operations in Thailand, Bangladesh and Malaysia, and, in 2007, Rinker's operations in China for the six-month ended December 31, 2007.

Finally, the "Others" segment primarily refers to: 1) cement trade maritime operations, 2) the subsidiary involved in the development of information technology solutions (Neoris, N.V.), 3) the Parent Company and other corporate entities, and 4) other minor subsidiaries with different lines of business.

Selected financial information of the income statement by geographic operating segment for 2007, 2006 and 2005 is as follows:

2007		Net sales (including related parties)	Related parties	Consolidated net sales	Operating income	Operating depreciation and amortization	Operating cash flow
North America							
Mexico	Ps	41,814	(816)	40,998	12,549	1,869	14,418
United States		54,607	–	54,607	5,966	6,848	13,069
Europe							
Spain		23,781	(205)	23,576	6,028	889	6,917
United Kingdom		22,432	(1)	22,431	(446)	1,130	684
Rest of Europe		47,100	(1,344)	45,756	3,281	2,033	5,314
Central and South America and the Caribbean							
Venezuela		7,317	(494)	6,823	1,971	832	2,803
Colombia		6,029	–	6,029	2,037	413	2,450
Rest of Central and South America and the Caribbean		10,722	(727)	9,995	1,975	839	2,814
Africa and Middle East							
Egypt		3,723	–	3,723	1,534	232	1,766
Rest of Africa and Middle East		4,666	–	4,666	(51)	117	66
Asia and Australia							
Australia		8,633	–	8,633	1,177	306	1,483
Philippines		3,173	(405)	2,768	851	304	1,155
Rest of Asia		2,068	–	2,068	33	83	116
Others		17,872	(13,276)	4,596	(4,457)	1,516	(2,941)
Total Consolidated	Ps	253,937	(17,268)	236,669	32,448	17,411	50,114

2006		Net sales (including related parties)	Related parties	Consolidated net sales	Operating income	Operating depreciation and amortization	Operating cash flow
North America							
Mexico	Ps	42,577	(1,052)	41,525	13,210	1,822	15,032
United States		48,911	(368)	48,543	10,092	3,537	13,629
Europe							
Spain		21,834	(207)	21,627	5,637	864	6,501
United Kingdom		23,854	(18)	23,836	154	1,413	1,567
Rest of Europe		44,691	(894)	43,797	2,220	2,536	4,756
Central and South America and the Caribbean							
Venezuela		6,217	(721)	5,496	1,799	587	2,386
Colombia		4,206	(2)	4,204	1,138	398	1,536
Rest of Central and South America and the Caribbean		9,046	(285)	8,761	1,322	698	2,020
Africa and Middle East							
Egypt		3,577	–	3,577	1,475	225	1,700
Rest of Africa and Middle East		4,794	–	4,794	120	89	209
Asia							
Philippines		2,620	(464)	2,156	726	220	946
Rest of Asia		1,694	–	1,694	(62)	46	(16)
Others		20,134	(16,377)	3,757	(3,326)	1,526	(1,800)
Total Consolidated	Ps	234,155	(20,388)	213,767	34,505	13,961	48,466

2005		Net sales (including related parties)	Related parties	Consolidated net sales	Operating income	Operating depreciation and amortization	Operating cash flow
North America							
Mexico	Ps	39,886	(1,144)	38,742	12,692	1,956	14,648
United States		51,366	–	51,366	8,449	3,789	12,238
Europe							
Spain		19,035	(130)	18,905	4,516	895	5,411
United Kingdom		19,272	–	19,272	670	1,166	1,836
Rest of Europe		34,267	(546)	33,721	2,136	2,114	4,250
Central and South America and the Caribbean							
Venezuela		5,201	(1,130)	4,071	1,693	663	2,356
Colombia		3,150	–	3,150	427	436	863
Rest of Central and South America and the Caribbean		8,508	(721)	7,787	810	714	1,524
Africa and Middle East							
Egypt		3,318	(174)	3,144	1,235	239	1,474
Rest of Africa and Middle East		3,525	–	3,525	118	116	234
Asia							
Philippines		2,411	(266)	2,145	516	269	785
Rest of Asia		1,205	–	1,205	(21)	81	60
Others		16,555	(11,196)	5,359	(2,014)	1,007	(1,007)
Total Consolidated	Ps	207,699	(15,307)	192,392	31,227	13,445	44,672

The selected financial information of balance sheet by geographic operating segments includes the elimination of balances between related parties. As of December 31, 2007 and 2006, the information is as follows:

December 31, 2007		Investments in associates	Other segment assets	Total assets	Total liabilities	Net assets by segment	Capital expenditures
North America							
Mexico	Ps	426	60,850	61,276	14,293	46,983	4,347
United States		642	245,941	246,583	46,330	200,253	5,411
Europe							
Spain		25	43,297	43,322	19,722	23,600	2,323
United Kingdom		473	28,149	28,622	10,680	17,942	1,451
Rest of Europe		837	49,164	50,001	15,404	34,597	4,212
Central and South America and the Caribbean							
Venezuela		231	11,284	11,515	2,542	8,973	515
Colombia		–	9,799	9,799	3,126	6,673	163
Rest of Central and South America and the Caribbean		22	15,863	15,885	3,085	12,800	1,178
Africa and Middle East							
Egypt		–	6,705	6,705	1,715	4,990	298
Rest of Africa and Middle East		302	5,043	5,345	1,545	3,800	684
Asia and Australia							
Australia		1,648	24,076	25,724	2,929	22,795	336
Philippines		–	8,034	8,034	1,902	6,132	165
Rest of Asia		–	2,217	2,217	246	1,971	113
Corporate		4,070	8,286	12,356	201,719	(189,363)	–
Others		1,923	13,007	14,930	12,923	2,007	1,093
Total Consolidated	Ps	10,599	531,715	542,314	338,161	204,153	22,289

December 31, 2006		Investments in associates	Other segment assets	Total assets	Total liabilities	Net assets by segment	Capital expenditures
North America							
Mexico	Ps	439	62,553	62,992	14,971	48,021	4,239
United States		498	80,356	80,854	15,950	64,904	4,148
Europe							
Spain		25	35,631	35,656	20,118	15,538	1,941
United Kingdom		593	27,961	28,554	12,054	16,500	1,201
Rest of Europe		946	44,346	45,292	15,023	30,269	2,438
Central and South America and the Caribbean							
Venezuela		223	10,716	10,939	1,108	9,831	490
Colombia		–	9,261	9,261	2,402	6,859	372
Rest of Central and South America and the Caribbean		17	16,247	16,264	2,741	13,523	1,091
Africa and Middle East							
Egypt		–	6,420	6,420	1,387	5,033	190
Rest of Africa and Middle East		338	4,592	4,930	1,304	3,626	297
Asia							
Philippines		–	7,207	7,207	1,362	5,845	125
Rest of Asia		–	2,155	2,155	362	1,793	77
Corporate		3,849	8,304	12,153	77,573	(65,420)	–
Others		1,784	26,622	28,406	11,617	16,789	1,435
Total Consolidated	Ps	8,712	342,371	351,083	177,972	173,111	18,044

Total consolidated liabilities include debt of Ps216,911 in 2007 and Ps88,331 in 2006. Of such debt, approximately 34% in 2007 and 42% in 2006 was in the Parent Company, 47% and 33% in the Spanish subsidiary, 9% in both periods in finance Dutch subsidiaries, 4% and 11% in finance companies in the United States, and 6% and 5% in other countries, respectively.

The information of net sales by sector for the years ended December 31, 2007, 2006 and 2005 is as follows:

2007		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
North America							
Mexico	Ps	29,223	13,617	1,126	6,746	(9,714)	40,998
United States		20,477	22,675	10,674	12,230	(11,449)	54,607
Europe							
Spain		16,006	6,873	1,561	6,379	(7,243)	23,576
United Kingdom		4,366	9,289	7,503	8,695	(7,422)	22,431
Rest of Europe		12,531	25,663	9,499	6,695	(8,632)	45,756
Central and South America and the Caribbean							
Venezuela		5,106	2,179	246	321	(1,029)	6,823
Colombia		4,312	2,223	385	1,209	(2,100)	6,029
Rest of Central and South America and the Caribbean		8,551	2,674	139	506	(1,875)	9,995
Africa and Middle East							
Egypt		3,430	294	–	32	(33)	3,723
Rest of Africa and Middle East		–	4,142	–	774	(250)	4,666
Asia and Australia							
Australia		–	5,282	3,395	1,581	(1,625)	8,633
Philippines		3,173	–	–	–	(405)	2,768
Rest of Asia		721	1,026	151	247	(77)	2,068
Others		–	–	–	17,872	(13,276)	4,596
Total Consolidated	Ps	107,896	95,937	34,679	63,287	(65,130)	236,669

2006		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
North America							
Mexico	Ps	30,080	12,972	670	7,381	(9,578)	41,525
United States		22,441	21,118	6,252	6,539	(7,807)	48,543
Europe							
Spain		14,802	6,407	1,359	5,556	(6,497)	21,627
United Kingdom		3,850	9,652	7,567	10,518	(7,751)	23,836
Rest of Europe		10,567	24,217	8,830	8,914	(8,731)	43,797
Central and South America and the Caribbean							
Venezuela		4,739	1,620	167	236	(1,266)	5,496
Colombia		2,991	1,544	267	735	(1,333)	4,204
Rest of Central and South America and the Caribbean		7,130	2,232	87	388	(1,076)	8,761
Africa and Middle East							
Egypt		3,336	234	–	33	(26)	3,577
Rest of Africa and Middle East		–	3,959	–	5,712	(4,877)	4,794
Asia							
Philippines		2,619	–	–	1	(464)	2,156
Rest of Asia		742	703	139	192	(82)	1,694
Others		–	–	–	20,134	(16,377)	3,757
Total Consolidated	Ps	103,297	84,658	25,338	66,339	(65,865)	213,767

2005		Cement	Concrete	Aggregates	Others	Eliminations	Net sales
North America							
Mexico	Ps	29,146	11,097	461	6,017	(7,979)	38,742
United States		21,646	23,334	5,832	5,125	(4,571)	51,366
Europe							
Spain		12,086	6,063	1,336	3,041	(3,621)	18,905
United Kingdom		2,953	7,560	5,463	8,888	(5,592)	19,272
Rest of Europe		7,676	18,880	7,057	6,842	(6,734)	33,721
Central and South America and the Caribbean							
Venezuela		4,344	1,197	80	91	(1,641)	4,071
Colombia		2,193	1,385	227	175	(830)	3,150
Rest of Central and South America and the Caribbean		6,533	1,830	62	283	(921)	7,787
Africa and Middle East							
Egypt		3,133	198	–	10	(197)	3,144
Rest of Africa and Middle East		–	3,221	–	304	–	3,525
Asia							
Philippines		2,411	–	1	1	(268)	2,145
Rest of Asia		347	613	127	121	(3)	1,205
Others		–	–	–	16,555	(11,196)	5,359
Total Consolidated	Ps	92,468	75,378	20,646	47,453	(43,553)	192,392

19. EARNINGS PER SHARE

The amounts considered for calculations are the following:

		2007	2006	2005
Numerator				
Majority interest net income	Ps	26,108	27,855	26,519
Denominator (thousands of shares)				
Weighted average number of shares outstanding		22,297,264	21,552,250	20,757,180
Effect of dilutive instruments – executives' stock options		11,698	12,500	20,372
Effect of dilutive instruments – equity forwards on CEMEX's CPOs		–	2,379	44,224
Potentially dilutive shares		11,698	14,879	64,596
Weighted average number of shares outstanding – diluted		22,308,962	21,567,129	20,821,776
Basic earnings per share ("Basic EPS")	Ps	1.17	1.29	1.28
Diluted earnings per share ("Diluted EPS")	Ps	1.17	1.29	1.27

Basic earnings per share are calculated by dividing majority interest net income for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the effects of any transactions carried out by CEMEX which have a potentially dilutive effect on the weighted average number of common shares outstanding. The numbers of shares considered for calculation include the effects of the stock splits of July 2005 and July 2006.

The difference between the basic and diluted average number of shares in 2007, 2006 and 2005 is attributable to the additional shares to be issued under the fixed stock option program (note 17A). In addition, CEMEX includes the dilutive effect of the number of shares resulting from equity forward contracts in CEMEX's own stock, determined under the inverse treasury method.

20. COMMITMENTS

A) GUARANTEES

As of December 31, 2007 and 2006, CEMEX, S.A.B. de C.V. had guaranteed loans of certain subsidiaries for approximately U.S.$513 and U.S.$735, respectively.

B) COMMITMENTS

As of December 31, 2007 and 2006, CEMEX had commitments for the purchase of raw materials for an approximate amount of U.S.$264 and U.S.$225, respectively.

During 1999, CEMEX entered into agreements with an international partnership, which built and operated an electrical energy generating plant in Mexico called Termoeléctrica del Golfo ("TEG"). During 2007, another international company replaced the original operator. According to the original agreements, CEMEX was required to purchase starting from the beginning of operations of the plant, all the energy generated for a term of not less than 20 years. The electrical energy generating plant started operations on April 29, 2004. Likewise, CEMEX committed to supply the electrical energy plant with all fuel necessary for its operations, a commitment that has been hedged through a 20-year agreement entered into by CEMEX with *Petróleos Mexicanos* ("PEMEX"). These agreements were reestablished under the same conditions in 2007 with the new operator; however, the term was extended until 2027. Nevertheless, the agreement with PEMEX was not modified and terminates in 2024. Consequently, for the last 3 years of the TEG fuel supply contract, CEMEX intends to purchase the required fuel in the market in order to

provide the fuel as committed. Through these arrangements CEMEX expects to decrease its energy costs. CEMEX is not required to make any capital expenditure in the project. For the years ended December 31 2007, 2006 and 2005, TEG delivered energy to CEMEX Mexico's 15 cement plants, supplying 59.7%, 57.1% and 57.5%, respectively, of such year's needs.

CEMEX Ostzement GMBH ("COZ"), CEMEX's subsidiary in Germany, has entered into a long-term energy supply contract with *Vattenfall Europe New Energy* ("VENE"), by means of which VENE committed to supply energy to Rüdersdorf plant for a period of 15 years starting on January 1, 2008. Based on the contract, each year, COZ has the option to fix in advance the volume of energy in terms of megawatts ("MW") that it will acquire from VENE, and to adjust the purchase amount once on a monthly and quarterly basis. According to the contract, COZ will acquire 28 MW under the contract in 2008 and 2009, and 23 MW per year until 2013. The contract, which establishes a price mechanism for the energy acquired, based on the price of energy future contracts quoted on the European Energy Exchange, does not require initial investments, and will be liquidated at a future date. Based on its characteristics, this contract qualifies as a financial instrument under MFRS. Nonetheless, considering that this contract is for own use and CEMEX sells any energy surplus as soon as actual energy requirements are known, regardless of changes in prices; thereby avoiding any intention of trading in energy, such contract is not recognized at its fair value. The percentage of energy sold, which is not significant, is approximately 4%.

In connection with CEMEX's strategic alliance with Ready Mix USA (note 11), after the third year of the strategic alliance, starting on June 30, 2008, and for an approximate 22-year period, Ready Mix USA will have the right, but not the obligation, to sell to CEMEX its interest in both entities at a predetermined price based on the greater of: a) eight times the operating cashflow of the trailing twelve months, b) the average of the 36 previous months, or c) the net book value. As of December 31, 2007, CEMEX has not recognized a liability, considering that were the option to be exercised on the nearest exercise date of June 30, 2008, the fair value of the assets would exceed the cost of the option.

C) PLEDGED ASSETS

As of December 31, 2007 and 2006, there were liabilities amounting to U.S.$46 and U.S.$62, respectively, secured by property, machinery and equipment.

D) CONTRACTUAL OBLIGATIONS

As of December 31, 2007 and 2006, the approximate cash flows that will be required by CEMEX to meet its material contractual obligations are summarized as follows:

(U.S. dollars millions)		Payments per period 2007					2006
Contractual Obligations		Less than 1 year	1-3 Years	3-5 Years	More than 5 Years	Total	Total
Long-term debt	U.S.$	1,578	8,037	6,430	2,055	18,100	6,537
Capital lease obligations		30	19	2	–	51	68
Total debt (1)		1,608	8,056	6,432	2,055	18,151	6,605
Operating leases (2)		194	294	185	168	841	653
Interest payments on debt (3)		843	1,044	480	257	2,624	1,418
Estimated cash flows under interest rate derivatives (4)		97	170	91	49	407	311
Planned funding of pension plans and other postretirement benefits (5)		187	367	372	999	1,925	1,773
Total contractual obligations	U.S.$	2,929	9,931	7,560	3,528	23,948	10,760
	Ps	31,985	108,447	82,555	38,526	261,513	126,039

(1) The scheduling of debt payments, which includes current maturities, does not consider the effect of any refinancing that may occur of debt during the following years. CEMEX has replaced in the past its long-term obligations for others of similar nature.

(2) The amounts of operating leases have been determined on the basis of nominal cash flows. CEMEX has operating leases, primarily for operating facilities, cement storage and distribution facilities and certain transportation and other equipment, under which annual rental payments are required plus the payment of certain operating expenses. Rental expense was U.S.$195 (Ps2,129), U.S.$178 (Ps2,085) and U.S.$152 (Ps1,909) in 2007, 2006 and 2005, respectively. Of the total U.S.$841 future minimum rental payments as of December 31, 2007, approximately U.S.$32 was attributable to the acquisition of Rinker.

(3) In the determination of the future estimated interest payments on the floating rate denominated debt, CEMEX used the interest rates in effect as of December 31, 2007 and 2006.

(4) The estimated cash flows under interest rate derivatives include the approximate cash flows under CEMEX's interest rate swaps and cross currency swap contracts, and represent the net amount between the rate CEMEX pays and the rate received under such contracts. In the determination of the future estimated cash flows, CEMEX used the interest rates applicable under such contracts as of December 31, 2007 and 2006.

(5) Amounts relating to planned funding of pensions and other postretirement benefits represent estimated annual payments under these benefits for the next 10 years, determined in local currency and translated into U.S. dollars at the exchange rates as of December 31, 2007 and 2006, and include the estimate of new retirees during such future years.

21. CONTINGENCIES

A) TAX ASSESSMENTS

On April 3, 2007, the Mexican tax authority issued a decree providing for a tax amnesty program, which allows for the settlement of previously issued tax assessments. CEMEX decided to take advantage of the benefits of this program, resulting in the settlement of a significant portion of the existing fiscal tax assessments of prior years. As a result of the program, as of December 31, 2007, CEMEX's total existing tax assessments amount to Ps145. CEMEX, S.A.B. de C.V. and some of its subsidiaries in Mexico have been notified by the Mexican tax authority of several additional tax assessments related to different tax periods. Tax assessments are based primarily on investments made in entities incorporated in foreign countries with preferential tax regimes. CEMEX has appealed these tax assessments before the Mexican federal tax court, and the appeals are pending resolution.

Pursuant to amendments to the Mexican income tax law, which became effective on January 1, 2005, Mexican companies with direct or indirect investments in entities incorporated in foreign countries whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico, are required to pay taxes in Mexico on income derived from such foreign entities, provided that the income is not derived from entrepreneurial activities in such countries. In those applicable cases, the tax payable by Mexican companies pursuant to these amendments would be effective beginning in respect of the 2005 tax year, which results were due upon filing their annual tax returns in 2006. CEMEX believes these amendments are contrary to Mexican constitutional principles; consequently, on August 8, 2005, CEMEX filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. On December 23, 2005, CEMEX obtained a favorable ruling from the Mexican federal court that the amendments were unconsitutional; however, the Mexican tax authority has appealed this ruling, and it is pending resolution. In March 2006, CEMEX filed another motion in the Mexican federal courts challenging the constitutionality of the amendments. On June 29, 2006, CEMEX obtained a favorable ruling from the Mexican federal court stating that the amendments were unconstitutional. The Mexican tax authority has appealed this ruling, and it is pending for resolution.

As of December 31, 2007, the Philippine Bureau of Internal Revenue assessed CEMEX's subsidiaries in the Philippines, for deficiencies in the amount of income tax paid in prior tax years. Tax assessments amount to approximately 2,515 million Philippine pesos (approximately U.S.$61 or Ps665). These tax assessments result primarily from: (i) disallowed determination of certain tax benefits from 1999 to 2001, and, (ii) deficiencies in the determination of national taxes. The affected companies have appealed and, in some cases, some assessments are

pending resolution or have been disregarded by the Philippine tax authorities as the subsidiaries continue to present evidence to dispute their findings. The subsidiaries involved in these procedures are evaluating their eligibility to join a Philippine tax amnesty program for tax credits related to the tax year 2005 and prior years.

In addition to the assessments mentioned in the previous paragraph, as of the balance sheet date, the tax returns submitted by some subsidiaries of CEMEX located in several countries are under ordinary review by the respective tax authorities. CEMEX cannot anticipate if such reviews will originate new tax assessments, which, should any exist, would be appropriately disclosed and/or recognized in the financial statements.

B) ANTI-DUMPING DUTIES

In 1990, the United States Department of Commerce ("DOC") imposed an anti-dumping duty order on imports of gray Portland cement and clinker from Mexico. As a result, since that year and until April 3, 2006, CEMEX paid anti-dumping duties for cement and clinker exports to the United States at rates that fluctuated between 37.49% and 80.75% over the transaction amount, and beginning in August 2003, anti-dumping duties had been paid at a fixed rate of approximately U.S.$52.4 per ton, which decreased to U.S.$32.9 per ton starting in December 2004 and to U.S.$26.3 per ton in 2005. Through these years, CEMEX has used all available legal resources to revoke the order from the United States International Trade Commission ("ITC").

In January 2006, officials from the Mexican and the United States governments announced that they had reached an agreement that brought to an end the longstanding dispute over anti-dumping duties on Mexican cement exports to the United States. According to the agreement, restrictions imposed by the United States will first be eased during a three-year transition period and completely eliminated in early 2009, allowing cement from Mexico to enter the U.S. without duties or other limits on volumes. During the transition period, Mexican cement imports into the U.S. will be subject to volume limitations of three million tons per year. This amount may be increased in response to market conditions during the second and third year of the transition period, subject to a maximum increase per year of 4.5%. The amount increased 2.7% in the second year. Quota allocations to companies that import Mexican cement into the U.S. will be made on a regional basis. The transitional anti-dumping duty was lowered to 3 dollars per ton from the previous amount of approximately 26.3 dollars per ton as of December 31, 2005. As a result of this agreement, CEMEX received a cash refund from the U.S. government associated with the pre-January 2006 anti-dumping duties of approximately U.S.$111 (Ps1,299) and eliminated a provision of approximately U.S.$65, both of which were recognized in 2006 within "Other expenses, net".

During 2001, the Ministry of Finance ("MOF") of Taiwan, in response to the claim of five Taiwanese cement producers, initiated a formal anti-dumping investigation involving imported gray Portland cement and clinker from the Philippines and South Korea. In July 2002, the MOF gave notice of a cement and clinker import duty, from imports on South Korea and the Philippines, beginning on July 19, 2002. The imposed tariff was 42% on imports from APO and Solid. In September 2002, these entities appealed the anti-dumping duty before the Taipei High Administrative Council ("THAC"). In August 2004, CEMEX received an adverse response to its requests from the THAC. CEMEX did not appeal this resolution, which became final. The anti-dumping duty order is subject to review by the government after five years following its imposition to verify if conditions of harm to the local industry have changed and, if applicable, the government may revoke the anti-dumping duty. As a result of a request from CEMEX's subsidiaries in April 2007, the MOF initiated an investigation to evaluate if the order shall continue or be revoked at the end of the fifth year. A resolution is expected in March 2008.

C) OTHER LEGAL PROCEEDINGS AND CONTINGENCIES

On July 13, 2007, the Australian Takeovers Panel published a declaration of unacceptable circumstances, which mentioned that CEMEX's May 2007 announcement that stated it would allow Rinker stockholders to retain the final

dividend of 0.25 Australian dollar per share constituted a departure from CEMEX's announcement on April 10, 2007 which said that its offer of U.S.$15.85 per share was its "best and final offer". The Panel ordered CEMEX to pay compensation of 0.25 dollar per share to Rinker stockholders who sold their shares during the period from April 10 to May 7, 2007, net of any purchases that were made. CEMEX believes that the market was fully informed by its announcement made on April 10, 2007, and notes that the Takeovers Panel has made no finding that CEMEX breached any law. CEMEX has lodged a request for a review of the Panel's decision. On July 20, 2007, the Review Panel has made an interim order staying the operation of the order until further notice. Although there is insufficient information about the exact amount, CEMEX estimates that the maximum amount it would have to pay if the Panel's order were affirmed is approximately 29 million Australian dollars (U.S.$25 or Ps273).

On January 2, 2007, the Polish Competition and Consumers Protection Office the ("Protection Office") notified CEMEX Polska, a subsidiary in Poland, about the formal initiation of an antitrust proceeding against all cement producers in the country, which include CEMEX's subsidiaries CEMEX Polska and Cementownia Chelm. The Protection Office assumed in the notification that there was an agreement between all cement producers in Poland by means of which such cement producers agreed on market quotas in terms of production and sales, establishment of prices and other sale conditions and the exchange of information, which limited competition in the Polish market with respect to the production and sale of cement. On January 22, 2007, CEMEX Polska filed its response to the notification, denying firmly that it had committed the practices listed by the Protection Office in the notification. Cemex Polska has also included in the response various formal comments and objections gathered during the proceeding, as well as facts supporting its position and demonstrating that its activities were in line with competition law. The Protection Office extended the date of the completion of the antitrust proceeding until July 2008 and CEMEX expects further extension. According to the Polish competition law, the maximum fine could reach 10% of the total revenues of the fined company for the calendar year preceding the imposition of the fine. The theoretical estimated penalty applicable to the Polish subsidiaries would amount to approximately 110 million Polish zloty (U.S.$45 or Ps489). As of December 31, 2007, CEMEX considers there are not justified factual grounds to expect fines to be imposed on its subsidiaries; nevertheless, at this stage of the proceeding it is not possible for CEMEX to predict that there would not be an adverse result in the investigation.

In December 2006, the union of employees in Assiut plant, CEMEX's Egyptian subsidiary, filed a lawsuit against this company, claiming 10% employees' profit sharing for the fiscal years 2004 and 2005 in the amount of approximately U.S.$12 (Ps131). A resolution from the ourt is expected in February 2008.

A third party has sued CEMEX's subsidiary in Australia, claiming the reimbursement of approximately 22 million Australian dollars (U.S.$19 or Ps211) of the price it paid in 2006 for the subsidiary's half interest in an asphalt and road surfacing business. The parties have agreed first to litigate the dispute over the calculation of the final adjustment to the price. The case has been listed for hearings in May 2008.

In April 2006, the cities of Kastela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to Dalmacijacement, CEMEX's subsidiary in Croatia, by the Government of Croatia in September 2005. In May 2006, CEMEX filed several lawsuits in different courts seeking a declaration of its rights and demanding the prohibition of the implementation of the Master Plans. The municipal courts in Kastela and Solin have issued first instance judgements dismissing the possessory actions presented by CEMEX. These resolutions have been appealed. It is difficult to determine the impact on CEMEX for the resolutions in Kastela and Solin. These cases are currently under review by the courts and applicable administrative entities in Croatia, and it is expected that these proceedings will continue for several years before resolution.

Rinker Materials, one of CEMEX's subsidiaries in the United States, is the beneficiary of two of ten federal quarrying permits granted for the Lake Belt area in South Florida, which cover one of CEMEX's largest aggregate quarries in that region. On March 22, 2006, a judge of the U.S. District Court for the Southern District of Florida

issued a ruling in connection with litigation brought by environmental groups concerning the manner in which the permits were granted. Although not named as a defendant, Rinker has intervened in the proceedings to protect its interests. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the relevant governmental agencies in connection with the issuance of the permits. The judge remanded the permits to the relevant governmental agencies for further review. Such review, may conclude until May 2008, based on the March 2007 court filing by the government agencies. The judge also conducted further proceedings to determine the activities to be followed during the remand period. The judge determined to leave in place CEMEX's Lake Belt permits in operations until the government agencies conclude their review. The appellate court set an expedited schedule for the appeal, with a hearing that was held in November 2007. If the Lake Belt permits were ultimately set aside or quarrying operations under them restricted, CEMEX would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This could adversely affect CEMEX's operating results in the United States.

In 2005, through the acquisition of RMC, CEMEX assumed environmental remediation liabilities in the United Kingdom, for which as of December 31, 2007, CEMEX has generated a provision of approximately £122 (U.S.$242 or Ps2,646). The costs have been assessed on a net present value basis. These environmental remediation liabilities refer to closed and current landfill sites for the confinement of waste, and expenditure has been assessed and quantified over the period in which the sites have the potential to cause environmental harm, which has been accepted by the regulator as being up to 60 years from the date of closure. The assessed expenditure relates to the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure.

In August 2005, Cartel Damages Claims, S.A. ("CDC"), filed a lawsuit in the District Court in Düsseldorf, Germany against CEMEX Deutschland AG, CEMEX's German subsidiary, and other German cement companies. By means of this lawsuit, CDC is seeking approximately €102 (U.S.$149 or Ps1,625) in respect of damage claims by 28 entities relating to alleged price and quota fixing by German cement companies between 1993 and 2002. CDC is a Belgian company established in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany's Federal Cartel Office, with the purpose of purchasing potential damage claims from cement consumers and pursuing those claims against the cartel participants. During 2006 new petitioners assigned alleged claims to CDC, and the amount of damages being sought by CDC increased to €114 (U.S.$166 or Ps1,808) plus interest. In February 2007, the District Court in Düsseldorf allowed this procedure. All defendants appealed the resolution. The next hearing on the appeal will take place in March 2008. As of December 31, 2007, CEMEX Deutschland AG has accrued liabilities related to this lawsuit for approximately €20 (U.S.$29 or Ps319).

In August 2005, a lawsuit was filed against a subsidiary of CEMEX Colombia, claiming that it was liable along with the other members of the *Asociación Colombiana de Productores de Concreto*, or ASOCRETO, a union formed by all the ready-mix concrete producers in Colombia, for the premature distress of the roads built for the mass public transportation system in Bogotá using ready-mix concrete supplied by CEMEX Colombia and other ASOCRETO members. The plaintiffs allege that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs seek the repair of the roads and estimate that the cost of such repair will be approximately U.S.$45 (Ps491). In December 2006, two ASOCRETO officers were formally accused as participants (determiners) in the execution of a state contract without fulfilling all legal requirements thereof. In November 2007, a judge dismissed an annulment petition filed by ASOCRETO's officers. This decision was appealed. At this stage in the proceedings, it is not possible to assess the likelihood of an adverse result or the potential damages that could be borne by CEMEX Colombia.

As of December 31, 2007, CEMEX's subsidiaries in the United States have accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$48 (Ps524). The environmental matters relate to: a) in the past, in accordance with industry practices, disposing of various materials, which might be currently categorized as hazardous substances or wastes, and b) the cleanup of sites used or operated by CEMEX, including discontinued operations, regarding the disposal of hazardous substances or wastes, either individually or jointly with

other parties. Most of the proceedings remain in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX's subsidiaries consider that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on the information developed to date, the subsidiaries do not believe they will be required to spend significant sums on these matters in excess of the amounts previously recorded. Until all environmental studies, investigations, remediation work and negotiations with or litigation against potential sources of recovery have been completed, the ultimate cost that might be incurred to resolve these environmental issues cannot be assured.

During 2001, three CEMEX's subsidiaries in Colombia received a civil liability suit from 42 transporters, contending that these subsidiaries are responsible for alleged damages caused by the breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of approximately 127,242 million Colombian pesos (U.S.$63 or Ps690). In February 2006, CEMEX was notified of the judgment of the court dismissing the claims of the plaintiffs. The case is currently under review by the appellate court.

During 1999, several companies filed a civil lawsuit against two subsidiaries of CEMEX in Colombia, alleging that the Ibagué plants were causing damage to their lands due to the pollution they generate. In January 2004, CEMEX Colombia, S.A. was notified of the court's judgment against CEMEX Colombia, which awarded damages to the plaintiffs in the amount of approximately 21,114 million Colombian pesos (U.S.$10 or Ps114). CEMEX Colombia appealed the judgment. The appeal was accepted and the case was sent to the *Tribunal Superior de Ibagué*. The case is currently under review by the appellate court. CEMEX expects this proceeding to continue for several years before its final resolution.

In addition to the above, as of December 31, 2007, CEMEX is involved in various legal proceedings that have arisen in the ordinary course of business. These proceedings involve: 1) product warranty claims; 2) claims for environmental damages; 3) indemnification claims relating to acquisitions; 4) claims to revoke licenses and/or concessions; and 5) other diverse civil actions. In connection with these proceedings, CEMEX considers that in those instances in which obligations had been incurred, CEMEX has accrued adequate provisions to cover the related risks. CEMEX believes that these matters will be resolved without any significant effect on its business.

22. RELATED PARTIES

All significant balances and transactions between the entities that constitute the CEMEX group have been eliminated in the preparation of the consolidated financial statements. These balances with related parties result primarily from: (i) the sale and purchase of cement, clinker and other raw materials to and from group entities; (ii) the sale and/or acquisition of subsidiaries' shares within the CEMEX group; (iii) the invoicing of administrative services, rentals, trademarks and commercial name rights, royalties and other services rendered between group entities; and (iv) loans between related parties. Transactions between group entities are conducted on arm's length terms based on market prices and conditions.

The definition of related parties includes entities or individuals outside the CEMEX group, which, pursuant to their relationship with CEMEX, may take advantage from being in a privileged situation. Likewise, this applies to cases in which CEMEX may take advantage of such relationships and obtain benefits in its financial position or operating results. CEMEX's transactions with related parties are executed under market conditions. CEMEX has identified the following transactions between related parties:

- Mr. Bernardo Quintana Isaac, a member of the board of directors at CEMEX, S.A.B. de C.V., is the current chairman of the board of directors of Empresas ICA, S.A.B. de C.V. ("Empresas ICA"), and was its chief executive officer until December 31, 2006. Empresas ICA is one of the most important engineering and construction companies in Mexico. In the ordinary course of business, CEMEX extends financing to Empresas ICA in connection with the purchase of CEMEX's products, on the same credit conditions that CEMEX awards to other customers.

- In the past, CEMEX extended loans of varying amounts and interest rates to its board members and top management executives. As of December 31, 2005, the maximum aggregate amount of loans to such persons was approximately Ps11. In 2006, these loans were fully paid. As of December 31, 2007 and 2006, there are no loans between CEMEX and board members or top management executives.

- For the years ended December 31, 2007 and 2006, the aggregate amount of compensation paid by CEMEX, S.A.B. de C.V. and subsidiaries to its board of directors, including alternate directors, and top management executives was approximately U.S.$31 (Ps339) and U.S.$41 (Ps480), respectively. Of these amounts, approximately U.S.$14 (Ps153) in 2007 and U.S.$14 (Ps164) in 2006 were paid as base compensation plus performance bonuses, while approximately U.S.$17 (Ps186) in 2007 and U.S.$27 (Ps316) in 2006 corresponded to payments under the long-term incentive program for the purchase of restricted CPOs.

23. SUBSEQUENT EVENTS

On January 11, 2008, in connection with the strategic alliance with Ready Mix USA (note 11), CEMEX contributed assets valued at approximately U.S.$260 (Ps2,839) to Ready Mix USA, LLC and sold additional assets to this entity for approximately U.S.$120 (Ps1,310) in cash. As part of the transaction, Ready Mix USA made a U.S.$125 (Ps1,365) cash contribution to its subsidiary Ready Mix USA, LLC, which in turn, borrowed U.S.$135 (Ps1,474) from banks, and made a special cash distribution to CEMEX of U.S.$135 (Ps1,474). Ready Mix USA will manage all the newly acquired assets. Following this transaction, Ready Mix USA, LLC continues to be 50.01% owned by Ready Mix USA and 49.99% by CEMEX.

On March 31, 2008, CEMEX announced the sale, through one of its subsidiaries, of 119 million CPOs of AXTEL S.A.B. de C.V. ("AXTEL"), which represented 9.5% of the equity capital of AXTEL, for approximately U.S.$257. The sale represented approximately 90% of CEMEX's position in AXTEL, which has been part of CEMEX's long-term investments. CEMEX used the proceeds from the sale of its equity interest in AXTEL to repay debt. The sale generated a gain of approximately U.S.$180.

In furtherance of the announced policy to nationalize certain sectors of the economy, on June 18, 2008, presidential decree No. 6,091 *Decreto con Rango, Valor y Fuerza de Ley Orgánica de Ordenación de las Empresas Productoras de Cemento* (the "Nationalization Decree") was promulgated, mandating that the cement production industry in Venezuela be reserved to the State and ordering the conversion of foreign-owned cement companies, including CEMEX Venezuela, into state-controlled companies with Venezuela holding an equity interest of at least 60%. The Nationalization Decree provides for the formation of a transition committee to be integrated with the board of directors of the relevant cement company to guaranty the transfer of control over all activities of the relevant cement company to Venezuela by December 31, 2008. The Nationalization Decree further establishes a deadline of August 17, 2008 for the shareholders of foreign-owned cement companies, including CEMEX Venezuela, to reach an agreement with the Government of Venezuela on the compensation for the nationalization of their assets. The Nationalization Decree also provides that this deadline may be extended by mutual agreement of the Government of Venezuela and the relevant shareholder. Pursuant to the Nationalization Decree, if an agreement is not reached, Venezuela shall assume exclusive operational control of the relevant cement company and the Venezuelan National Executive shall decree the expropriation of the relevant shares according to the Venezuelan expropriation law. No asurance can be given that an agreement with the Government of Venezuela will be reached.

The Government of Venezuela has been advised by our subsidiaries in Spain and The Netherlands that are investors in CEMEX Venezuela that these subsidiaries reserve their rights to bring expropriation claims in arbitration under the Bilateral Investment Treaties Venezuela signed with those countries.

In connection with the nationalization matter described above, at December 31, 2007, CEMEX Venezuela, S.A.C.A. was the holding entity of several of CEMEX's investments in the region, including CEMEX's operations in the Dominican Republic and Panama, as well as CEMEX's minority investment in Trinidad. In the wake of statements by the Government of Venezuela about the nationalization of assets in Venezuela, in April 2008, CEMEX concluded the transfer of all material non-Venezuelan investments to CEMEX España for approximately U.S.$355 plus U.S.$112 net debt, having distributed all accrued profits from the non-Venezuelan investments to the stockholders of CEMEX Venezuela amounting to U.S.$132. At this time, the net impact or the outcome of the nationalization on CEMEX's consolidated financial results cannot be reasonably estimated. The approximate net assets of CEMEX's Venezuelan operations under Mexican FRS at December 31, 2007 were approximately Ps8,973.

On June 13, 2008, the Venezuelan securities authority initiated an administrative proceeding against CEMEX Venezuela, claiming that the company did not sufficiently inform its shareholders and the securities authority in connection with the transfer of the non-Venezuelan assets described above. We are currently reviewing the factual and legal considerations relative to this proceeding and will respond within the applicable legal time period.

On April 11, 2008, in connection with the tax assessments in Mexico (note 21A), CEMEX was notified that it obtained a favorable definitive resolution on its appeals, which reduced to approximately Ps36 (U.S.$3), the amount of tax assessments in Mexico.

On April 24, 2008, the annual ordinary stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps6,000 (nominal amount); (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps7,500 (nominal amount), issuing shares as a stock dividend for up to 1,500 million shares, equivalent to 500 million CPOs, based on a price of approximately Ps23.93 (nominal amount) per CPO; or instead, stockholders could have chosen to receive a cash dividend of U.S.$0.0835 in cash for each CPO, or approximately $0.8678 pesos (nominal amount) for each CPO, considering the exchange rate of *Banco de Mexico* on May 29, 2008 of $10.3925 pesos per 1 dollar; and (iii) the cancellation of the corresponding shares held in

CEMEX's treasury. As a result, shares equivalent to approximately 284 million CPOs were issued, while an approximate cash dividend payment was made for approximately Ps214 (nominal amount).

In April 2008, Citibank entered into put option transactions on CEMEX's CPOs with a Mexican trust that CEMEX established on behalf of CEMEX's Mexican pension fund and certain of CEMEX's directors and current and former employees (the "participating individuals"). The transaction was structured with two main components. Under the first component of the transaction, the trust sold, for the benefit of CEMEX's Mexican pension fund, put options to Citibank. The put option gave Citibank the right to require the trust to purchase, in April 2013, approximately 56 million CPOs at a price of U.S.$3.2086 each (120% of initial CPO price in dollars). In exchange for this right, Citibank paid a premium of approximately U.S.$38.2. The premium was deposited into the trust for the benefit of CEMEX's Mexican pension fund and was used to purchase, on a prepaid forward basis, certain securities that track the performance of the Mexican Stock Exchange. Under the second component of the transaction, the trust sold, on behalf of the participating individuals, additional put options to Citibank. These put options gave Citibank the right to require the trust to purchase, in April 2013, approximately 56 million CPOs at a price of U.S.$3.2086 each (120% of initial CPO price in dollars), in exchange for total premium payments of approximately U.S.$38.2, which were used to purchase prepaid forward CPOs. These prepaid forward CPOs, together with an additional equal amount in U.S. dollars or CPOs, were deposited into the trust by the participating individuals as security for the obligations of the trust under both components of the transaction, and represent the maximum exposure of the participating individuals under this transaction. If the value of these assets, represented by 28.6 million CPOs, were to become insufficient to cover the obligations of the trust under the second component of the transaction, CEMEX's Mexican pension fund would be required to purchase in April 2013 the 56 million CPOs corresponding to the second component of the transaction at a price per CPO equal to the difference between U.S$3.2086 and 51% of the then-current CPO market price. Gains and/or losses under this transaction will be recognized by CEMEX as a component of CEMEX's pension expense. The purchase dollar price of CPOs and the corresponding number of CPOs under the transaction are subject to dividend adjustments.

On May 5, 2008, in connection with the anti-dumping order in Taiwan (note 21B), CEMEX received a letter from the MOF, stating that the anti-dumping duty imposed on gray portland cement and clinker imports from the Philippines and South Korea has been terminated starting May 5, 2008.

On May 6, 2008, CEMEX announced that it is exploring the sale of certain selected assets, including operations in Austria, Hungary and select building products in the U.K. The Austrian assets consist of 26 aggregate plants and 39 ready-mix plants, and generated revenues of approximately U.S.$274 in 2007. The Hungarian assets consist of five aggregate plants, 31 ready-mix plants and five paving stone plants, and generated revenues of approximately U.S.$84 in 2007. The UK assets consist of the floors, roof tiles and the rail products businesses, which generated combined sales of approximately U.S.$98 in 2007. The proceeds from the potential assets sales are expected to be used to repay debt.

On May 14, 2008, the District Court of Düsseldorf dismissed an appeal of all defendants in connection with the lawsuit against CEMEX Deutschland AG and other German cement companies in respect of damage claims relating to alleged price and quota fixing (note 21C). As of the date of this annual report, CDC had acquired new assigners and announced to increase the claim to €131.

On June 2, 2008, CEMEX, through one of its subsidiaries, closed two identical U.S.$525 facilities with a group of relationship banks. Each facility allows the principal amount to be automatically extended for consecutive six months periods indefinitely after a period of three years by CEMEX and includes an option of CEMEX to defer interest at any time (except in limited situations), subject to the absence of an event of default under the facility. The amounts outstanding under the facilities, because of the interest deferral provision and the option of CEMEX to extend the maturity of the principal amounts indefinitely, will be treated as equity for accounting purposes in accordance with Mexican FRS and as debt under U.S. GAAP, in the same manner as CEMEX's outstanding perpetual debentures. Obligations of CEMEX under each facility rank *pari-passu* with CEMEX's obligations under the perpetual debentures and its senior unsecured indebtedness. Within the first three years that each facility is in place, CEMEX, subject to the satisfaction of specified conditions, has options to convert all (and not part) of the respective amounts outstanding under the respective facility into maturity loans, each with a fixed maturity date of June 30, 2011.

24. MAIN SUBSIDIARIES

The main subsidiaries as of December 31, 2007 and 2006 are as follows:

Subsidiary	Country	% interest 2007	2006
CEMEX México, S. A. de C.V. (1)	Mexico	100.0	100.0
CEMEX España, S.A. (2)	Spain	99.8	99.7
CEMEX Venezuela, S.A.C.A. (3)	Venezuela	75.7	75.7
CEMEX, Inc. (4)	United States of America	100.0	100.0
CEMEX (Costa Rica), S.A.	Costa Rica	99.1	99.1
Assiut Cement Company	Egypt	95.8	95.8
CEMEX Colombia S.A.	Colombia	99.7	99.7
Cemento Bayano, S.A.	Panama	99.5	99.3
CEMEX Dominicana, S.A.	Dominican Republic	99.9	99.9
CEMEX de Puerto Rico Inc.	Puerto Rico	100.0	100.0
CEMEX France Gestion (S.A.S.)	France	100.0	100.0
CEMEX Australia Pty. Ltd. (4)	Australia	100.0	–
CEMEX Asia Holdings Ltd. (5)	Singapore	100.0	100.0
Solid Cement Corporation (5)	Philippines	100.0	100.0
APO Cement Corporation (5)	Philippines	100.0	100.0
CEMEX (Thailand) Co., Ltd. (5)	Thailand	100.0	100.0
CEMEX U.K.	United Kingdom	100.0	100.0
CEMEX Investments Limited	United Kingdom	100.0	100.0
CEMEX Deutschland, AG.	Germany	100.0	100.0
CEMEX Austria plc.	Austria	100.0	100.0
Dalmacijacement d.d.	Croatia	99.2	99.2
CEMEX Czech Operations, s.r.o.	Czech Republic	100.0	100.0
CEMEX Polska sp. Z.o.o.	Poland	100.0	100.0
Danubiusbeton Betonkészító Kft.	Hungary	100.0	100.0
Readymix PLC.(3)	Ireland	61.7	61.7
CEMEX Holdings (Israel) Ltd.	Israel	100.0	100.0
SIA CEMEX	Latvia	100.0	100.0
CEMEX Topmix LLC, Gulf Quarries LLC, CEMEX Supermix LLC and CEMEX Falcon LLC (6)	United Arab Emirates	100.0	100.0

(1) CEMEX México, S.A. de C.V. is the indirect holding company of CEMEX España, S.A. and subsidiaries.

(2) CEMEX España, S.A. is the indirect holding company of all CEMEX's international operations.

(3) Companies listed in the stock exchange of their respective countries.

(4) CEMEX Inc. is the indirect holding company of 100% of the common stock of Rinker Materials LLC's equity, while CEMEX Australia Pty. Ltd. is the holding company of 100% of the common stock of Rinker Group Pty Ltd.

(5) Represents CEMEX's indirect interest in the economic benefits of these entities.

(6) CEMEX owns 49% of the common stock and obtains 100% of the economic benefits of the operating subsidiaries in that country, through agreements with other stockholders.

25. DIFFERENCES BETWEEN MEXICAN AND UNITED STATES ACCOUNTING PRINCIPLES

As mentioned in note 3A, beginning in 2006, the consolidated financial statements are prepared in accordance with financial reporting standards accepted in Mexico ("Mexican FRS"), which differ in certain significant respects from generally accepted accounting principles applicable in the United States ("U.S. GAAP"). The Mexican FRS replaced the generally accepted accounting principles in Mexico ("Mexican GAAP") issued by the Mexican Institute of Public Accountants. The Mexican FRS initially adopted the former Mexican GAAP effective in 2005 in their entirety; therefore, there were no effects in CEMEX's financial statements resulting from the adoption of the Mexican FRS.

The Mexican FRS consolidated financial statements included, until December 31, 2007, the effects of inflation as provided for under Financial Reporting Standard B-10, *Recognition of Inflation Effects on the Financial Information* ("MFRS B-10") and Financial Reporting Standard B-15, *Foreign Currency Transactions and Translation of Financial Statements of Foreign Operations* ("MFRS B-15"), whereas financial statements prepared under U.S. GAAP are presented on a historical cost basis. The reconciliation to U.S. GAAP includes (i) a reconciling item for the reversal of the effect of applying MFRS B-15 for the restatement to constant pesos at December 31, 2007 for the years ended December 31, 2006 and 2005, and (ii) a reconciling item to reflect the difference in the carrying value of machinery and equipment of foreign origin and related depreciation between the methodology set forth by MFRS B-10 and the amounts that would be determined by using the historical cost/constant currency method. As described below, these provisions of inflation accounting under Mexican FRS do not meet the requirements of Rule 3-20 of Regulation S-X of the Securities and Exchange Commission. The reconciliation does not include the reversal

of

other Mexican FRS inflation accounting adjustments as these adjustments represented a comprehensive measure of the effects of price level changes in the Mexican economy and, as such, were considered a more meaningful presentation than historical cost-based financial reporting for both Mexican and U.S. accounting purposes.

For the years ended December 31, 2007, 2006 and 2005, the other main differences between Mexican FRS and U.S. GAAP, and their effect on consolidated net income and earnings per share, are presented below:

		2007	2006	2005
Net income reported under Mexican FRS	Ps	26,108	27,855	26,519
Inflation adjustment **(1)**		–	(1,151)	(2,250)
Net income reported under Mexican FRS after inflation adjustment		26,108	26,704	24,269
U.S. GAAP adjustments:				
1. Deferred income taxes (note 25(b))		(1,103)	1,005	(216)
2. Employees' statutory profit sharing (note 25(b))		226	(111)	161
3. Accounting for uncertainty in income taxes (note 25(c))		(2,188)	–	–
4. Employee benefits (note 25(d))		61	136	(859)
5. Minority interest – financing transactions (note 25(e))		(1,857)	(142)	–
6. Minority interest – effect of U.S. GAAP adjustments (note 25(e))		(239)	14	9
7. Hedge accounting (note 25(i))		(339)	(454)	1,164
8. Depreciation (note 25(f))		10	56	20
9. Equity in net income of associate companies (note 25(g))		7	122	4
10. Inflation adjustment of machinery and equipment (note 25(h))		(291)	(307)	(331)
11. Derivative financial instruments (note 25(i))		–	–	(1,592)
12. Employee stock option programs (note 25 (j))		–	–	931
13. Other adjustments – Deferred charges (note 25(k))		122	120	181
14. Other adjustments – Capitalized interest (note 25(k))		252	3	4
15. Other adjustments – Monetary position result (note 25(k))		598	169	188
U.S. GAAP adjustments before cumulative effect of accounting change		(4,741)	611	(336)
Net income under U.S. GAAP before cumulative effect of accounting change		21,367	27,315	23,933
Cumulative effect of accounting change (SFAS 123R – note 25 (j))		–	(931)	–
Net income under U.S. GAAP after cumulative effect of accounting change	Ps	21,367	26,384	23,933
Basic EPS under U.S. GAAP before cumulative effect of accounting change	Ps	0.96	1.27	1.15
Diluted EPS under U.S. GAAP before cumulative effect of accounting change		0.96	1.27	1.14
Basic EPS under U.S. GAAP after cumulative effect of accounting change	Ps	0.96	1.23	1.15
Diluted EPS under U.S. GAAP after cumulative effect of accounting change		0.96	1.23	1.14

At December 31, 2007 and 2006, the other main differences between Mexican FRS and U.S. GAAP, and their effect on consolidated stockholders' equity, with an explanation of the adjustments, are presented below:

			2007	2006
	Total stockholders' equity reported under Mexican FRS	Ps	204,153	173,111
	Inflation adjustment (1)		–	(7,150)
	Total stockholders' equity reported under Mexican FRS after inflation adjustment		204,153	165,961
	U.S. GAAP adjustments:			
1.	Goodwill, net (notes 25(a), (c) and (d))		11,675	8,509
2.	Deferred income taxes (note 25(b))		670	2,340
3.	Deferred employees' statutory profit sharing (note 25(b))		(2,740)	(3,132)
4.	Accounting for uncertainty in income taxes (note 25(c))		(2,105)	–
5.	Employee benefits (note 25(d))		(64)	(199)
6.	Minority interest – Financing transactions (note 25(e))		(33,470)	(14,037)
7.	Minority interest – U.S. GAAP presentation (note 25(e))		(8,010)	(7,581)
8.	Depreciation (note 25(f))		–	(10)
9.	Investment in net assets of associate companies (note 25(g))		(135)	(130)
10.	Inflation adjustment for machinery and equipment (note 25(h))		5,479	3,532
11.	Other adjustments – Deferred charges (note 25(k))		(20)	(137)
12.	Other adjustments – Capitalized interest (note 25(k))		317	65
	U.S. GAAP adjustments		(28,403)	(10,780)
	Stockholders' equity under U.S. GAAP before cumulative effect of accounting changes		175,750	155,181
	Cumulative effect of accounting change (FIN 48 – note 25(c))		(3,533)	–
	Cumulative effect of accounting change (SFAS 158 – note 25(d))		–	(1,942)
	Stockholders' equity under U.S. GAAP after cumulative effect of accounting changes	Ps	172,217	153,239

(1) Adjustment that reverses the restatement of prior periods into constant pesos at December 31, 2007, using the CEMEX weighted average inflation factor (note 3B), and restates such prior periods into constant pesos at December 31, 2007 using the Mexican restatement inflation factor, in order to comply with requirements of Regulation S-X. The Mexican FRS and U.S. GAAP prior period amounts included throughout note 25, were restated using the Mexican restatement inflation factor, with the exception of those amounts of prior periods that are also disclosed in notes 1 to 24, which were not restated in note 25 using the Mexican inflation factor in order to have more straightforward cross-references between note 25 and the Mexican FRS notes.

The term "SFAS" as used herein refers to U.S. Statements of Financial Accounting Standards. Likewise, the term "FASB" refers to U.S. Financial Accounting Standards Board.

The reconciling item cumulative effect of accounting change in the reconciliation of stockholders' equity to U.S. GAAP as of December 31, 2007, relates to the adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), an interpretation of SFAS No. 109, *Accounting for Income Taxes*, details of which are described in note 25(c).

The reconciling item cumulative effect of accounting change in the reconciliation of stockholders' equity to U.S. GAAP as of December 31, 2006, relates to the adoption of SFAS 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS 158"), details of which are described in note 25(d).

The reconciling item cumulative effect of accounting change in the reconciliation of net income to U.S. GAAP for the year ended December 31, 2006, relates to the adoption of SFAS 123R, *Share-Based Payment* ("SFAS 123R"), details of which are described in note 25(j).

(a) Goodwill

Goodwill recognized under Mexican FRS has been adjusted for U.S. GAAP purposes for: (i) the effect on goodwill from the U.S. GAAP adjustments as of the acquisition dates; (ii) beginning January 1, 2002, Goodwill is not amortized under U.S. GAAP, while under Mexican FRS goodwill was amortized until December 31, 2004; and (iii) until December 31, 2003, goodwill under Mexican GAAP was carried in the functional currencies of the holding companies for the reporting units, was translated into pesos and was then restated using the Mexican inflation index, while under U.S. GAAP, goodwill is carried in the functional currencies of the reporting units, is restated by the inflation factor of the reporting unit's country, and is translated into Mexican pesos at the exchange rates prevailing at the reporting date. Goodwill generated beginning January 1, 2005 under Mexican FRS, which amounts to approximately 90% of CEMEX's total goodwill under Mexican FRS at December 31, 2007, is carried consistently with the accounting policy for goodwill under U.S. GAAP.

Similar to SFAS 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), beginning January 1, 2005 under Mexican FRS, goodwill is not amortized and is subject to impairment testing at least once a year. Consequently, no adjustment related to the reversal of goodwill amortization was required in the reconciliation of net income to U.S. GAAP for any of the three years presented.

Under both Mexican FRS and U.S. GAAP, CEMEX assesses goodwill and other indefinite-lived intangibles for impairment annually unless events occur that require more frequent reviews. Discounted cash flow analyses are used to assess goodwill impairment (note 11C). If an assessment indicates impairment, the impaired asset is written down to its fair market value based on the best information available. Assumptions used for these cash flows are consistent with internal forecasts. For this purpose, CEMEX identifies its reporting units and determines the carrying value of each reporting unit as of the balance sheet date, by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. CEMEX also determines the fair value of each reporting unit and compares it to the reporting unit's related carrying amounts. As explained in note 11C, based on the similarities of the components of the operating segments (cement, ready-mix concrete, aggregates and other construction materials), CEMEX's geographical segments under SFAS 131, *Disclosures about Segments of an Enterprise and Related Information* ("SFAS 131"), are also the reporting units under SFAS 142 for purposes of assessing fair value in determining potential impairment. For the years ended December 31, 2007, 2006 and 2005, there were no impairment charges of goodwill under Mexican FRS or U.S. GAAP (note 11).

Other long-lived assets, including amortizable intangibles, are tested for impairment under both Mexican FRS and U.S. GAAP if impairment triggers occur. If an assessment indicates impairment, the impaired asset is written down to its fair value based on the best information available. Considerable management judgment is necessary to estimate undiscounted and discounted future cash flows.

(b) ***Deferred Income Taxes and Employees' Statutory Profit Sharing***

Deferred Income Taxes ("IT")

Under Mexican FRS, CEMEX determines deferred income taxes in a manner similar to U.S. GAAP (notes 3O and 15B), using the asset and liability method, by applying the enacted statutory income tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, taking into account when the amounts become available and subject to a recoverability analysis, tax loss carryforwards as well as other recoverable taxes and tax credits. Nonetheless, there are specific differences as compared to the calculation under SFAS 109, *Accounting for Income Taxes* ("SFAS 109"), resulting in adjustments in the reconciliation to U.S. GAAP. These differences arise from: (i) the recognition of the accumulated initial effect of the asset and liability method under Mexican FRS, which was recorded directly to stockholders' equity and therefore did not consider the provisions of APB Opinion 16 for the deferred tax consequences in business combinations made before January 1, 2000; and (ii) the effects of deferred tax on the reconciling items between Mexican FRS and U.S. GAAP. For Mexican FRS presentation purposes, deferred tax assets and liabilities are long-term items, while under U.S. GAAP, deferred tax assets and liabilities should be classified as short-term or long-term items (note 25(l)) depending on the nature of the caption that gives rise to such deferred tax assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities under U.S. GAAP at December 31, 2007 and 2006 are presented below:

		2007	2006
Deferred tax assets:			
Tax loss and tax credits carryforwards	Ps	31,730	24,575
Accounts payable and accrued expenses		4,943	5,612
Others		2,664	1,801
Total gross deferred tax assets		39,337	31,988
Less valuation allowance		(21,093)	(14,083)
Total deferred tax assets under U.S. GAAP		18,244	17,905
Deferred tax liabilities:			
Property, plant and equipment		(63,956)	(39,232)
Others		(5,331)	(3,529)
Total deferred tax liability under U.S. GAAP		(69,287)	(42,761)
Net deferred tax liability under U.S. GAAP		(51,043)	(24,856)
Less—U.S. GAAP deferred IT liability of acquired subsidiaries at date of acquisition		(48,298)	(21,977)
Net deferred IT effect in stockholders' equity under U.S. GAAP		(2,745)	2,879
Less— Deferred IT effect in stockholders' equity under Mexican FRS (note 15B)		(3,415)	5,219
Net income in reconciliation of stockholders' equity to U.S. GAAP	Ps	670	2,340

CEMEX records a valuation allowance for the estimated amount of the deferred tax assets, which may not be realized due to insufficient future taxable income before the expiration of the tax loss carryforwards. Through its continual evaluation of the effects of tax strategies, among other economic factors, during 2007, 2006 and 2005 CEMEX increased the valuation allowance by approximately Ps7,010, Ps7,952 and Ps1,334, respectively.

Employees' Statutory Profit Sharing ("ESPS")

CEMEX has recorded a deferred tax liability for U.S. GAAP purposes, related to ESPS in Mexico, under the asset and liability method at the statutory rate of 10%. The principal effects of temporary differences that give rise to significant portions of the deferred ESPS liabilities at December 31, 2007 and 2006 are presented below:

		2007	2006
Deferred assets:			
Employee benefits	Ps	223	207
Trade accounts receivable and other		185	143
Gross deferred assets under U.S. GAAP		408	350
Deferred liabilities:			
Property, plant and equipment		3,074	3,229
Other		153	253
Gross deferred liabilities under U.S. GAAP		3,227	3,482
Net deferred liabilities under U.S. GAAP	Ps	2,819	3,132

In the condensed financial information under U.S. GAAP (note 25(l)), current and deferred ESPS is included in the determination of operating income. Under Mexican FRS, beginning January 1, 2007, current and deferred ESPS is included within other expenses, net. In prior years, such effects were presented as equivalents to income tax. CEMEX's income statements for the years ended December 31, 2006 and 2005 under Mexican FRS were reclassified to comply with the presentation rules required in 2007. Under Mexican FRS, CEMEX recognizes deferred ESPS for those temporary differences arising from the reconciliation of net income of the period and the taxable income for ESPS. The adjustment of ESPS in the reconciliation of net income to U.S. GAAP, includes the change in ESPS under U.S. GAAP for the period, net of the reversal of the ESPS recognized under Mexican FRS, representing an expense of Ps25 in 2007 and income of Ps201 in 2005. In 2006, there was no deferred ESPS determined under Mexican FRS.

(c) ***Accounting for Uncertainty in Income Taxes***

Under Mexican FRS there are no specific guidelines for recording uncertain tax positions. Therefore, CEMEX is not required to record an income tax liability unless CEMEX expects that a cash disbursement is probable and quantifiable.

For US GAAP purposes effective January 1, 2007, CEMEX adopted FIN 48, an interpretation of SFAS 109, by defining the confidence level that a tax position taken or expected to be taken must meet in order to be recognized in the financial statements. FIN 48 requires that the tax effects of a position must be recognized only if it is "more-likely-than-not" to be sustained based on its technical merits as of the reporting date. In making this assessment, CEMEX has assumed that the tax authorities will examine each position and have full knowledge of all relevant information. Each position has been considered on its own, regardless of its relation to any other broader tax settlement.

The more-likely-than-not threshold represents a positive assertion by management that CEMEX is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained, no benefits of the position are to be recognized. Moreover, the more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of a benefit. The cumulative effect of applying the new requirements of FIN 48 must be reflected as adjustments to CEMEX's retained earnings and reported as a change in accounting principle.

If during any period after adoption of FIN 48 the threshold ceases to be met, the previously recorded benefit must be derecognized. Likewise, the benefit of a tax position that initially fails to meet the more-likely-than-not threshold should be recognized in a subsequent period if changing facts and circumstances enable the position to meet the threshold, the matter is effectively settled through negotiation or litigation with the tax authorities, or the statute of limitations has expired.

As of January 1, 2007, CEMEX recorded a decrease in retained earnings under U.S. GAAP of approximately Ps2,949 as a cumulative effect adjustment derived from a change in accounting principle upon the adoption of FIN 48 in connection to positions analyzed and recognized. In addition, CEMEX recorded a decrease in retained earnings of approximately Ps584, of which approximately Ps115 and Ps469 are related to accrued interest and penalties, respectively.

A summary of the beginning and ending amount of unrecognized tax benefits recorded under US GAAP, excluding interest and penalties, is as follow:

		2007
Balance of tax positions under Mexican FRS as of January 1, 2007	Ps	1,242
Cumulative effect from the adoption of FIN 48 as of January 1, 2007		2,949
Balance of tax positions under U.S. GAAP as of January 1, 2007		4,191
Additions based on tax positions related to current and prior years		6,991
Reduction for tax positions related to business combinations		(307)
Settlements		(30)
Foreign currency translation effects		353
Balance of tax positions under U.S. GAAP as of December 31, 2007	Ps	11,198

The breakdown of additions for unrecognized tax positions under US GAAP during 2007, excluding interest and penalties, is as follow:

		2007
Additions for tax positions of prior years included under Mexican FRS	Ps	3,635
Additions for tax positions of current year included under Mexican FRS		1,681
Additions for tax positions of current year included in the reconciliation of net income to U.S. GAAP		1,675
Total additions based on tax positions related to current and prior years	Ps	6,991

For the year ended December 31, 2007, in the reconciliation of net income to U.S. GAAP, CEMEX recorded interest and penalties related to unrecognized tax benefits of approximately Ps57 and Ps149, respectively. CEMEX's policy is to recognize interest and penalties related to unrecognized tax benefits as part of the income tax in the income statement.

In connection with the purchase of RMC in 2005, during 2007, CEMEX released a pre-acquisition income tax contingency to the consolidated income statement as part of the income tax, resulting in a tax benefit of approximately Ps307 under Mexican FRS. Under U.S. GAAP, an adjustment related to the resolution of a pre-acquisition income tax contingency is recognized as an adjustment to goodwill reducing the related recognized liability. As a result, uncertainty in income taxes in the reconciliation of net income to U.S. GAAP for the year ended December 31, 2007, includes the reclassification of the pre-acquisition income tax contingency benefit of Ps307 under Mexican FRS, which was recognized as a reduction of goodwill under U.S. GAAP.

CEMEX considers that there is often a high degree of uncertainty with respect to the expected timing of the change in the total unrecognized tax benefits. Since the amount and timing of payments cannot be reliably estimable or determinable, CEMEX classified the total amount of unrecognized tax benefits as long term liabilities, except for the amounts that are expected to be paid in the following 12 months, due to anticipated settlement with the income tax authorities, which amount to approximately Ps1,085. In addition, approximately Ps108 is expected to decrease due to expiration of statue of limitations by the end of the following year.

All unrecognized tax benefits included as of December 31, 2007, if recognized, would impact CEMEX's effective tax rate.

CEMEX files income tax returns in multiple jurisdictions and is subject to examination by income taxing authorities throughout the world. CEMEX's major tax jurisdictions and the years open for examination are as follows:

CEMEX files income tax returns in multiple jurisdictions and is subject to examination by income taxing authorities throughout the world. CEMEX's major tax jurisdictions and the years open for examination are as follows:

Country	Years open for examination
Mexico	2001 – 2007
United States	2004 – 2007
Spain	2000 – 2007
United Kingdom	1999 – 2007

(d) ***Employee Benefits***

Severance payments

Under U.S. GAAP, post-employment benefits for former or inactive employees, including severance payments, which are not part of a restructuring event, are accrued over the employees' service lives. Beginning January 1, 2005 under Mexican FRS, severance payments that are not part of a restructuring event are accrued over the employees' service lives according to actuarial computations, in a manner similar to U.S. GAAP. For the years ended December 31, 2007, 2006 and 2005, the reconciling item refers to the amortization of the cumulative initial effect from the accounting change under Mexican FRS, recognized as of January 1, 2005 as part of the unrecognized net transition obligation.

In connection with the purchase of RMC, for the year ended December 31, 2005, for purposes of the financial statements under Mexican FRS, CEMEX recorded restructuring costs, mainly consisting of severance payments, of approximately Ps644 against goodwill. For purposes of the reconciliation to U.S. GAAP, such restructuring costs were deemed not to comply with the rules of SFAS 141, *Business Combinations,* for recognition as part of the purchase price of RMC under U.S. GAAP. As a result, such restructuring costs under Mexican FRS of approximately Ps644 (Ps456 after tax) were charged to earnings in the 2005 reconciliation of net income to U.S. GAAP and removed from goodwill in the condensed financial information under U.S. GAAP (note 25(l)).

Pension and other postretirement benefits

In connection with the change from a defined benefit scheme to a defined contribution scheme for a portion of CEMEX's employees in Mexico effective January 10, 2006 (note 14), considering that such change was a material event which occurred before the issuance of the financial statements, under Mexican FRS, CEMEX recognized, at December 31, 2005, a net loss of approximately Ps1,056 related to: 1) an event of settlement of obligations, which represented a gain of approximately Ps106; and 2) an event of curtailment, which represented a loss of approximately Ps1,162. According to SFAS 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, settlement events should be recognized in the year in which the settlement occurred and not in the year in which the change is authorized. As a result, in the reconciliation of net income to U.S. GAAP, the settlement gain of approximately Ps106 (Ps80 after tax) recognized under Mexican FRS in 2005 was canceled against the provision of pensions and other postretirement benefits under U.S. GAAP at December 31, 2005, and recognized in 2006, the year in which the change of plan occurred.

As mentioned in note 14, CEMEX determines the costs associated to employee pension and other postretirement benefits based on the net present value of the obligations determined by independent actuaries (notes 3N and 14), in a manner similar to SFAS 87, *Employers' Accounting for Pensions*, under U.S. GAAP. Consequently, no adjustment is determined in the reconciliation of net income under U.S. GAAP. The information of pensions and other postretirement benefits, presented in note 14, include the obligations for these items in all Mexican and foreign subsidiaries.

Effective December 31, 2006, for purposes of the reconciliation of stockholders' equity to U.S. GAAP, CEMEX adopted SFAS 158, which requires companies to recognize the funded status (benefits' obligation less fair value of plan assets) of defined benefit pension and other postretirement plans as a net asset or liability and to recognize changes in that funded status in the year in which the changes occur through other comprehensive income ("OCI") to the extent those changes are not included in the net periodic cost. The reconciliation of the funded status as of December 31, 2007 and 2006 between Mexican FRS and U.S. GAAP is as follows:

		Assets (non-current)	Liabilities (non-current)	Deferred income tax (non-current)	Total liabilities	Accumulated OCI, net of tax
Funded status under U.S. GAAP at December 31, 2006	Ps	232	8,586	(2,714)	5,872	(1,359)
Reversal of approximate SFAS 158 adjustments		531	(1,411)	583	(828)	1,359
Inflation adjustments (1)		33	309	(92)	217	–
Funded status under Mexican FRS at December 31, 2006	Ps	796	7,484	(2,223)	5,261	–
Funded status under U.S. GAAP at December 31, 2007	Ps	644	7,453	(2,345)	5,108	(45)
Reversal of SFAS 158 adjustments		261	197	19	216	45
Funded status under Mexican FRS at December 31, 2007	Ps	905	7,650	(2,326)	5,324	–

(1) The inflation adjustment presented is included solely for the convenience of the reader in order to reconcile the approximate funded status under U.S. GAAP, with the equivalent amounts under Mexican FRS presented in note 14.

The change during 2007 in OCI under U.S. GAAP was a net benefit of approximately Ps1,878 (Ps1,314 net of income tax), which includes: i) a curtailment gain of Ps169; ii) a net gain of Ps1,800 from actuarial results and foreign currency translation effects during the year; and iii) an expense of approximately Ps91 for the amortization of the prior service cost, the transition liability and the actuarial results. For the years ended December 31, 2007, 2006 and 2005, SFAS 158 adjustments had no effect on the condensed statements of income under U.S. GAAP presented in note 25(l).

CEMEX has self-insured health care benefits plans in several operations, which are managed on cost plus fee arrangements with major insurance companies or provided through health maintenance organizations. At December 31, 2007 and 2006, in certain plans, CEMEX has established stop-loss limits for continued medical assistance derived from a specific cause (e.g., an automobile accident, illness, etc.) ranging from U.S.$23 thousand to U.S.$140 thousand; while in other plans, CEMEX has established stop-loss limits per employee regardless the number of events ranging from U.S.$300 thousand to U.S.$2 million. In theory, there is a risk that all employees qualifying for health care benefits may require medical services simultaneously; in that case, the contingency for CEMEX would be significantly larger. However, this scenario while possible is not probable. The amount expensed for the years ended December 31, 2007, 2006 and 2005 through self-insured health care benefits was approximately US$99 (Ps1,081), US$57 (Ps637) and US$50 (Ps561), respectively.

(e) Minority Interest

Financing Transactions

In connection with the perpetual debentures (note 16D) for notional amounts of U.S.$3,065 (Ps33,470) in 2007 and U.S.$1,250 (Ps14,642) in 2006, and which are included as part of minority interest under Mexican FRS, for purposes of the reconciliation of stockholders' equity to U.S. GAAP, such perpetual debentures were reclassified to long-term debt under U.S. GAAP, reducing stockholders' equity under U.S. GAAP in the amount of Ps33,470 in 2007 and Ps14,642 in 2006. Interest accrued on the perpetual debentures for Ps1,847 in 2007 and Ps152 in 2006 recognized within "Other capital reserves" under Mexican FRS was treated as financing expense in the reconciliation of net income to U.S. GAAP. Under Mexican FRS, these perpetual debentures are recognized as equity instruments as described in note 16D.

U.S. GAAP adjustments to minority interest

Under Mexican FRS, the minority interest in consolidated subsidiaries is presented as a separate component within stockholders' equity. Under U.S. GAAP, minority interest is classified separately from stockholders' equity (note 25(l)). At December 31, 2007 and 2006, the amount presented in the reconciliation of stockholders' equity to U.S. GAAP includes the share of minority interest of the adjustments to U.S. GAAP determined in the consolidated subsidiaries.

(f) *Depreciation*

Until December 31, 2006, CEMEX's subsidiary in Colombia recorded depreciation expense for certain fixed assets using the sinking fund method. Under U.S. GAAP, depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Depreciation expense under Mexican FRS was reduced in the reconciliation of

net income to U.S. GAAP resulting in benefits of Ps56 in 2006 and Ps20 in 2005. In 2007, considering that these assets were almost fully depreciated and the small significance of the adjustment, CEMEX discontinued its quantification resulting in the cancellation of the cumulative effect in the reconciliation of stockholders' equity to U.S. GAAP at December 31, 2006, which was released in the reconciliation of net income under U.S. GAAP in 2007 representing a benefit of Ps10.

(g) ***Associated Companies***

CEMEX has adjusted its investment and equity method in associates (note 9A) for CEMEX's share of the approximate U.S. GAAP adjustments applicable to these entities.

(h) ***Inflation Adjustment of Machinery and Equipment***

For purposes of the reconciliation to U.S. GAAP, fixed assets of foreign origin are restated by applying the inflation rate of the country that holds the assets, regardless of the assets' origin countries, instead of using the methodology of Mexican FRS during the periods presented, under which a fixed asset of foreign origin is restated by applying a factor that considers the inflation of the asset's origin country, not the inflation of the country that holds the asset, and the fluctuation of the functional currency (currency of the country that holds the asset) against the currency of the asset's origin country. Depreciation expense is based upon the revised amounts.

As mentioned in note 3X, under newly issued MFRS B-10 effective beginning January 1, 2008, inflationary accounting will be only applied in high-inflation environments, existing when the cumulative inflation for the preceding three years equals or exceeds 26%. Under high-inflation environments, new MFRS B-10 establishes the use of factors derived from the general price indexes of the country holding the assets as the sole alternative for restatement and eliminates the restatement using factors that consider the inflation of the country of origin of the asset and the variation in the foreign exchange rate between the currency of the country of origin and the country holding the asset.

(i) Financial Instruments

Indebtedness (note 12A)

Under Mexican FRS, CEMEX has designated certain debt as hedges of certain investments in foreign subsidiaries, and records foreign exchange fluctuations on such debt within "Other equity reserves" in stockholders' equity (notes 3E and 16B). In the reconciliation of net income to U.S. GAAP, a portion of those foreign exchange results recognized in equity under Mexican FRS have been reclassified to earnings, resulting in expense of Ps339 in 2007, expense of Ps454 in 2006 and income of Ps1,164 in 2005, since the related debt did not meet the conditions for hedge accounting set forth in SFAS 52, *Foreign Currency Translation*, given that the currencies in which the debt is denominated are not the same currencies as the functional currencies of the net investments hedged.

Fair Value of Financial Instruments

Information related to the fair value of consolidated financial instruments is presented in note 12B. As of December 31, 2007 and 2006, the fair value of the perpetual debentures was approximately Ps30,838 (U.S.$2,824) and Ps14,037 (U.S.$1,250), respectively.

Derivative Financial Instruments (notes 3L 12C, D and E)

Under both Mexican FRS and U.S. GAAP, all derivative instruments, including those embedded in other contracts, are recognized in the balance sheet as assets or liabilities at their fair values, and changes in fair value are recognized in earnings, unless the derivatives qualify as hedges of future cash flows, in which case the effective portion of such changes in fair value is recorded temporarily in equity, and then recognized in earnings along with the related effects of the hedged items. Any ineffective portion of a hedge is reported in earnings as it occurs.

Energy supply contracts in which CEMEX has the obligation to acquire fixed amounts of megawatts during predefined periods (note 20B), which were negotiated for own-use in CEMEX's plants, do not include provisions for net cash settlement and do not have trading purposes. Such energy contracts contain features that may imply that the contracts represent derivative instruments or that they contain embedded derivative instruments. For both Mexican FRS and U.S. GAAP, CEMEX considers these contracts under the "Normal Purchases and Normal Sales Exception" established in SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*; consequently, such contracts are not recognized at fair value through the income statement.

For the year ended December 31, 2005, different rules between Mexican FRS and U.S. GAAP related to allowed hedged items led to a timing difference and a corresponding adjustment in the reconciliation of net income to U.S. GAAP. In connection with the fair value recognition of foreign currency forward contracts related to CEMEX's acquisition of RMC (note 12C) under Mexican FRS, CEMEX designated such contracts as hedges of the variability in cash flows associated with exchange fluctuations between the U.S. dollar, the currency in which CEMEX obtained the funds to purchase, and the British pound, the currency in which the firm commitment to purchase RMC was established. As a result of this designation, CEMEX recognized, in stockholders' equity, the changes in fair value of the derivatives from the designation date that took place on November 17, 2004 until December 31, 2004, and which represented a gain of approximately Ps1,598. SFAS 133 does not permit an entity to establish a cash flow hedging relationship in a transaction that involves a business combination. Therefore, for the year ended December 31, 2005, the gain recorded in earnings under Mexican FRS upon occurrence of the purchase of RMC was reclassified to stockholders' equity under U.S. GAAP, representing an expense in 2005 of approximately Ps1,592.

All derivative instruments, with the exception described above, were accounted under Mexican FRS consistently with the provisions of U.S. GAAP. For the years ended December 31, 2007, 2006 and 2005, CEMEX has not designated any derivative instrument as a fair value hedge under both Mexican FRS and U.S. GAAP.

For all hedging relationships for accounting purposes, CEMEX formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking all derivatives that are designated as cash-flow or foreign-currency hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. CEMEX also formally assesses, both at the hedge's origination and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, CEMEX discontinues hedge accounting prospectively.

(j) Stock Option Programs

Stock options activity during 2007 and 2006, the balance of options outstanding at December 31, 2007 and 2006 and other general information regarding CEMEX's stock option programs is presented in note 17.

During 2005, as mentioned in notes 3U and 17, CEMEX adopted IFRS 2, *Share-based Payment* ("IFRS 2"). As a result of the adoption of IFRS 2 under Mexican FRS, as of December 31, 2005, CEMEX had accrued a provision of approximately Ps3,142 (U.S.$250) representing the fair value of the outstanding options, except for those awards of the fixed program, which were fully vested as of the adoption date.

Effective January 1, 2006, under U.S. GAAP, CEMEX adopted SFAS 123R, *Share-Based Payment* ("SFAS 123R"). This statement replaces SFAS 123, *Accounting for Stock-Based Compensation* ("SFAS 123") and supersedes APB 25. SFAS 123R requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. SFAS 123R was adopted using the modified prospective method of application, which requires CEMEX to recognize compensation cost on a prospective basis. Therefore, prior years' reconciliations of net income, as well as prior years' condensed income statements under U.S. GAAP, have not been restated. Similar to IFRS 2 under Mexican FRS, SFAS 123R requires liabilities incurred under stock awards to be measured at fair value at each balance sheet date, with changes in fair value recorded in the income statement. Likewise, IFRS 2 and SFAS 123R require compensation cost related to awards qualifying as equity instruments to be determined considering the grant-date fair value of the awards, and be recorded during the awards' vesting period.

In the reconciliation of net income to U.S. GAAP for the year ended December 31, 2005, CEMEX reversed the adjustment to fair value made under Mexican FRS and maintained the valuation of the outstanding options under the intrinsic value method, which resulted in a decrease in the compensation expense in 2005 of approximately Ps931 (Ps1,073 before the related income tax effect). In the reconciliation of net income to U.S. GAAP for the year ended December 31, 2006, based on the modified prospective method, the expense recorded under Mexican FRS and reversed during 2005 in the reconciliation of net income to U.S. GAAP and which represents the difference between the valuation under the intrinsic value method as of January 1, 2006, and the fair value method as of the same date, was included in 2006 as the cumulative effect from the adoption of SFAS 123R. There is no effect in the reconciliation of stockholders equity to U.S. GAAP at December 31, 2006.

As of and for the years ended December 31, 2007 and 2006, the compensation expense and the liabilities accrued in connection with CEMEX's stock option programs under Mexican FRS (note 17) are the same amounts that would be determined using SFAS 123R. For the year ended December 31, 2005, no pro forma disclosure has been made as if CEMEX had applied the fair value recognition provisions of SFAS 123R prior to its adoption, considering that CEMEX was accounting for its stock awards under Mexican FRS at fair value.

(k) Other U.S. GAAP Adjustments

Deferred charges

Capitalized costs, net of accumulated amortization, not qualifying for deferral under U.S. GAAP were reversed through earnings under U.S. GAAP in the period incurred, resulting in an income of Ps122 in 2007, income of Ps120 in 2006 and income of Ps181 in 2005. During 2007, 2006 and 2005, all amounts capitalized under Mexican FRS also met the requirements for capitalization under U.S. GAAP. Accordingly, the adjustments in the reconciliation of net income to U.S. GAAP for the years ended December 31, 2007, 2006 and 2005, refer exclusively to amounts amortized under Mexican FRS during the respective years and which were expensed in prior years under U.S. GAAP. The net effect in the reconciliation of stockholders' equity to U.S. GAAP was a decrease of Ps20 and Ps137 at December 31, 2007 and 2006, respectively.

Capitalized Interest

Under both Mexican FRS (note 10) and U.S. GAAP, CEMEX capitalizes interest related to debt incurred during significant construction projects. Capitalized interest is depreciated over the useful lives of the related assets. Under U.S. GAAP, only interest expense is considered an additional cost of constructed assets. Under

Mexican FRS capitalized interest is comprehensively measured in order to include: (i) the interest expense, plus (ii) any foreign exchange fluctuations, and less (iii) the related monetary position result. CEMEX does not capitalize foreign exchange fluctuations related to debt incurred during significant construction projects, considering the mix of currencies in its outstanding debt and that it is not possible to link a specific debt transaction with a corresponding construction project. In the reconciliation of net income to U.S. GAAP, monetary position results related to debt incurred during significant construction projects and which were capitalized under Mexican FRS were reversed to earnings under U.S.GAAP.

Monetary position result

Monetary position result resulting from the U.S. GAAP adjustments during the periods presented was determined by (i) applying the annual inflation factor to the net monetary position of the U.S. GAAP adjustments at the beginning of the period, plus (ii) the monetary position effect of the adjustments during the period, determined in accordance with the average inflation factor for the period.

(l) Condensed Financial Information under U.S. GAAP

The following table presents consolidated condensed income statements for the years ended December 31, 2007, 2006 and 2005 under U.S. GAAP, and includes all differences described in this note as well as certain other reclassifications required for purposes of U.S. GAAP:

Statements of income		Years ended December 31,		
		2007	2006	2005
Net sales	Ps	235,258	203,660	172,632
Gross profit		76,929	72,817	68,682
Operating income		29,363	32,756	26,737
Other expenses, net		(261)	(367)	(2,371)
Operating income after other expenses, net		29,102	32,389	24,366
Comprehensive financing result		(2,272)	(1,930)	2,714
Equity in income of associates		1,650	1,527	1,327
Income before income tax		28,480	31,986	28,407
Income tax (current and deferred taxes)		(6,039)	(3,447)	(3,850)
Consolidated net income		22,441	28,539	24,557
Minority interest net income		1,074	1,226	624
Majority interest net income before cumulative effect of accounting change		21,367	27,315	23,933
Cumulative effect of accounting change		–	(931)	–
Majority interest net income	Ps	21,367	26,384	23,933

The following table presents consolidated condensed balance sheets at December 31, 2007 and 2006, prepared under U.S. GAAP, including all differences and reclassifications as compared to Mexican FRS described in this note 25:

Balance Sheets		At December 31,	
		2007	2006
Current assets	Ps	62,400	57,072
Investments in associates, other investments and non-current accounts receivable		22,294	18,552
Property, machinery and equipment		272,977	196,451
Goodwill, intangible assets and deferred charges		205,894	79,851
Total assets		563,565	351,926
Current liabilities		103,304	53,233
Long-term debt		164,515	69,375
Perpetual debentures		33,470	14,037
Other non-current liabilities		82,048	54,461
Total liabilities		383,338	191,106
Minority interest		8,010	7,581
Stockholders' equity including cumulative effect of accounting change		172,217	153,239
Total liabilities, minority interest and stockholders' equity	Ps	563,565	351,926

Under requirements of Regulation S-X, the prior period amounts presented in the tables above were restated to constant pesos as of December 31, 2007 using the Mexican inflation rate, instead of the weighted average inflation factor used by CEMEX under Mexican FRS (note 3B).

Additional reclassifications under U.S. GAAP

The condensed financial information under U.S. GAAP presented in the tables above includes several reclassifications as compared to the consolidated financial statements under Mexican FRS. In addition to the reclassification described in note 25(b), the main reclassifications at December 31, 2007 and 2006 and for the years ended December 31, 2007, 2006 and 2005 are as follows:

- CEMEX accounts for its investments in entities under joint control using the proportionate consolidation method (note 3C), incorporating line-by-line all assets, liabilities, revenues and expenses according to CEMEX's equity ownership Under U.S. GAAP, these investments are accounted for by the equity method; therefore, all assets, liabilities, revenues and expenses related to such joint controlled entities, principally located in Spain, were removed line-by-line against the equity in associates for both balance sheets and income statements.

- Assets held for sale (note 8) of Ps440 and Ps538, as of December 31, 2007 and 2006, respectively, were reclassified to long-term assets in the condensed financial information of balance sheet under U.S. GAAP. These assets are stated at their estimated fair value. Estimated costs to sell these assets are not significant.

- At December 31, 2007, extraction rights in the aggregates sector of approximately Ps5,405 (U.S.$495) (note 11), recognized as intangible assets under Mexican FRS, were reclassified as part of the book value of the quarries in property, plant and equipment under U.S. GAAP, in accordance with EITF 04-2, *Whether Mineral Rights are Tangible or Intangible Assets.*

- As mentioned in note 3 under Mexican FRS, for the years ended December 31, 2007, 2006 and 2005, other expenses, net, include several unusual or non-recurring transactions, such as restructuring costs (severance payments), anti-dumping duties, results from the sales of fixed assets, impairment losses and net results from the early extinguishment of debt. In the condensed income statement under U.S. GAAP, expense of Ps2,663 in 2007, income of Ps166 in 2006 and expense of Ps964 in 2005, were reclassified from other expenses, net to operating expenses. Likewise, expense of Ps415 in 2005 was reclassified to the comprehensive financing result under U.S. GAAP.

- In connection with deferred income taxes, at December 31, 2007 and 2006, current assets under U.S. GAAP include Ps2,088 and Ps176, respectively, which are considered non-current items under Mexican FRS. Likewise, current liabilities under U.S. GAAP include Ps4,459 and Ps2,489 at December 31, 2007 and 2006, respectively, classified as non-current items under Mexican FRS.

- At December 31, 2007 and 2006, CEMEX reclassified short-term debt to long-term debt under Mexican FRS (note 12A) for approximately U.S.$1,477 (Ps16,129) and U.S.$110 (Ps1,289), respectively. In the condensed balance sheets under U.S. GAAP, this reclassification was reversed considering that the agreements contain "Material Adverse Events" clauses, which are CEMEX's customary covenants.

(m) Supplemental Cash Flow Information under U.S. GAAP

Under Mexican FRS, statements of changes in financial position identify the sources and uses of resources based on the differences between beginning and ending balance sheets in constant pesos. Monetary position results and unrealized foreign exchange results are treated as cash items in the determination of resources provided by operations. Under U.S. GAAP (SFAS 95), statements of cash flows present only cash items and exclude non-cash items. SFAS 95 does not provide guidance with respect to inflation-adjusted financial statements. The differences between Mexican FRS and U.S. GAAP in the amounts reported are primarily due to: (i) the elimination of inflationary effects of monetary assets and liabilities from financing and investing activities against the corresponding monetary position result in operating activities, (ii) the elimination of foreign exchange results from financing and investing activities against the corresponding unrealized foreign exchange result included in operating activities and (iii) the recognition in operating, financing and investing activities of the U.S. GAAP adjustments.

The following table summarizes cash flow items as required under SFAS 95 for the years ended December 31, 2007, 2006 and 2005, giving effect to the U.S. GAAP adjustments and excluding the effects of inflation required by MFRS B-10 and MFRS B-15. The following information is presented in millions of pesos on a historical peso basis and is not presented in pesos of constant purchasing power:

		Years ended December 31,		
		2007	**2006**	**2005**
Net cash provided by operating activities	Ps	33,431	17,484	28,909
Net cash provided by (used in) financing activities		135,891	(5,762)	12,502
Net cash used in investing activities		(177,707)	(1,151)	(38,818)

Net cash flow from operating activities reflects cash payments for interest and income taxes as follows:

		Years ended December 31,		
		2007	**2006**	**2005**
Interest paid	Ps	8,268	4,560	5,124
Income taxes paid		4,594	3,652	2,433

Non-cash activities are comprised of the following:

Long-term debt assumed through the acquisition of businesses was Ps13,943 in 2007, Ps551 in 2006 and Ps12,377 in 2005.

(n) Restatement to Constant Pesos of Prior Years

The following table presents summarized financial information under Mexican FRS of the consolidated income statements for the years ended December 31, 2006 and 2005 and balance sheet information as of December 31, 2006, in constant Mexican pesos as of December 31, 2007, using the Mexican inflation index:

Years ended December 31,		**2006**	**2005**
Sales	Ps	204,937	176,088
Gross profit		74,126	69,531
Operating income		33,080	28,580
Majority interest net income		26,704	24,269

At December 31,		2006
Current assets	Ps	57,956
Non-current assets		278,625
Current liabilities		49,823
Non-current liabilities		120,797
Majority interest stockholders' equity		144,405
Minority interest stockholders' equity		21,556

(o) Other Disclosures under U.S. GAAP

Sale of accounts receivable

CEMEX accounts for transfers of receivables under Mexican FRS consistently with the rules set forth by SFAS 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* . Under SFAS 140, transactions that meet the criteria for surrender of control are recorded as sales of receivables and their amounts are removed from the consolidated balance sheet at the time they are sold (note 5). SFAS 156, *Accounting for Servicing of Financial Assets an amendment of FASB Statement No.140* ("SFAS 156"), effective January 1, 2007, requires that all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable. SFAS 156 permits, but does not require, the subsequent measurement of servicing assets and servicing liabilities at fair value. An entity should apply the requirements for recognition and initial measurement of servicing assets and servicing liabilities prospectively to all transactions after the effective date of SFAS 156. CEMEX concluded that the effect of the adoption of SFAS 156 on its results of operations and financial position under U.S. GAAP is not material.

Asset retirement obligations and other environmental costs

Effective January 1, 2003, SFAS 143, *Accounting for Asset Retirement Obligations* ("SFAS 143"), requires entities to record the fair value of an asset retirement obligation as a liability in the period in which a legal or a constructive obligation is incurred associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the assets. Such liability would be recorded against an asset that is depreciated over the life of the long-lived asset. Subsequent to the initial measurement, the obligation will be adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Also effective January 1, 2003, Mexican FRS C-9, *Liabilities, Provisions, Contingent Assets and Liabilities and Commitments* ("FRS C-9"), establishes generally the same requirements as SFAS 143 in connection with asset retirement obligations. For the years ended December 31, 2007, 2006 and 2005, CEMEX did not identify any differences between Mexican FRS and U.S. GAAP in connection with this topic.

In addition, environmental expenditures related to current operations are expensed or capitalized, as appropriate. Other than those contingencies disclosed in notes 13 and 21C, CEMEX is not currently facing other material contingencies, which might result in the recognition of an environmental remediation liability.

Accounting for Costs Associated with Exit or Disposal Activities

Effective January 1, 2003, CEMEX adopted SFAS 146, *Accounting for Costs Associated with Exit or Disposal Activities*. SFAS 146, which addresses financial accounting and reporting for costs associated with exit or disposal activities, basically requires, as a condition to accrue for the costs related to an exit or disposal activity, including severance payments, that the entity communicate the plan to all affected employees and that the plan be terminated in the short-term; otherwise, associated costs should be expensed as incurred.

Guarantor's Accounting and Disclosure Requirements for Guarantees

Effective January 1, 2003, CEMEX adopted Interpretation 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others, an interpretation of FASB Statements 5, 57 and 107 and rescission of FASB Interpretation 34, which elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The interpretation also clarifies that a guarantor is required to recognize, at origination of a guarantee, a liability for the fair value of the obligation undertaken. As of December 31, 2007 and 2006, CEMEX has not guaranteed any third parties' obligations; however, with respect to the electricity supply long-term contract in Mexico discussed in note 20B, CEMEX may also be required to purchase the power plant upon the occurrence of specified material defaults or events, such as failure to purchase the energy and pay when due, bankruptcy or insolvency, and revocation of permits necessary to operate the facility. For the years ended December 31, 2007, 2006 and 2005, for accounting purposes under Mexican FRS and U.S. GAAP, CEMEX has considered this agreement as a long-term energy supply agreement and no liability has been created, based on the contingent characteristics of CEMEX's obligation and given that, absent a default under the agreement, CEMEX's obligations are limited to the purchase of energy from, and the supply of fuel to, the plant.

Variable Interest Entities

Under U.S. GAAP, CEMEX applies Interpretation 46R (revised December 2003), *Consolidation of Variable Interest Entities, an interpretation of ARB 51* ("FIN 46R"). The interpretation addresses the consolidation of variable interest entities ("VIEs"), which are defined in FIN 46R as those that have one or more of the following characteristics: (i) entities in which the equity investment at risk is not sufficient to finance their operations without requiring additional subordinated financing support provided by any parties, including the equity holders; and (ii) the equity investors lack one or more of the following attributes: a) the ability to make decisions about the entity's activities through voting or similar rights, b) the obligation to absorb the expected losses of the entity, and c) the right to receive the expected residual returns of the entity. Among others, entities that are deemed to be a business according to FIN 46R, including operating joint ventures, need not be evaluated to determine if they are VIEs under FIN 46R.

Variable interests, among other factors, may be represented by operating losses, debt, contingent obligations or residual risks and may be assumed by means of loans, guarantees, management contracts, leasing, put options, derivatives, etc. A primary beneficiary is the entity that assumes the variable interests of a VIE, or the majority of them in the case of partnerships, directly or jointly with related parties, and is the entity that should consolidate the VIE. FIN 46R applies to financial statements for periods ending after March 15, 2004. In connection with the long-term energy supply agreements discussed in note 20B, after analysis of the provisions of the agreements, CEMEX considers that the energy suppliers are not VIEs under the scope of FIN 46R, and, therefore, as of and for the years ended December 31, 2007, 2006 and 2005, CEMEX has not consolidated any assets, liabilities or operating results of such entities.

Accounting for Planned Major Maintenance Activities

In September 2006, the FASB issued FASB Staff Position No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities*. This guidance prohibits the use of the accrue-in-advance method of accounting for planned major activities because an obligation has not occurred and therefore a liability should not be recognized. The provisions of this guidance are effective for reporting periods beginning after December 15, 2006. CEMEX does not accrue-in-advance for planned major maintenance activities.

(p) Newly Issued Accounting Pronouncements under U.S. GAAP not Effective in 2007

In September 2006, the FASB issued SFAS 157, *Fair Value Measurement* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements. SFAS 157 does not require any new fair value measures. SFAS 157 is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. CEMEX is required to adopt SFAS 157 beginning on January 1, 2008. SFAS 157 is required to be applied prospectively, except for certain financial instruments. Any transition adjustment will be recognized as an adjustment to opening retained earnings in the year of adoption. CEMEX is currently evaluating the impact of adopting SFAS 157 on its results of operations and financial position under U.S. GAAP.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS 159"). SFAS 159 gives entities the irrevocable option to carry many financial assets and liabilities at fair values, with changes in fair value recognized in earnings. SFAS 159 is effective for CEMEX beginning January 1, 2008. CEMEX is currently assessing the potential impact that adoption of SFAS 159 will have on its financial statements.

In December 2007, the FASB issued SFAS 141R, *Business Combinations* ("SFAS 141R") and SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51* ("SFAS 160"). SFAS 141R and SFAS 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at "full fair value" and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Both Statements are effective for periods beginning on or after December 15, 2008, and earlier adoption is prohibited. SFAS 141R will be applied to business combinations occurring after the effective date. SFAS 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date. CEMEX is currently evaluating the impact of adopting SFAS 141R and SFAS 160; however, CEMEX does not expect any significant effect on its results of operations and financial position.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON SCHEDULES

The Board of Directors and Stockholders
CEMEX, S.A.B. de C.V.:

Under date of June 17, 2008, we reported on the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2007, 2006 and 2005, which are included in this annual report on Form 20-F. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule in the annual report. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audit.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG Cárdenas Dosal, S.C.

/s/ Leandro Castillo Parada
Monterrey, N.L., Mexico
June 17, 2008

SCHEDULE I

CEMEX, S.A.B. DE C.V.
Parent Company-Only Balance Sheets
(Millions of constant Mexican pesos as of December 31, 2007)

	Note	December 31, 2007	December 31, 2006		2007 Convenience translation (note B)
ASSETS					
CURRENT ASSETS					
Other accounts receivable	**C**	Ps 1,772	778	U.S.$	162
Related parties accounts receivable	**I**	64	6,700		6
Total current assets		1,836	7,478		168
NON-CURRENT ASSETS					
Investment in subsidiaries and affiliated companies	**D**	232,483	185,358		21,289
Other investments and non-current accounts receivable		2,661	3,176		244
Long-term related parties accounts receivable	**I**	18,647	–		1,708
Land and buildings, net	**E**	1,995	2,012		183
Goodwill and deferred charges, net	**F**	3,304	4,514		302
Total non-current assets		259,090	195,060		23,726
TOTAL ASSETS		Ps **260,926**	**202,538**	U.S.$	**23,894**
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term debt including current maturities of long-term debt	**H**	Ps 20,472	4,560	U.S.$	1,875
Other accounts payable and accrued expenses	**G**	1,032	1,201		94
Related parties accounts payable	**I**	20,495	314		1,877
Total current liabilities		41,999	6,075		3,846
NON-CURRENT LIABILITIES					
Long-term debt	**H**	53,250	30,775		4,876
Long-term related parties accounts payable	**I**	155	13,943		14
Other non-current liabilities		2,354	1,118		216
Total non-current liabilities		55,759	45,836		5,106
TOTAL LIABILITIES		**97,758**	**51,911**		**8,952**
STOCKHOLDERS' EQUITY	**K**				
Common stock		4,115	4,113		377
Additional paid-in capital		63,379	56,982		5,804
Other equity reserves		(104,574)	(91,244)		(9,577)
Retained earnings		174,140	152,921		15,947
Net income		26,108	27,855		2,391
TOTAL STOCKHOLDERS' EQUITY		**163,168**	**150,627**		**14,942**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Ps **260,926**	**202,538**	U.S.$	**23,894**

The accompanying notes are part of these financial statements.

CEMEX, S.A.B. DE C.V.
Parent Company-Only Statements of Income
(Millions of constant Mexican pesos as of December 31, 2007, except for earnings per share)

	Note		Years ended December 31, 2007	2006	2005		2007 Convenience translation (note B)
Equity in income of subsidiaries and associates	**D**	Ps	28,863	26,796	27,843	U.S.$	2,643
Rental income	**I**		278	287	295		25
License fees	**I**		1,177	957	784		108
Total revenues			**30,318**	**28,040**	**28,922**		**2,776**
Administrative expenses			(28)	(34)	(62)		(3)
Operating income			**30,290**	**28,006**	**28,860**		**2,773**
Other expenses, net			(1,310)	(862)	(831)		(120)
Operating income after other expenses, net			**28,980**	**27,144**	**28,029**		**2,653**
Comprehensive financing result:							
Financial expense			(3,425)	(5,268)	(5,002)		(313)
Financial income			693	1,830	1,723		63
Results from financial instruments			(1,280)	(1,324)	1,009		(117)
Foreign exchange result			(311)	438	(843)		(28)
Monetary position result			1,608	1,575	916		147
Comprehensive financing result			(2,715)	(2,749)	(2,197)		(248)
Income before income tax			**26,265**	**24,395**	**25,832**		**2,405**
Income tax	**J**		(157)	3,460	687		(14)
NET INCOME		Ps	**26,108**	**27,855**	**26,519**	U.S.$	**2,391**
BASIC EARNINGS PER SHARE	**M**	Ps	**1.17**	**1.29**	**1.28**	U.S.$	**0.11**
DILUTED EARNINGS PER SHARE	**M**	Ps	**1.17**	**1.29**	**1.27**	U.S.$	**0.11**

The accompanying notes are part of these financial statements.

CEMEX, S.A.B. DE C.V.
Parent Company-Only Statements of Changes in Financial Position
(Millions of constant Mexican pesos as of December 31, 2007)

	Note	Years ended December 31, 2007	2006	2005	2007 Convenience translation (note B)
OPERATING ACTIVITIES					
Net income		Ps **26,108**	**27,855**	**26,519**	U.S.$ **2,391**
Adjustments for items which are non cash:					
Depreciation of property and buildings		6	5	4	–
Amortization of deferred charges		82	141	138	7
Deferred income taxes	**J**	957	(1,335)	1,105	88
Equity in income of subsidiaries and associates		(28,863)	(26,796)	(27,843)	(2,643)
Resources used in operating activities		**(1,710)**	**(130)**	**(77)**	**(157)**
Changes in working capital:					
Other accounts receivable		(994)	46	273	(91)
Short-term related parties accounts receivable and payable, net	**I**	26,817	(6,286)	(6,424)	2,456
Other accounts payable and accrued expenses		(169)	712	(240)	(16)
Net change in working capital		25,654	(5,528)	(6,391)	2,349
Net resources provided by (used in) operating activities		**23,944**	**(5,658)**	**(6,468)**	**2,192**
FINANCING ACTIVITIES					
Proceeds from debt (repayments), net		38,387	(4,185)	11,234	3,515
Dividends paid		(6,636)	(6,226)	(5,751)	(607)
Issuance of common stock under stock dividend elections and stock option programs		6,399	5,976	4,929	586
Other financing activities, net		1,236	580	(986)	113
Net resources provided by (used in) financing activities		**39,386**	**(3,855)**	**9,426**	**3,607**
INVESTING ACTIVITIES					
Long-term related parties accounts receivable and payable, net	**I**	(32,435)	14,592	9,203	(2,970)
Investment in subsidiaries and associates		(31,581)	(4,746)	(10,512)	(2,891)
Goodwill and deferred charges		171	57	56	15
Other long-term investments and accounts receivable		515	(390)	(1,821)	47
Net resources (used in) provided by investment activities		**(63,330)**	**9,513**	**(3,074)**	**(5,799)**
Decrease in cash and investments		–	–	(116)	–
Cash and investments at beginning of year		–	–	116	–
CASH AND INVESTMENTS AT END OF YEAR		Ps –	–	–	U.S.$ –

The accompanying notes are part of these financial statements.

CEMEX, S.A.B. DE C.V.
Notes to the Parent Company-Only Financial Statements
As of December 31, 2007, 2006 and 2005
(Millions of constant Mexican pesos as of December 31, 2007)

A. DESCRIPTION OF BUSINESS

CEMEX, S.A.B. de C.V. is a Mexican corporation, a holding company (parent) of entities whose main activities are oriented to the construction industry, through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials. CEMEX is a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States, or Mexico.

CEMEX, S.A.B. de C.V. was founded in 1906 and was registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, N.L., Mexico, on June 11, 1920 for a period of 99 years. In 2002 this period was extended to the year 2100. The shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange as Ordinary Participation Certificates ("CPOs"). Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V.. In addition, CEMEX, S.A.B. de C.V. shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares or "ADSs" under the symbol "CX". Each ADS represents ten CPOs.

On July 17, 2006, a two-for-one stock split became effective, by means of which each of the existing series "A" shares was surrendered in exchange for two new series "A" shares, and each of the existing series "B" shares was surrendered in exchange for two new series "B" shares. The proportional equity interest participation of existing stockholders did not change as a result of the stock split (note 16). Unless otherwise indicated, all amounts in CPOs, shares and prices per share for 2005 included in these notes to the financial statements have been adjusted to give retroactive effect to this stock split.

The terms "CEMEX, S.A.B. de C.V." or the "Parent Company" used in these accompanying notes to the financial statements refer to CEMEX, S.A.B. de C.V. without its consolidated subsidiaries. The terms the "Company" or "CEMEX" refer to CEMEX, S.A.B. de C.V. together with its consolidated subsidiaries. The Parent Company-only financial statements under Mexican Financial Reporting Standards were authorized for their issuance by the Company's management on January 25, 2008 and approved by the stockholders at the annual ordinary meeting held on April 24, 2008.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PRESENTATION AND DISCLOSURE

The Parent Company's balance sheet as of December 31, 2007, as well as the statement of income and the statement of changes in financial position for the year ended December 31, 2007, include the presentation, caption by caption, of amounts denominated in dollars under the column "Convenience translation". These amounts in dollars have been presented solely for the convenience of the reader at the rate of Ps10.92 pesos per dollar, the CEMEX accounting exchange rate as of December 31, 2007. These translations are informative data and should not be construed as representations that the amounts in pesos actually represent those dollar amounts or could be converted into dollars at the rate indicated.

Beginning in 2006, the financial statements are prepared in accordance with Mexican Financial Reporting Standards ("MFRS") issued by the Mexican Board for Research and Development of Financial Reporting Standards ("CINIF"). The MFRS, which replaced the Generally Accepted Accounting Principles in Mexico ("Mexican GAAP") issued by the Mexican Institute of Public Accountants, have recognized the effects of inflation on the financial information. The regulatory framework of the MFRS applicable beginning in 2006 initially adopted in their entirety the former Mexican GAAP effective until 2005; therefore, there were no effects in the Parent Company's financial statements resulting from the adoption of the MFRS.

CEMEX, S.A.B. DE C.V.
Notes to the Parent Company-Only Financial Statements —(Continued)
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(Millions of constant Mexican pesos as of December 31, 2007)

New MFRS B-3, "Income Statement", effective beginning January 1, 2007, establishes presentation and disclosure requirements for the captions that are included in the income statement. The Parent Company's income statements for the years ended December 31, 2006 and 2005 were reclassified to comply with the presentation rules required in 2007.

When reference is made to "pesos" or "Ps", it means Mexican pesos. Except when specific references are made to "earnings per share" and "prices per share", the amounts in these notes are stated in millions of constant Mexican pesos as of the latest balance sheet date. When reference is made to "U.S.$" or dollars, it means dollars of the United States of America ("United States" or "U.S.A."). When reference is made to "£" or pounds, it means British pounds sterling. When reference is made to "€" or euros, it means the currency in circulation in a significant number of the European Union countries. Except for per share data and as otherwise noted, all amounts in such currencies are stated in millions.

The same accounting policies listed in note 3 to CEMEX's consolidated financial statements were applied, as applicable, in the preparation of the Parent Company's financial statements. In addition, this schedule includes references to other notes to the consolidated financial statements, in those cases in which the information also refers to the Parent Company.

B.2 RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

The restatement factors for the Parent Company's information of prior periods were calculated using Mexican inflation.

	Mexican inflation restatement factor
2006 to 2007	1.0398
2005 to 2006	1.0408
2004 to 2005	1.0300

C. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2007 and 2006, other short-term accounts receivable of the Parent Company consist of:

		2007	2006
Non-trade accounts receivable	Ps	6	243
Current portion for valuation of derivative instruments		908	324
Other refundable taxes		858	211
	Ps	1,772	778

D. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

As of December 31, 2007 and 2006, investments of the Parent Company in subsidiaries and associates, which are accounted for by the equity method, are as follows:

		2007	2006
Book value at acquisition date	Ps	112,054	82,056
Revaluation by equity method		120,429	103,302
	Ps	232,483	185,358

In December 2007, the Parent Company made a capital contribution to its subsidiary CEMEX México, S.A. de C.V. for an amount of Ps30,000 (nominal amount), through the subscription of 6,792,247,781 ordinary shares without nominal value, considering a book value per share of Ps4.42 pesos (nominal amount).

CEMEX, S.A.B. DE C.V.
Notes to the Parent Company-Only Financial Statements —(Continued)
As of December 31, 2007, 2006 and 2005
(Millions of constant Mexican pesos as of December 31, 2007)

E. LAND AND BUILDINGS

As of December 31, 2007 and 2006, the Parent Company's land and buildings are summarized as follows:

		2007	2006
Land	Ps	1,819	1,830
Buildings		470	470
Accumulated depreciation		(294)	(288)
Total land and buildings	Ps	1,995	2,012

F. GOODWILL AND DEFERRED CHARGES

As of December 31, 2007 and 2006, goodwill and deferred charges consist of:

		2007	2006
Intangible assets of indefinite useful life:			
Goodwill, net	Ps	1,894	1,969
Deferred Charges:			
Deferred financing costs		85	156
Deferred income taxes (note 25J)		1,336	2,383
Others		64	452
Accumulated amortization		(75)	(446)
Total deferred charges	Ps	1,410	2,545
Total goodwill and deferred charges	Ps	3,304	4,514

G. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Other accounts payable and accrued expenses of the Parent Company as of December 31, 2007 and 2006 consist of:

		2007	2006
Other accounts payable, accrued expenses and interest payable	Ps	1	202
Tax payable		748	922
Dividends payable		5	5
Valuation of derivative instruments		278	72
	Ps	1,032	1,201

H. SHORT-TERM AND LONG-TERM DEBT

The breakdown of the Parent Company's short-term and long-term debt as of December 31, 2007 and 2006 by interest rate and currency type is presented below:

		Carrying amount		Effective rate (1)	
		2007	2006	2007	2006
Short-term					
Floating rate	Ps	18,772	2,474	5.9%	5.5%
Fixed rate		1,700	2,086	4.8%	2.2%
		20,472	4,560		
Long-term					
Floating rate		46,468	16,038	5.3%	5.0%
Fixed rate		6,782	14,737	4.2%	4.3%
		53,250	30,775		
	Ps	73,722	35,335		

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Notes to the Parent Company-Only Financial Statements—(Continued)
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	2007				2006			
	Short-term	Long-term	Total	Effective rate [1]	Short-term	Long-term	Total	Effective rate (1)
Dollars	Ps 14,633	28,518	43,151	5.7%	Ps 230	5,856	6,086	5.1%
Pesos	5,839	24,732	30,571	5.0%	4,330	20,721	25,051	4.9%
Euros	–	–	–		–	4,198	4,198	3.9%
	Ps 20,472	53,250	73,722		Ps 4,560	30,775	35,335	

1 Represents the weighted average effective interest rate and includes the effects of interest rate swaps and derivative instruments that exchange interest rates and currencies.

As of December 31, 2007 and 2006, the Parent Company's short-term debt includes Ps16,943 and Ps3,100, respectively, representing current maturities of long-term debt.

The maturities of the Parent Company's long-term debt as of December 31, 2007 are as follows:

	Parent Company
2009	Ps 7,323
2010	15,771
2011	19,248
2012	10,450
2013 and thereafter	458
	Ps 53,250

In the Parent Company's balance sheet as of December 31, 2007 and 2006, there were short-term debt obligations amounting to U.S.$520 (Ps5,678) and U.S.$110 (Ps1,235), respectively, classified as long-term considering that the Parent Company has, according to the terms of the contracts, the ability and the intention to defer to long-term the payments under such obligations.

I. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2007 and 2006, the Parent Company's main accounts receivable and payable with related parties are as follows:

	Assets		Liabilities	
2007	Short-term	Long-term	Short-term	Long-term
CEMEX México, S.A. de C.V.	Ps –	18,647	408	–
CEMEX International Finance Co	–	–	18,172	–
Profesionales en Logística de México, S.A. de C.V.	–	–	1,153	–
Servicios CEMEX México, S.A. de C.V.	–	–	353	–
CEMEX Deutschland AG	–	–	158	–
CEMEX Venezuela, S.A.C.A.	50	–	–	–
TEG Energía, S.A. de C.V.	–	–	–	155
Others	14	–	251	–
	Ps 64	18,647	20,495	155

	Assets		Liabilities	
2006	Short-term	Long-term	Short-term	Long-term
CEMEX México, S.A. de C.V.	Ps 6,648	–	–	558
CEMEX International Finance Co	–	–	48	9,445
CEMEX Irish Investments Company Limited	–	–	46	3,940
CEMEX Venezuela, S.A.C.A.	42	–	–	–
CEMEX Concreto, S.A. de C.V.	–	–	217	–
Others	10	–	3	–
	Ps 6,700	–	314	13,943

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Notes to the Parent Company-Only Financial Statements —(Continued)
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The main operations with related parties are summarized as follows:

Parent Company		2007	2006	2005
Rental income	Ps	278	287	295
License fees		1,177	957	784
Financial expense		(433)	(2,871)	(2,147)
Management service expenses		(1,322)	(804)	(906)
Financial income		690	1,824	1,717
Other expenses	Ps	(21)	(24)	–

Balances and transactions of the Parent Company with related parties result primarily from: (i) the sale and/or acquisition of subsidiaries' shares within the CEMEX group; (ii) the invoicing of administrative services, rentals, trademarks and commercial name rights, royalties and other services rendered between group entities; and (iii) loans between related parties. Transactions between group entities are conducted on arm's length terms based on market prices and conditions.

The long-term account receivable with CEMEX Mexico is related to a loan bearing TIIE rate plus 129 basis points. The account payable to TEG Energía corresponds to the valuation of an interest rate swap related to energy projects negotiated between CEMEX and TEG Energía for a notional amount of U.S.$15, with maturity in September 2022.

The definition of related parties includes entities or individuals outside the CEMEX group, which, pursuant to their relationship with CEMEX, may take advantage from being in a privileged situation. Likewise, this applies to cases in which CEMEX may take advantage of such relationships and obtain benefits in its financial position or operating results. CEMEX's transactions with related parties are executed under market conditions. The Parent Company has identified the following transactions between related parties.

- Mr. Bernardo Quintana Isaac, a member of the board of directors at CEMEX, S.A.B. de C.V., is the current chairman of the board of directors of Empresas ICA, S.A.B. de C.V. ("Empresas ICA"), and was its chief executive officer until December 31, 2006. Empresas ICA is one of the most important engineering and construction companies in Mexico. In the ordinary course of business, CEMEX extends financing to Empresas ICA in connection with the purchase of CEMEX's products, on the same credit conditions that CEMEX awards to other customers.

J. CURRENT AND DEFERRED INCOME TAXES

INCOME TAX AND BUSINESS ASSET TAX FOR THE PERIOD

CEMEX and its Mexican subsidiaries generate income tax ("IT") and business assets tax ("BAT") on a consolidated basis; therefore, the amounts of these items included in the Parent Company's financial statements represent the consolidated result of these taxes.

Beginning in 1999, the determination of the consolidated IT for the Mexican companies considers a maximum of 60% of the taxable income or loss of each of the subsidiaries. When the subsidiaries determine taxable income and have tax loss carryforwards generated before 1999, such taxable income will be considered by the Parent Company according to its equity ownership. Beginning in 2002, in the determination of consolidated IT, 60% of the taxable result of the controlling entity should be considered, unless it obtains taxable income, in which case 100% should be considered, until the restated balances of the individual tax loss carryforwards before 2001 are amortized. According to 2004 reforms to the income tax law, the tax rate for 2005 was established at 30%, 29% in 2006 and 28% starting in 2007. In addition, beginning in 2005, the maximum of 60% for tax consolidation factor was eliminated, except in those situations when the subsidiaries would have generated tax loss carryforwards in the period from 1999 to 2004, or the Parent Company in the period from 2002 to 2004. In those cases, the 60% factor still prevails in the IT consolidation, until the tax loss carryforwards are extinguished in each company.

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On January 1, 2008, a new law became effective in Mexico denominated Minimum Corporate Tax (*Impuesto Empresarial Tasa Única* or "IETU"), which superseded the BAT law. IETU is calculated based on cash flows, and the rate will be 16.5% for 2008, 17% in 2009 and 17.5% in 2010 and thereafter. Entities subject to IETU should also continue to determine IT and pay the greater amount between them.

In broad terms, taxable revenues for IETU purposes are those generated through the sale of goods, the rendering of professional services, as well as rental revenue. There are certain exceptions, and it is allowed to consider as deductible items for IETU calculations, the expenses incurred to conduct the activities previously described. Capital expenditures are fully deductible for IETU. Each entity should calculate IETU on a stand-alone basis tax consolidation is not permitted. Unlike BAT, IETU is a definitive tax and, unlike IT, the taxable income is greater since some deductions are not permitted, which in some cases may be compensated by the lower IETU rate than IT rate.

CEMEX considers that at least for the first two years, in most of its Mexican operations, the Company will continue to incurre IT.

The income tax law in Mexico provides that companies must pay the greater of IT or BAT, both of which recognize the effects of inflation, although in a manner different from MFRS. Income tax benefit presented in the Parent Company's income statement consists of:

		2007	2006	2005
Received from subsidiaries	Ps	1,922	2,125	1,792
Current income tax		(1,122)	–	–
Deferred income tax		(957)	1,335	(1,105)
	Ps	(157)	3,460	687

The Parent Company has accumulated consolidated tax loss carryforwards for its Mexican operations which, restated for inflation, can be amortized against taxable income in the succeeding ten years according to income tax law as established in the Mexican Income Tax Law. Tax loss carryforwards as of December 31, 2007 are as follows:

Year in which tax loss occurred		Amount of carryforwards	Year of expiration
2002		2,245	2012
2003		643	2013
2006		3,342	2016
	Ps	6,230	

Until December 2006, the BAT Law in Mexico establishes a 1.8% tax levy on assets, restated for inflation in the case of inventory and fixed assets, and deducting certain liabilities. BAT levied in excess of IT for the period may be recovered, restated for inflation, in any of the succeeding ten years, provided that the IT incurred exceeds BAT in such period. The Parent Company generates income tax on a consolidated basis; consequently, it calculates and presents consolidated BAT for the period.

The recoverable BAT as of December 31, 2007 is as follows:

Recoverable BAT		Amount of carryforwards	Year of expiration
1997		45	2007
2006		136	2016
2007		550	2017
	Ps	731	

CEMEX, S.A.B. DE C.V.
Notes to the Parent Company-Only Financial Statements —(Continued)
As of December 31, 2007, 2006 and 2005
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Starting on January 1, 2007, due to amendments approved to the BAT law, the tax levy on assets decreased to 1.25%, but entities will no longer be allowed to deduct their liabilities from the taxable base; therefore, the new law appreciably increases the BAT payable.

DEFERRED INCOME TAX

The valuation method for deferred income taxes is detailed in note 3(O). Deferred IT for the period represents the difference in nominal pesos between the deferred IT initial balance and the year-end balance. All items charged or credited directly in stockholders' equity are recognized net of their deferred income tax effects. Deferred IT assets and liabilities of the Parent Company have been offset. As of December 31, 2007 and 2006, the IT effects of the main temporary differences that generate deferred IT assets and liabilities of CEMEX, S.A.B. de C.V. are presented below:

		2007	2006
Deferred tax assets:			
Tax loss and tax credits carryforwards	Ps	5,492	5,250
Recoverable BAT		731	181
Advances		149	373
Derivative financial instruments		470	321
Gross deferred tax assets		6,842	6,125
Less – valuation allowance		(4,478)	(2,744)
Total deferred tax asset		2,364	3,381
Deferred tax liabilities:			
Land and buildings		(499)	(502)
Derivative financial instruments		(529)	(496)
Total deferred tax liabilities		(1,028)	(998)
Net deferred tax position – asset		1,336	2,383
Less – Total effect of deferred IT in stockholders' equity at beginning of year		2,383	1,092
Restatement effect of beginning balance		90	44
Change in deferred IT for the period	Ps	(957)	1,335

The Parent Company's management considers that sufficient taxable income will be generated as to realize the tax benefits associated with the deferred income tax assets, and the tax loss carryforwards, prior to their expiration. In the event that present conditions change, and it is determined that future operations would not generate enough taxable income, or that tax strategies are no longer viable, the valuation allowance would be increased and reflected in the income statement.

The Parent Company does not recognize a deferred tax liability for the undistributed earnings generated by its subsidiaries and associates, recognized under the equity method, considering that such undistributed earnings are expected to be reinvested, not generating income tax in the foreseeable future. Likewise, the Parent Company does not recognize a deferred income tax liability related to its investments in subsidiaries and associates considering that the Parent Company controls the reversal of the temporary differences arising from these investments.

RECONCILIATION OF EFFECTIVE TAX RATE

The effects of inflation are recognized differently for IT and for accounting purposes. This situation, and other differences between the financial reporting and the corresponding tax basis of assets and liabilities, give rise to permanent differences between the approximate statutory tax rate and the effective tax rate presented in the Parent Company's income statements, which in 2007, 2006 and 2005 are as follows:

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	2007 %	2006 %	2005 %
Approximate Parent Company statutory tax rate	28.0	29.0	30.0
Equity in income of subsidiaries and associates	(30.8)	(31.8)	(32.3)
Valuation allowance for tax carryforwards	6.6	(2.5)	4.7
Benefit for tax consolidation	(5.0)	(8.7)	(6.9)
Others (1)	1.8	(0.1)	1.9
Parent Company's effective tax rate	0.6	(14.1)	(2.6)

1 Includes the effects for the decrease in the income tax rates in Mexico.

K. STOCKHOLDERS' EQUITY

The consolidated majority interest stockholders' equity is the same as the Parent Company's stockholders' equity. Therefore, stockholders' equity information detailed in note 16A to the consolidated financial statements also refers to the Parent Company, except for minority interest and the cumulative initial effect of deferred taxes.

L. EXECUTIVE STOCK OPTION PROGRAMS

Of the different stock option programs disclosed in note 17 to the consolidated financial statements, only the "fixed program" was issued by the Parent Company. Entities obligated under the other programs are part of the consolidated group.

M. EARNINGS PER SHARE

The calculations of earnings per share included in note 19 to the consolidated financial statements, is the same for the Parent Company.

N. CONTINGENCIES AND COMMITMENTS

N.1 GUARANTEES

As of December 31, 2007 and 2006, CEMEX, S.A.B. de C.V. guaranteed loans made to certain subsidiaries for approximately U.S.$513 and U.S.$735, respectively.

N.2 CONTRACTUAL OBLIGATIONS

December 31, 2007 and 2006, the approximate cash flows that will be required by the Parent Company to meet its material contractual obligations are summarized as follows:

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(U.S. dollars millions)		Payments per period					
				2007			2006
Obligations		Less than 1 year	1-3 Years	3-5 Years	More than 5 years	Total	Total
Long-term debt (1)	U.S.$	1,552	2,115	2,720	41	6,428	3,017
Interest payments on debt (2)		354	487	202	57	1,100	679
Estimated cash flows under interest rate derivatives (3)		97	170	91	49	407	218
Total contractual obligations	U.S.$	2,003	2,772	3,013	147	7,935	3,914
	Ps	21,873	30,270	32,902	1,605	86,650	43,953

(1) The scheduling of debt payments, which includes current maturities, does not consider the effect of any refinancing that may occur of debt during the following years. CEMEX, S.A.B. de C.V. has been successful in the past replacing its long-term obligations with others of similar nature.

(2) In the determination of future estimated interest payments on the floating rate denominated debt, the Parent Company used the floating interest rates in effect as of December 31, 2007 and 2006.

(3) The estimated cash flows under interest rate derivatives include the approximate cash flows under the Parent Company's interest rate swaps and cross currency swap contracts, and represent the net amount between the rate the Parent Company pays and the rate received under such contracts. In the determination of future estimated cash flows, the Parent Company used the interest rates applicable under such contracts as of December 31, 2007 and 2006.

O. TAX ASSESSMENTS AND LEGAL PROCEEDINGS

On April 3, 2007, the Mexican tax authority issued a decree providing for a tax amnesty program, which allows for the settlement of previously issued tax assessments. The Parent Company decided to take advantage of the benefits of this program, resulting in the settlement of a significant portion of the existing fiscal tax assessments of prior years. As a result of the program, as of December 31, 2007, the most significant tax credits of CEMEX, S.A.B. de C.V. have been liquidated.

Pursuant to amendments to the Mexican income tax law, which became effective on January 1, 2005, Mexican companies with direct or indirect investments in entities incorporated in foreign countries whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico, are required to pay taxes in Mexico on income derived from such foreign entities, provided that the income is not derived from entrepreneurial activities in such countries. In those applicable cases, the tax payable by Mexican companies pursuant to these amendments would be effective beginning in respect of the 2005 tax year, which results were due upon filing their annual tax returns in 2006. The Parent Company believes these amendments are contrary to Mexican constitutional principles; consequently, on August 8, 2005, the Parent Company filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. On December 23, 2005, the Parent Company obtained a favorable ruling from the Mexican federal court that the amendments were unconsitutional; however, the Mexican tax authority has appealed this ruling, and it is pending resolution. In March 2006, the Parent Company filed another motion in the Mexican federal courts challenging the constitutionality of the amendments. On June 29, 2006, CEMEX, S.A.B. de C.V. obtained a favorable ruling from the Mexican federal court stating that the amendments were unconstitutional. The Mexican tax authority has appealed this ruling, and it is pending resolution.

EXHIBIT INDEX

Exhibit No.	Description
1.1	Amended and Restated By-laws of CEMEX, S.A.B. de C.V. (a)
2.1	Form of Trust Agreement between CEMEX, S.A.B. de C.V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs. (b)
2.2	Amendment Agreement, dated as of November 21, 2002, amending the Trust Agreement between CEMEX, S.A.B. de C .V., as founder of the trust, and Banco Nacional de México, S.A. regarding the CPOs. (c)
2.3	Form of CPO Certificate. (b)
2.4	Form of Second Amended and Restated Deposit Agreement (A and B share CPOs), dated as of August 10, 1999, among CEMEX, S.A.B. de C.V., Citibank, N.A. and holders and beneficial owners of American Depositary Shares. (b)
2.5	Form of American Depositary Receipt (included in Exhibit 2.3) evidencing American Depositary Shares. (b)
2.6	Form of Certificate for shares of Series A Common Stock of CEMEX, S.A.B. de C. V. (b)
2.7	Form of Certificate for shares of Series B Common Stock of CEMEX, S.A.B. de C.V. (b)
4.1	Note Purchase Agreement, dated June 23, 2003, by and among CEMEX España Finance, LLC, as issuer, and several institutional purchasers named therein, in connection with the issuance by CEMEX España Finance, LLC of U.S.$103 million aggregate principal amount of Senior Notes due 2010, U.S.$96 million aggregate principal amount of Senior Notes due 2013, U.S.$201 million aggregate principal amount of Senior Notes due 2015. (d)
4.1.1	Amendment No. 1 to Note Purchase Agreement, dated September 1, 2006. (g)
4.2	€250,000,000 and ¥19,308,000,000 Term and Revolving Facilities Agreement, dated as of March 30, 2004, by and among CEMEX España, as borrower, Banco Bilbao Vizcaya Argentaria, S.A. and Société Générale, as mandated lead arrangers, and the several banks and other financial institutions named therein, as lenders. (d)
4.3	CEMEX España Finance LLC Note Purchase Agreement, dated as of April 15, 2004 for ¥4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010 and ¥6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011. (e)
4.3.1	Amendment No. 1 to CEMEX España Finance LLC Note Purchase Agreement, dated September 1, 2006. (g)
4.4	U.S.$700,000,000 Amended and Restated Credit Agreement, dated as of June 6, 2005, among CEMEX, S.A.B. de C.V., as Borrower and CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mèxico, S.A. de C.V., as Guarantors, and Barclays Bank PLC as Issuing Bank and Documentation Agent and ING Bank N.V. as Issuing Bank and Barclays Capital, the Investment Banking division of Barclays Bank Plc as Joint Bookrunner and ING Capital LLC as Joint Bookrunner and Administrative Agent. (g)
4.4.1	Amendment No. 1 to U.S.$700,000,000 Amended and Restated Credit Agreement, dated June 21, 2006. (g)
4.4.2	Amendment and Waiver Agreement to U.S.$700,000,000 Amended and Restated Credit Agreement, dated dated December 1, 2006. (g)
4.4.3	Amendment No. 3 to U.S.$700,000,000 Amended and Restated Credit Agreement, dated May 9, 2007. (g)
4.5	U.S.$3,800,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for CEMEX España, S.A., as Borrower, arranged by Citigroup Global Markets Limited and Goldman Sachs International with Citibank International PLC acting as Agent. (e)
4.6	Implementation Agreement, dated September 27, 2004, by and between CEMEX UK Limited and RMC Group p.l.c. (e)
4.7	Scheme of Arrangement, dated October 25, 2004, pursuant to which CEMEX UK Limited acquired the outstanding shares of RMC Group p.l.c. (e)

Exhibit No.	Description
4.8	Asset Purchase Agreement by and between CEMEX, Inc. and Votorantim Participações S.A., dated as of February 4, 2005. (e)
4.8.1	Amendment No. 1 to Asset Purchase Agreement, dated as of March 31, 2005, by and between CEMEX, Inc. and Votorantim Participações S.A. (e)
4.9	U.S.$1,200,000,000 Term Credit Agreement, dated as of May 31, 2005, among CEMEX, S.A.B. de C.V., as Borrower, CEMEX México, S.A. de C.V., as Guarantor, Empresas Tolteca de México, S.A. de C.V., as Guarantor, Barclays Bank PLC, as Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, and Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner. (f)
4.9.1	Amendment No. 1 to U.S.$1,200,000,000 Term Credit Agreement, dated as of June 19, 2006. (g)
4.9.2	Amendment and Waiver Agreement to U.S.$1,200,000,000 Term Credit Agreement, dated as of November 30, 2006. (g)
4.9.3	Amendment No. 3 to U.S.$1,200,000,000 Term Credit Agreement, dated as of May 9, 2007. (g)
4.10	U.S.$700,000,000 Term and Revolving Facilities Agreement, dated June 27, 2005, for New Sunward Holding B.V., as Borrower, CEMEX, S.A.B. de C.V., CEMEX México, S.A. de C.V. and Empresas Tolteca De México, S.A. de C.V., as Guarantors, arranged by Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas and Citigroup Global Markets Limited, as Mandated Lead Arrangers and Joint Bookrunners, the several financial institutions named therein, as Lenders, and Citibank, N.A., as Agent. (f)
4.10.1	Amendment Agreement to U.S.$700,000,000 Term and Revolving Facilities Agreement, dated June 22, 2006. (g)
4.10.2	Deed of Waiver and Second Amendment to U.S.$700,000,000 Term and Revolving Facilities Agreement, dated November 30, 2006. (g)
4.11	Note Purchase Agreement, dated as of June 13, 2005, among CEMEX España Finance LLC, as issuer, and several institutional purchasers, relating to the private placement by CEMEX España Finance, LLC of U.S.$133,000,000 aggregate principal amount of 5.18% Senior Notes due 2010, and U.S.$192,000,000 aggregate principal amount of 5.62% Senior Notes due 2015. (f)
4.11.1	Amendment No. 1 to Note Purchase Agreement, dated September 1, 2006. (g)
4.12	Amended and Restated Limited Liability Company Agreement of CEMEX Southeast LLC, dated as of July 1, 2005, among CEMEX Southeast LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.12.1	Amendment No. 1 to Amended and Restated Limited Liability Company Agreement of CEMEX Southeast LLC, dated as of September 1, 2005, among CEMEX Southeast LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.13	Limited Liability Company Agreement of Ready Mix USA, LLC, dated as of July 1, 2005, among Ready Mix USA, LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.13.1	Amendment No. 1 to Limited Liability Company Agreement of Ready Mix USA, LLC, dated as of September 1, 2005, among Ready Mix USA, LLC, CEMEX Southeast Holdings, LLC, Ready Mix USA, Inc. and CEMEX, Inc. (f)
4.14	Asset and Capital Contribution Agreement, dated as of July 1, 2005, among Ready Mix USA, Inc., CEMEX Southeast Holdings, LLC, and CEMEX Southeast LLC. (f)
4.15	Asset and Capital Contribution Agreement, dated as of July 1, 2005, among Ready Mix USA, Inc., CEMEX Southeast Holdings, LLC, and Ready Mix USA, LLC. (f)
4.16	Asset Purchase Agreement, dated as of September 1, 2005, between Ready Mix USA, LLC and RMC Mid-Atlantic, LLC. (f)
4.17	U.S.$1,200,000,000 Acquisition Facility Agreement, dated as of October 24, 2006, between CEMEX S.A.B. de C.V., as Borrower, CEMEX México, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V., as Guarantors, and BBVA Bancomer, S.A. Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, acting as Agent. (g)

Exhibit No.	Description
4.18	U.S.$9,000,000,000 Acquisition Facilities Agreement, dated as of December 6, 2006, between CEMEX España, S.A., as Borrower, Citigroup Global Markets Limited, The Royal Bank of Scotland PLC, and Banco Bilbao Vizcaya Argentaria, S.A. as Mandated Lead Arrangers and Joint Bookrunners, as amended on December 21, 2006. (g)
4.19	Debenture Purchase Agreement, dated as of December 11, 2006, among C5 Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and J.P. Morgan Securities Inc, as representative of the several initial institutional purchasers named therein, in connection with the issuance by C5 Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of U.S.$350,000,000 aggregate principal amount of 6.196% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.20	Debenture Purchase Agreement, dated as of December 11, 2006, among C10 Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and J.P. Morgan Securities Inc, as representative of the several initial institutional purchasers named therein, in connection with the issuance by C10 Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of U.S.$900,000,000 aggregate principal amount of 6.722% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.21	Debenture Purchase Agreement, dated as of February 6, 2007, among C8 Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and J.P. Morgan Securities Inc, as representative of the several initial institutional purchasers named therein, in connection with the issuance by C8 Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of U.S.$750,000,000 aggregate principal amount of 6.640% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.22	Subscription Agreement, dated as of February 28, 2007, among CEMEX Finance Europe B.V., as issuer, and several institutional purchasers, relating to the issuance by CEMEX Finance Europe B.V. of €900,000,000 aggregate principal amount of 4.75% Notes due 2014. (g)
4.23	Bid Agreement, dated as of April 9, 2007, among CEMEX, S.A.B. de C.V., CEMEX Australia Pty Ltd and Rinker Group Limited. (g)
4.24	Debenture Purchase Agreement, dated as of May 3, 2007, among C10-EUR Capital (SPV) Limited, as issuer, CEMEX S.A.B. de C.V., CEMEX México, S.A. de C.V., New Sunward Holding B.V., New Sunward Holding Financial Ventures B.V., and the institutional purchasers named therein, in connection with the issuance by C10-EUR Capital (SPV) Limited (CEMEX, S.A.B. de C.V.) of €730,000,000 aggregate principal amount of 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
4.25	U.S.$525,000,000 Club Loan Agreement, dated as of June 2, 2008, among New Sunward Holding Financial Ventures B.V., as Borrower, and a group of banks, as Lenders. (h)*
4.26	Forward Transaction (CEMEX Shares) Confirmation, Forward Transaction (NAFTRAC Shares) and Put Option Transaction Confirmation, with Credit Support Annex, each dated as of April 23, 2008, between Citibank, N.A. and a Mexican trust established by CEMEX on behalf of CEMEX's Mexican pension fund and certain of CEMEX's directors and current and former employees. (h)
4.27	Structured Transaction, dated June 2008, comprised of: (i) U.S.$500 million Credit Agreement, dated as of June 25, 2008, among CEMEX, S.A.B. de C.V., as borrower, CEMEX México S.A. de C.V, as guarantor, and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch, as lender; (ii) U.S.$500 million aggregate notional amount of Put Spread Option Confirmations, dated as of June 3, 2008 and June 5, 2008, between Centro Distribuidor de Cemento, S.A. de C.V. and Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander; and (iii) Framework Agreement, dated as of June 25, 2008, by and among CEMEX, S.A.B. de C.V., CEMEX México S.A. de C.V, Banco Santander (Mexico), S.A., Institución de Banca Múltiple, Grupo Financiero Santander and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch. (h)
8.1	List of subsidiaries of CEMEX, S.A.B. de C.V. (h)
12.1	Certification of the Principal Executive Officer of CEMEX, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (h)
12.2	Certification of the Principal Financial Officer of CEMEX, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (h)
13.1	Certification of the Principal Executive and Financial Officers of CEMEX, S.A.B. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (h)
14.1	Consent of KPMG Cárdenas Dosal, S.C. to the incorporation by reference into the effective registration statements of CEMEX, S.A.B. de C.V. under the Securities Act of 1933 of their report with respect to the consolidated financial statements of CEMEX, S.A.B. de C.V, which appears in this Annual Report on Form 20-F. (h)

(a) Incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement on Form F-3 of CEMEX, S.A.B. de C.V. (Registration No. 333-11382), filed with the

Securities and Exchange Commission on August 27, 2003.

(b) Incorporated by reference to the Registration Statement on Form F-4 of CEMEX, S.A.B. de C.V. (Registration No. 333-10682), filed with the Securities and Exchange Commission on August 10, 1999.

(c) Incorporated by reference to the 2002 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on April 8, 2003.

(d) Incorporated by reference to the 2003 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on May 11, 2004.

(e) Incorporated by reference to the 2004 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on May 27, 2005.

(f) Incorporated by reference to the 2005 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on June 8, 2006.

(g) Incorporated by reference to the 2006 annual report on Form 20-F of CEMEX, S.A.B. de C.V. filed with the Securities and Exchange Commission on June 27, 2007.

(h) Filed herewith.

* An identical U.S.$525,000,000 Club Loan Agreement was entered into by the same parties on June 2, 2008.

EXECUTION VERSION

SENIOR UNSECURED DUTCH LOAN "A" AGREEMENT

among
NEW SUNWARD HOLDING B.V.,
as Borrower
and
CEMEX, S.A.B. de C.V.,
as Guarantor
and
CEMEX MÉXICO, S.A. de C.V.,
as Guarantor
and
HSBC SECURITIES (USA) INC.,
as Sole Structuring Agent
and
HSBC SECURITIES (USA) INC.,
BANCO SANTANDER, S.A. and THE ROYAL BANK OF SCOTLAND PLC

as Joint Lead Arrangers and Joint Bookrunners
and
The Several Lenders Party Hereto,
as Lenders
and
ING Capital LLC,
as Administrative Agent
U.S.$525,000,000

Dated as of June 2, 2008

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SENIOR UNSECURED DUTCH LOAN "A" AGREEMENT

SENIOR UNSECURED DUTCH LOAN "A" AGREEMENT, dated as of June 2, 2008 among **NEW SUNWARD HOLDING B.V.** (the "Borrower"), a private company with limited liability formed under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands, **CEMEX, S.A.B. de C.V.** (the "Parent"), a *sociedad anónima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States, **CEMEX MÉXICO, S.A. de C.V.** ("CEMEX Mexico" and together with the Parent, the "Guarantors"), a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, the several lenders party hereto, **HSBC SECURITIES (USA) INC**., as sole structuring agent (in such capacity, together with its successors and assigns, if any, in such capacity, the "Structuring Agent"), **HSBC SECURITIES (USA) INC., BANCO SANTANDER, S.A.** and **THE ROYAL BANK OF SCOTLAND PLC** as joint lead arrangers and joint bookrunners (the "Joint Lead Arrangers"), and **ING Capital LLC**, as administrative agent.

RECITALS

WHEREAS, the Borrower desires to borrow up to U.S.$525,000,000, the net proceeds of which will be used to repay existing debt and to make intercompany loans solely for the purposes of repaying existing senior debt of the Parent, the Borrower and/or any of the Parent's consolidated Subsidiaries;

WHEREAS, the Guarantors are willing to guaranty all of the Obligations of the Borrower;

WHEREAS, the Lenders are willing to provide the Loans established by this Agreement on the terms and conditions contained herein;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Subsidiary" means any Subsidiary acquired by the Parent or any other Subsidiary after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary of the Parent or any one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, the Borrower or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Act" has the meaning specified in Section 12.16.

"Adjusted Consolidated Net Tangible Assets" means, with respect to the Parent, the total assets of the Parent and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), including any write-ups or restatements required under Applicable GAAP (other than with respect to items referred to in clause (ii) below), after deducting therefrom (i) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licenses, concessions, patents, unamortized debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Applicable GAAP.

"Administrative Agent" means ING Capital LLC, in its capacity as administrative agent for each of the Lenders, and its successors and assigns in such capacity.

"Administrative Agent Account" means the deposit account as the Administrative Agent may from time to time specify in writing to the Borrower and the Lenders.

"Administrative Agent's Payment Office" means the Administrative Agent's address for payments set forth on the signature pages hereof or such other address as the Administrative Agent may from time to time specify to the other parties hereto pursuant to the terms of this Agreement.

"Affected Lender" has the meaning specified in Section 3.08(a).

"Affiliate" means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company.

"Aggregate Committed Amount" means the aggregate amount of all of the Commitments.

"Agreement" means this Senior Unsecured Dutch Loan "A" Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable GAAP" means, with respect to any Person, Mexican FRS or other generally accepted accounting principles required to be applied to such Person in the jurisdiction of its incorporation or organization and used in preparing such Person's financial statements.

"Applicable Margin" means, at any date, the applicable margin set forth in the table below opposite the relevant period, as adjusted pursuant to Sections 2.02(c) and (d):

Period	Applicable Margins
From, and including, the Disbursement Date to, but excluding the Initial Step-Up Date	1%
From, and including the Initial Step-Up Date to, but excluding, the Second Step-Up Date	2%
From, and including the Second Step-Up Date until the Loans are paid in full.	6%

provided, however, that if (a) the Step-Up Spread is greater than (b) the Closing Date Spread, then the Applicable Margin from, and including the Second Step-Up Date until the Loans are paid in full or converted into Maturity Loans will be 6% plus an additional one time increase in an amount equal to the difference between (a) and (b).

"Asset Swaps" means transactions whereby assets (other than cash and cash equivalents) are exchanged for assets (other than cash and cash equivalents) of comparable value, including but not limited to asset swaps made in connection with the contribution of Capital Stock or assets to joint venture agreements or similar arrangements.

"Assignee" has the meaning specified in Section 12.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit D.

"Assignor" has the meaning specified in Section 12.06(b)

"Availability Period" means the period from and including June 16, 2008 to and including June 30, 2008.

"Average Spread" means (a) the sum of the spreads for the relevant Reference Bond over applicable U.S. Treasury Benchmarks calculated on the bid side of the market as of the closing of each Business Day during the Measurement Period divided by (b) the number of days in the Measurement Period.

"Base Rate" means, for any day, the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 1/2% per annum, in each case as in effect for such day. Any

change in the Prime Rate announced by the Reference Banks shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means any Loan made or maintained at a rate of interest calculated with reference to the Base Rate.

"Benefit Plan" means all benefit and compensation plans, contracts, policies or arrangements covering current or former employees of the Credit Parties or its Subsidiaries and current or former directors of the Credit Parties or its Subsidiaries including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of ERISA.

"Borrower" has the meaning specified in the preamble hereto.

"Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City, New York, Amsterdam, The Netherlands, Madrid, Spain or Mexico City, Mexico are authorized or required by law to close.

"C8 Notes" means the 6.640% Fixed-to-Floating Rate Callable Perpetual Debentures of C8 CAPITAL SPV LTD. (ISIN USG2024RAA98).

"C10 Notes" means the 6.722% Fixed-to-Floating Rate Callable Perpetual Debentures of C10 CAPITAL SPV LTD. (ISIN USG23491AA40).

"Calculation Date" means each of the First Calculation Date and the Final Calculation Date, as the case may be.

"Call Date" means the first date the Reference Bond may be redeemed at the option of the issuer thereof.

"Capital Lease" means, as to any Person, any lease that is capitalized on the balance sheet of such Person prepared in accordance with Applicable GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"CEMEX Mexico" has the meaning specified in the preamble hereto.

"CEMEX Spain" means CEMEX España, S.A., a company (*sociedad anónima*) incorporated under the laws of the Kingdom of Spain or its successors or transferees in the event of the merger or consolidation of CEMEX Spain or the transfer, conveyance, sale, lease or other disposition of all or substantially all its property and assets.

"Change of Control Event" means the acquisition by any Person after the Closing Date of the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Commission under the Securities Exchange Act of 1934, as amended) of 20% or more in voting power of the outstanding voting stock of the Parent; provided that the acquisition of beneficial ownership of Capital Stock of the Parent by Lorenzo H. Zambrano or any member of his immediate family shall not constitute a Change of Control Event.

"Closing Date" has the meaning set forth in Section 4.01.

"Closing Date Spread" means, as calculated as of the First Calculation Date, (a) the sum of (i) the product of the Average Spread for the C8 Notes multiplied by the Days to Call for the C8 Notes plus (ii) the product of the Average Spread for the C10 Notes multiplied by the Days to Call for the C10 Notes divided by (b) the sum of (i) the Days to Call for the C8 Notes and (ii) the Days to Call for the C10 Notes.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" has the meaning specified in Section 7.04(b).

"Commitment" means, with respect to each Lender, the aggregate principal amount set forth opposite the name of such Lender in Schedule 1.01(a).

"Commitment Letters" means, collectively, the letter from HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, through its Grand Cayman Branch agreed to and accepted by the Parent, dated as of April 15, 2008, the letter from Banco Santander, S.A. agreed to and accepted by the Parent, dated as of April 15, 2008, the letter from The Royal Bank of Scotland, PLC agreed to and accepted by the Parent, dated as of April 16, 2008, the letter from ING Bank N.V. through its Curacao Branch agreed to and accepted by the Parent, dated as of April 17, 2008 and the letter from Caja Madrid, Miami Agency agreed to and accepted by the Parent, dated as of April 18, 2008.

"Comparable Debt Facility" means any senior, unsecured financing in the bank market with (A) either (i) an aggregate initial commitment amount of at least U.S.$150,000,000, (ii) an aggregate commitment amount at any time of at least U.S.$150,000,000, or (iii) an aggregate principal amount outstanding of at least U.S.$150,000,000 and (B) a maturity of more than one year; provided, however, that "Comparable Debt Facility" shall not include letters of credit, leases entered into in the ordinary course of business, bilateral loan agreements, Derivatives, financings granted, insured or guaranteed, in whole or in part by Export Credit Agencies or Qualified Receivables Transactions.

"Competitor" means any Person engaged in the business of producing, distributing, and marketing cement, ready-mix concrete, aggregates, and related building materials.

"Confidential Information" means information that a Credit Party furnishes to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or such Lender from a source other than a Credit Party that is not, to the best of the Administrative Agent's, the Structuring Agent's, the Joint Lead Arrangers' or such Lender's knowledge, acting in violation of a confidentiality agreement with the Credit Party or any other Person.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any indenture, mortgage, deed of trust, loan agreement or other agreement to which such Person is a party or by which it or any of its property or assets is bound.

"Conversion Date" has the meaning set forth in Section 2.01(i).

"Conversion Notice" has the meaning set forth in Section 2.01(j).

"Converted Amount" means the aggregate outstanding principal amount of the Loans as set forth in the Conversion Notice.

"Credit Event" means the occurrence of each of the following events: (i) the Parent or any of the Parent's Subsidiaries sells, leases or otherwise disposes of any of its assets (including the Capital Stock of any of the Parent's Subsidiaries), other than (a) inventory, trade receivables and assets surplus to the needs of the business of the Parent or any of the Parent's Subsidiaries sold in the ordinary course of business, (b) assets not used, usable or held for use in connection with cement operations and related operations or (c) Asset Swaps, unless the net cash proceeds (remaining after the payment of all taxes and expenses due and payable in connection with such sale, lease or disposition) of the sale of such assets are retained by the Parent or any of the Parent's Subsidiaries, as the case may be, and, as promptly as practicable after such sale (but in any event within 180 days of such sale), the proceeds are applied to the repayment of senior debt of the Parent or any of the Parent's Subsidiaries, whether secured or unsecured; (ii) an event of default that is the result of non-payment of amounts due under any Indebtedness exceeding U.S.$50,000,000 (or the equivalent thereof in other currencies) of the Parent or any of its Subsidiaries; and (iii) after the Second Step-Up Date, the Parent has paid or declared any dividends on its common stock.

"Credit Event Margin Increase" shall mean, as of any date, the percentage equal to the product of (a) 2% multiplied by (b) the number of Credit Events that have occurred on or prior to such date.

"Credit Event Step-Up" has the meaning set forth in Section 2.02(c)(i).

"Credit Party" means the Borrower or a Guarantor.

"Credit Parties" means the Borrower and the Guarantors.

"Days to Call" means the number of days from the Calculation Date to the Call Date of the relevant Reference Bond.

"Debt" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person and (viii) all Debt of others guaranteed by such Person. For the avoidance of doubt, Debt does not include Derivatives. If the Value of Debt Currency Derivatives is a positive mark-to-market valuation for the Parent and its Subsidiaries, then Debt shall decrease accordingly, and if the Value of Debt Currency Derivatives is a negative mark-to-market valuation for the Parent and its Subsidiaries, then Debt shall increase by the absolute value thereof.

"Debt Currency Derivatives" means derivatives of the Parent and its Subsidiaries related to currency entered into for the purposes of hedging exposures under outstanding Debt of the Parent and its Subsidiaries, including but not limited to cross-currency swaps and currency forwards.

"Default" means any condition, event or circumstance which, with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default.

"Default Period" means the period commencing on the date an Event of Default occurs and ending on the date such Event of Default is cured of waived.

"Defaulting Lender" has the meaning specified in Section 2.01(c)(ii).

"Deferral Spread" means the rate set forth in the table below:

If no Credit Event has occurred	After the occurrence of a Credit Event
1.5%	0.75%

"Deferred Amounts" has the meaning set forth in Section 2.02(b).

"Derivatives" means any type of derivative obligations, including but not limited to equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swaptions.

"Disbursement Date" means the date on which the Loans are made by the Lenders.

"Dollars," "$" and "U.S.$" each means the lawful currency of the United States.

"Dutch "A" Note" has the meaning set forth in Section 2.01(d).

"Dutch "B" Loans" means the loans under the Dutch Loan "B" Agreement, if any.

"Dutch Loan "B" Agreement" means the Senior Unsecured Dutch Loan "B" Agreement, dated as of June 2, 2008 among the Borrower, the Parent, as a guarantor, CEMEX Mexico, as a guarantor, the several lenders party thereto, HSBC Securities (USA) Inc., as sole structuring agent, HSBC Securities (USA) Inc., Banco Santander, S.A. and The Royal Bank of Scotland PLC as joint lead arrangers and joint bookrunners, and ING Capital LLC, as administrative agent.

"Dutch Financial Supervision Act" means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules and regulations promulgated thereunder.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (*norma técnica or norma oficial Mexicana*), code, order, judgment, decree or judicial agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group that includes the Borrower and that is treated as a single employer under Sections 414(b) or (c) of the Code.

"Event of Default" has the meaning set forth in Section 9.01.

"Excess Payment" has the meaning set forth in Section 3.11(a).

"Exempt Issuance" means any common stock issuances of the Parent made in connection with (i) the Parent's existing or future stock option plans, stock grant plans or dividend reinvestment plans in the ordinary course of business, or (ii) any Derivatives entered into with respect to the common stock of the Parent.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any Tax Related Persons or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, (i) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (ii) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrowers are located, (iii) United States backup withholding taxes imposed because of payee underreporting (iv) any withholding tax that is imposed on amounts payable to a Lender at the time such Lender becomes a party hereto, or that is imposed due to such Lender's failure or inability to comply with Section 3.03(f); provided, however, that Excluded Taxes shall not include (A) any Mexican withholding tax imposed on payments made by any Guarantor to the Administrative Agent, any Lender, or any Tax Related Persons under this Agreement or any other Transaction Documents, or (B) in the case of an assignment, transfer, grant of a participation, or designation of a new Lending Office by any Lender, withholding taxes solely to the extent that such withholding taxes are (1) not in excess of the amounts the Borrower and Guarantors were required to pay or increase with respect to such Lender pursuant to Section 3.03 immediately prior to such an event, or (2) imposed as a result of a change in applicable law or regulation occurring after such event, and (v) Other Taxes.

"Export Credit Agency" means an export credit agency or any other governmental body that supports the commercial and trading activities of private domestic businesses that do business abroad.

"Extension Date" has the meaning specified in Section 2.01(e).

"Federal Funds Rate" means, for any relevant day, the overnight Federal funds rate as published for such day in the Federal Reserve Statistical Release H.15 (519) or any successor publication, or, if such rate is not published for any day, the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotation for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotation" for such day under the caption "Federal Funds Effective Rate"). If on any relevant day the appropriate rate for such previous day is not yet published in either H.15 (519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of recognized standing of Federal funds transactions in New York City selected by the Administrative Agent.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letters" means, if applicable, any fee letter entered into in connection with the Loans and signed by any Credit Party and any Lender.

"Final Calculation Date" means the date that is two (2) Business Days prior to the Second Step-Up Date.

"First Calculation Date" means the date that is two (2) Business Days prior to the Closing Date.

"Fiscal Year" means any of the annual accounting periods of the Borrower ending on or about December 31 of each year.

"Fitch" means Fitch Ratings, Ltd. and any successor thereto.

"Governmental Authority" means any branch of power or government or any state, department or other political subdivision thereof, or any governmental body, agency, authority (including any central bank or taxing or environmental authority), any entity or instrumentality (including any court or tribunal) exercising executive, legislative, judicial, regulatory, administrative or investigative functions of or pertaining to government.

"Guarantor" has the meaning specified in the preamble hereto.

"Hazardous Materials" means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

"Holding Company" means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

"Indebtedness" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person and (viii) all Debt of others guaranteed by such Person.

"Indemnified Party" has the meaning specified in Section 12.05.

"Indemnified Taxes" means Taxes other than Excluded Taxes arising from any payment made hereunder or under any other Transaction Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document.

"Initial Step-Up Date" means the date that is eighteen months after the Disbursement Date.

"Interest Payment Date" means the last day of each June and December commencing on December 31, 2008, and the date of repayment of the Loans, the Conversion Date and the Maturity Date. If an Interest Payment Date falls on a date that is not a Business Day, such Interest Payment Date shall be deemed to be the immediately preceding Business Day.

"Interest Period" means (a) with respect to the first Interest Period, the period from and including the Disbursement Date to but excluding the first Interest Payment Date, and (b) thereafter, the period from and including each Interest Payment Date to but excluding the next Interest Payment Date; provided that the foregoing provisions are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; and

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month.

"Joint Lead Arrangers" has the meaning specified in the preamble hereto.

"Judgment Currency" has the meaning specified in Section 12.14(c).

"Lender" means each financial institution designated as such on the signature pages hereof, each Assignee that becomes a Lender pursuant to Section 12.06(b), and each of their respective successors or assigns.

"Lending Office" means, with respect to any Lender, (a) the office or offices of such Lender specified as its "Lending Office" or "Lending Offices" in Schedule 1.01(b) or (b) such other office or offices of such Lender as it may designate as its Lending Office by notice to the Borrower and the Administrative Agent.

"LIBOR" means, applicable to any Interest Period, the rate for deposits in Dollars for a period equal to such Interest Period quoted on the second LIBOR Business Day prior to the first day of such Interest Period, as such rate appears on Reuters Page LIBOR01 as of 11:00 a.m. (London time) on such date as determined by the Administrative Agent and notified to the Lenders and the Borrower on such second prior LIBOR Business Day. If LIBOR cannot be determined based on the Reuters Page LIBOR01, LIBOR means the arithmetic mean (rounded upwards to the nearest 1/100%) of the rates per annum, as supplied to the Administrative Agent, quoted by the Reference Banks to prime banks in the London interbank market for deposits in Dollars at approximately 11:00 a.m. (London time) two (2) LIBOR Business Days prior to the first day of such Interest Period in an amount approximately equal to the principal amount of the Loans to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"LIBOR Business Day" means any Business Day on which commercial banks are open in London for the transaction of international business, including dealings in Dollar deposits in the international interbank markets.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Parent or any Subsidiary of the Parent shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Loan" has the meaning set forth in Section 2.01(a).

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Credit Parties taken as a whole, (b) the validity or enforceability of this Agreement or any of the Dutch "A" Notes or the rights and remedies of the Administrative Agent or any Lender under this Agreement or any of the Dutch "A" Notes or (c) the ability of any Credit Party to perform its Obligations under this Agreement, the

Dutch "A" Notes, the Fee Letters, any Notice of Borrowings, any certificates, waivers, or any other agreement delivered pursuant to this Agreement.

"Material Subsidiary" means, at any date, (a) each Subsidiary of the Parent (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute 5% or more of the consolidated assets of the Parent and its Subsidiaries as of the end of the then most recently ended fiscal quarter for which quarterly financial statements have been prepared or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis, without duplication, constitutes 5% or more of the consolidated operating profit of the Parent and its Subsidiaries for the then most recently ended fiscal quarter for which quarterly financial statements have been prepared and (b) each Guarantor.

"Maturity Date" means the earlier of (a) June 30, 2011 or, if extended in accordance with Section 2.01(e), the Interest Payment Date following the then applicable Maturity Date or (b) the date on which all outstanding principal, accrued and unpaid interest and Deferred Amounts, if any, with respect to the Loans are paid in full.

"Maturity Loan" means the "Loan" as defined in the Maturity Loan "A" Agreement.

"Maturity Loan "A" Agreement" means a Maturity Loan "A" Agreement in substantially the form of Exhibit A, as amended as necessary to comply with Section 4.03(f) hereof, which shall be executed prior to the Conversion Date pursuant to Section 2.01(k)(i).

"Measurement Period" means the five (5) Business Day period prior to the Calculation Date.

"Mexican FRS" means, Mexican Financial Reporting Standards (*normas de información financiera*) as in effect from time to time.

"Mexico" means the United Mexican States.

"Ministry of Finance" means the Ministry of Finance and Public Credit of Mexico.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Notice of Borrowing" has the meaning specified in Section 2.01(b).

"Notice of Default" has the meaning specified in Section 10.05.

"Obligations" means, (a) with respect to the Borrower, all of its obligations and liabilities hereunder, including the Loans, to the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent now or in the future

existing under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, due or to become due, and (b) with respect to each Guarantor, all of its indebtedness including the Loans hereunder, obligations and liabilities to the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, in each case whether direct or indirect, absolute or contingent, due or to become due.

"Other Taxes" means any present or future stamp or documentary taxes which arise from any payment made hereunder and which are imposed, levied, collected or withheld by any Governmental Authority.

"Parent" has the meaning specified in the preamble hereto.

"Participant" has the meaning specified in Section 12.06(d).

"Payment Event of Default" has the meaning set forth in Section 2.02(d).

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which any Credit Party or any of its ERISA Affiliates has any liability.

"Permitted Liens" has the meaning specified in Section 7.06.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Prime Rate" means the average of the rate of interest publicly announced by each of the Reference Banks from time to time as its Prime Rate in New York City, the Prime Rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent or any Lender in connection with extensions of credit to debtors of any class, or generally.

"Pro Rata Share" means (a) prior to the Disbursement Date, the percentage obtained by dividing the Commitment of a Lender by the Aggregate Committed Amount or (b) after the Disbursement Date, the percentage obtained by dividing the outstanding principal amount of the Loan of a Lender by the aggregate outstanding principal amount of the Loans. The initial Pro Rata Shares of the Lenders are set out on Schedule 1.01(a).

"Process Agent" has the meaning specified in Section 12.12(a).

"Professional Market Party" means a professional market party (*professionele marktpartij*) within the meaning of the Dutch Financial Supervision Act.

"Qualified Receivables Transaction" means a sale, transfer, or securitization of receivables and related assets by the Parent or its Subsidiaries, including a sale at a discount, provided that (i) such receivables have been sold, transferred or otherwise conveyed, directly or indirectly, by the originator thereof in a manner that satisfies the requirements for a sale, transfer or other conveyance under the laws and regulations of the jurisdiction in which such originator is organized; (ii) at the time of the sale, transfer or securitization of receivables is put in place, the receivables are derecognized from the balance sheet of the Parent or its Subsidiary in accordance with the generally accepted accounting principles applicable to such Person in effect as at the date of such sale, transfer or securitization; and (iii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or securitization is carried out on a non-recourse basis or on a basis where recovery is limited to the collection of receivables.

"Qualifying Equity Security" means any security that (a) is issued or guaranteed by the Parent and (b) is accounted for as "equity" of the Parent in the consolidated financial statements of the Parent.

"Rating Agencies" means Moody's, S&P, and Fitch or if any of such Persons cease to perform credit ratings or other applicable services, such nationally recognized statistical rating organization the Administrative Agent may select.

"Reference Banks" shall mean three banks in the London interbank market, initially Citibank NA, HSBC Bank plc, and ING Bank NV.

"Reference Bonds" means each of the C8 Notes and the C10 Notes.

"Regulation T, U, or X" means Regulation T, U, or X, respectively, of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) holding more than 67% of the aggregate principle amount of outstanding Loans; provided, however, that for purposes of Section 9.02, "Required Lenders" means, at any time, Lenders holding more than 50% of the aggregate principal amount of the outstanding Loans.

"Requirement of Law" means, as to any Person, any law, ordinance, rule, regulation or requirement of any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any Person means the Chief Financial Officer, the Corporate Planning and Finance Director, the Finance Director, the Comptroller of such Person and, in the case of the Borrower, any two managing directors of the Borrower or an attorney-in-fact.

"Restricted Payment" has the meaning specified in Section 7.07.

"Reuters Page LIBOR01" means the display designated as "*LIBOR01*" on Reuters 3000 Xtra (or any successor service) or such other page as may replace Page LIBOR01 on Reuters 3000 Xtra or any successor service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for Dollar deposits.

"Second Step-Up Date" means June 30, 2011.

"Solvent" means, with respect to any Person on a particular date, that on such date (i) such Person (a) is not "insolvent" within the meaning of Section 101(32) of the United States Bankruptcy Reform Act of 1978, as amended, (b) is otherwise able to pay its debts as such debts become due unless such debts are the subject of a bona fide dispute as to liability or amount, or (c) is not, or is not deemed to be, in general default of its obligations pursuant to the Mexican Ley de Concursos Mercantiles, or (ii) no corporate action, legal proceedings or other procedure in relation to suspension of payments (surseance van betaling), bankruptcy (faillissement), or the appointment of a trustee in bankruptcy (curator) or administrator (bewindvoerder), all within the meaning of the Dutch Bankruptcy Act, has been taken in relation to it.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"Step-Up Spread" means, as calculated as of the Final Calculation Date, (a) the sum of (i) the product of the Average Spread for the C8 Notes multiplied by the Days to Call for the C8 Notes plus (ii) the product of the Average Spread for the C10 Notes multiplied by the Days to Call for the C10 Notes divided by (b) the sum of (i) the Days to Call for the C8 Notes and (ii) the Days to Call for the C10 Notes.

"Structuring Agent" has the meaning specified in the preamble hereto.

"Subsidiary" means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than 50% of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the beneficial interest in such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person's other Subsidiaries.

"Substitute Lender" means a commercial bank or other financial institution, acceptable to the Parent, the Lenders and the Administrative Agent, each in its

sole discretion, and approved by the Structuring Agent (including such a bank or financial institution that is already a Lender hereunder), which assumes all or a portion of the Commitment of a Lender pursuant to the terms of this Agreement.

"Successor" has the meaning specified in Section 7.08(a).

"Tax Related Person" means any Person whose income is realized through, or determined by reference to, the Administrative Agent or a Lender; provided that no Lender shall be deemed a Tax Related Person of the Administrative Agent, and the Administrative Agent shall not be deemed a Tax Related Person of any Lender.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Transaction Documents" means a collective reference to this Agreement, the Dutch "A" Notes, any Assignment and Assumption Agreement, the Fee Letters, and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"United States" and "U.S." means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"U.S. Government Securities" means any security issued or guaranteed as to principal or interest by the United States, or by a Person controlled or supervised by and acting as an instrumentality of the government of the United States pursuant to authority granted by the Congress of the United States, in each case provided such security is rated "AAA" or the equivalent by each of the Rating Agencies.

"U.S. Treasury Benchmarks" means the most recently issued U.S. Treasury bond or note with a maturity date closest to the Call Date of the relevant Reference Bond.

"Value of Debt Currency Derivatives" means, on any given date, the aggregate mark-to-market value of Debt Currency Derivatives, expressed as a positive number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed to the Parent and its Subsidiaries) or as a negative number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed by the Parent and its Subsidiaries).

"Welfare Plan" means a "welfare plan," as such term is defined in Section 3(1) of ERISA.

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to."

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days or LIBOR Business Days are expressly prescribed.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with Mexican FRS.

ARTICLE II
THE LOAN FACILITIES

2.01 Loans.

(a) Commitment. Subject to the terms and conditions set forth herein, each Lender hereby severally agrees to make a loan (each a "Loan" and, together the "Loans") to the Borrower in a single disbursement during the Availability Period. The aggregate principal amount of each Loan shall not exceed such Lender's Commitment. The Loans, or any portion of the principal amount thereof, that are converted to Maturity Loans or repaid may not be reborrowed.

(b) Notice of Borrowing. If the Borrower desires to borrow under Section 2.01(a) during the Availability Period, the Borrower shall deliver to the Administrative Agent a written notice (the "Notice of Borrowing") in the form attached as Exhibit C not later than 1:00 p.m. (New York City time) at least three (3) Business Days prior to the Disbursement Date. Such Notice of Borrowing shall specify (i) the amount of the proposed Loans, and (ii) the proposed Disbursement Date, which must be a Business Day during the Availability Period. The Notice of Borrowing given pursuant to this Section 2.01(b) shall be irrevocable and binding on the Borrower. Funds under Section 2.01(a) shall be available only in a single disbursement.

(c) Making the Loans. The Administrative Agent shall promptly notify each Lender of the amount of the borrowing of the Loans. Each Lender shall deposit in the Administrative Agent Account an amount equal to its Pro Rata Share of the amount of such borrowing by wire transfer of immediately available funds, not later than 10:00 a.m. (New York City time) on the Disbursement Date. Subject to the satisfaction of the

conditions precedent set forth in Section 4.02, to the extent received from the Lenders, the Administrative Agent shall make such proceeds available to the Borrower on the Disbursement Date to the account with such bank or any other financial institution designed by the Borrower in the Notice of Borrowing.

(i) Except as otherwise provided in Section 2.01(c), all Loans under this Agreement shall be made by the Lenders simultaneously and proportionately to their Pro Rata Shares. No Lender shall be responsible for any failure by any other Lender to perform its obligation to make a Loan hereunder.

(ii) Unless the Administrative Agent shall have received notice from a Lender, prior to the Disbursement Date, that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share of the amount of such borrowing, the Administrative Agent may, but shall not be required to, assume that such Lender has made such Pro Rata Share of the amount of such borrowing available on such date in accordance with Section 2.01(c) and may, but shall not be required to, in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender either does not make its Pro Rata Share of the amount of such borrowing available to the Administrative Agent or delays in doing so past 3:00 p.m. (New York City time) on the Disbursement Date (such Lender (until it makes such Pro Rata Share available) hereinafter referred to as a "Defaulting Lender"), then the Administrative Agent shall immediately notify the Borrower of such default. If the Administrative Agent has made available to the Borrower an amount corresponding to such Defaulting Lender's Pro Rata Share of the amount of such borrowing, then the Defaulting Lender and the Borrower jointly and severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, on each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at:

(1) in the case of the Defaulting Lender, the Federal Funds Rate; or

(2) in the case of the Borrower, the interest rate applicable to the Loans.

If, with respect to the immediately preceding sentence, the Borrower pays such amount and interest thereon to the Administrative Agent, then the Defaulting Lender shall indemnify and hold harmless the Borrower from and against such amount and interest thereon, and if such Defaulting Lender pays such amount to the Administrative Agent, then such amount shall constitute such Defaulting Lender's Pro Rata Share of the amount of such borrowing. If the Administrative Agent, in its discretion, does not make available to the Borrower an amount corresponding to the Defaulting Lender's Pro Rata Share of the amount of such borrowing, then the Defaulting Lender shall indemnify and hold harmless the Credit Parties from and against such amount as well as any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs, and expenses (including reasonable fees and disbursements for counsel including

allocated cost of internal counsel) resulting from any failure on the part of the Defaulting Lender to provide, or from any delay in providing, the Administrative Agent with such Defaulting Lender's Pro Rata Share of the amount of such borrowing, but no Lender shall be so liable for any such failure on the part of or caused by any other Lender or the Administrative Agent or the Credit Parties. The Administrative Agent, upon notice by the Borrower that such reimbursement is due from the applicable Defaulting Lender, shall notify such Defaulting Lender of the amount of the reimbursement due, including interest thereon, and shall forward such amount to the Borrower upon receipt from the Defaulting Lender.

(d) Loan Notes. Each Lender's Pro Rata Share of the Loans shall be evidenced by a promissory note dated the Disbursement Date and substantially in the form of Exhibit B (each, a "Dutch "A" Note" and, collectively, the "Dutch "A" Notes"). Each Dutch "A" Note shall represent the obligation of the Borrower to pay the amount of the applicable Lender's Pro Rata Share of the Loans, together with interest thereon as prescribed in Section 2.02. The aggregate principal amount of the Loan advanced on the Disbursement Date, together with any interest thereon and fees due in connection herewith, shall be the primary obligation of the Borrower.

(e) Maturity Date Extension. Unless an Event of Default shall have occurred and be continuing on the then applicable Maturity Date or the Borrower has delivered a notice of prepayment pursuant to Section 2.01(g) below at least thirty (30) days prior to such Maturity Date, then such Maturity Date (the "Extension Date") shall automatically and without action on the part of any party be extended to the next succeeding Interest Payment Date. For the avoidance of doubt, so long as no Event of Default has occurred and is continuing and no notice of prepayment has been delivered pursuant to Section 2.01(g) below at least thirty (30) days prior to such Maturity Date, there shall be no limit on the number of times the Maturity Date may be extended pursuant to this Section 2.01(e).

(f) Repayment. The Borrower shall, and hereby promises to, repay all outstanding principal, accrued and unpaid interest and Deferred Amounts, if any, with respect to the Loans on the Maturity Date (after giving effect to any extensions pursuant to Section 2.01(e)), except if the Loans have been fully converted to Maturity Loans prior to such date.

(g) Prepayment. The Loans may be repaid in whole or in part without premium or penalty; provided that (i) the Loans may be prepaid only upon five (5) Business Days' prior written notice to the Administrative Agent, and (ii) partial prepayments shall be in minimum principal amounts of U.S.$10,000,000. All such prepayments shall be accompanied by the payment of all accrued interest thereon, including any Deferred Amounts then outstanding, together with, if such prepayment is made on any date other than a scheduled Interest Payment Date, any funding losses as provided in Section 3.05.

(h) Payments. Each payment of principal, accrued and unpaid interest and Deferred Amounts, if any, with respect to the Loans shall be paid to the Administrative Agent for the ratable benefit of each Lender. No payment with respect to the Loans may be reborrowed.

(i) Conversion. Subject to the terms and conditions set forth in Section 4.03, on any Interest Payment Date after the Disbursement Date and prior to June 30, 2011 (such date, the "Conversion Date"), the Borrower may, in its sole discretion and upon five (5) Business Day's prior written notice to the Administrative Agent, convert all (and not part) of the Loans outstanding on such Interest Payment Date into the Maturity Loans. For the avoidance of doubt, at no time shall both the Loans and the Maturity Loans be outstanding at the same time.

(j) Request for Conversion.

(i) To request the conversion, the Borrower shall deliver a written notice to the Administrative Agent at least five (5) Business Days prior to the proposed Conversion Date substantially in the form of Exhibit H hereto (the "Conversion Notice"). The Conversion Notice shall be irrevocable and the conversion shall be binding on each Lender as of the Conversion Date, provided that the conditions set forth in Section 4.03 have been satisfied or waived as provided therein.

(ii) Not later than 12:00 p.m. (New York City time) on the Business Day following the day on which the Conversion Notice is received, the Administrative Agent shall promptly advise each Lender of the details thereof and, promptly, prior to the proposed Conversion Date, it shall provide Schedule 2.01(a) for the Maturity Loan "A" Agreement, containing the principal amount of each Lender's Loan, to the Credit Parties.

(k) Conversion Date Mechanics. On the Conversion Date, the following shall occur:

(i) Subject to the satisfaction of the conditions precedent set forth in Section 4.03 of this Agreement, (A) each party hereto shall execute the Maturity Loan "A" Agreement in the form attached as Exhibit A hereto, as amended, if necessary, to comply with Section 4.03(f) hereof, and (B) each Lender shall deliver its Dutch "A" Note to the Administrative Agent in exchange for a Maturity "A" Note, and

(ii) The Borrower shall deliver a Maturity "A" Note (as defined in the Maturity Loan "A" Agreement) to each Lender in exchange for such Lender's Dutch "A" Note. Upon issuance of the Maturity "A" Notes in exchange for the Dutch "A" Notes, the applicable Dutch "A" Notes shall be deemed to have been paid in full.

The parties agree that the conversion of the loans into the Maturity Loans shall not constitute novation of the obligations of the Credit Parties.

2.02 Interest.

(a) Loans. Subject to Section 2.02(c) and Section 2.02(d), the Loans shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin.

(b) Interest Deferral. Subject to the limitations set forth herein in clause (iii) below, as long as no Event of Default has occurred and is continuing, the Borrower may at any time and in its sole discretion defer, on one or more occasions, all (but not part) of the scheduled interest payments on the Loans otherwise due and payable on any Interest Payment Date (the amount of each such deferral a "Deferred Amount" and all outstanding Deferred Amounts, the "Deferred Amounts").

(i) The Borrower will deliver written notice of any proposed interest deferral to the Administrative Agent not more than thirty (30) nor less than ten (10) Business Days prior to the applicable Interest Payment Date.

(ii) The Deferred Amounts shall accumulate and compound semi-annually and shall bear interest at the rate otherwise applicable to the Loans plus the Deferral Spread.

(iii) The Borrower may not elect to defer any scheduled payments of interest on the Loans at any time when the Parent or any of the Parent's subsidiaries has:

(A) declared or paid any dividend, or made any distributions on common stock of the Parent at or since the most recent annual general meeting of the shareholders of the Parent;

(B) paid any interest, dividend or other distributions on any Qualifying Equity Security during the 180-day period immediately preceding the payment date for which interest deferral is proposed; or

(C) repurchased, redeemed, repaid or otherwise reacquired any Qualifying Equity Security during the 180-day period immediately preceding the payment date for which interest deferral is proposed, other than repurchases, redemptions or reacquisitions (i) the sole consideration for which was the payment of common stock of the Parent (or rights to acquire common stock of the Parent), or (ii) in connection with the satisfaction of obligations under any existing or future benefit plan for directors, officers or employees.

(c) Increased Interest Rate.

(i) Upon the occurrence of any Credit Event from (and including) the date on which such Credit Event occurs, the Applicable Margin shall be increased

(a "Credit Event Step-Up") by an additional 2% per annum; provided, however, the Credit Event Step-Up applicable pursuant to this Section 2.02(c)(i) shall not apply during a Default Period. For the avoidance of doubt, (A) the Applicable Margin shall increase by an additional 2% per annum upon each occurrence of a Credit Event and (B) immediately upon the waiver or cure of such Event of Default, the Credit Event Step-Up shall apply and the Applicable Margin shall be increased by the Credit Event Margin Increase commencing on, and including, the date of such cure or waiver.

(ii) Upon the occurrence of a Change of Control Event from (and including) the date on which a Change of Control Event occurs, the Applicable Margin shall be increased by an additional 5% per annum.

(d) Default Interest. If any principal of, or interest on, the Loans or any fee or other amount payable by any Credit Party with respect to the Loans is not paid when due, whether at stated maturity, upon acceleration, as required pursuant to Section 7.02 or otherwise (a "Payment Event of Default"), such overdue amount shall bear interest, after as well as before judgment, to the day of actual receipt of such sum by the Administrative Agent at a rate per annum equal to 2% plus the Applicable Margin.

So long as the Event of Default continues, the default interest rate shall be recalculated on the same basis at intervals of such duration as the Administrative Agent may select, provided that the amount of unpaid interest at the above rate accruing during the preceding period (or such longer period as may be the shortest period permitted by applicable law for the capitalization of interest) shall be added to the amount in respect of which such Person is in default.

(e) Payment of Interest. Accrued interest on the Loans shall be payable in arrears on each Interest Payment Date; provided that in the event of any repayment or prepayment of the Loans, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable LIBOR rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

ARTICLE III
FEES, TAXES, PAYMENTPROVISIONS

3.01 Upfront Fees. The Borrower agrees to pay, or cause to be paid, to the Administrative Agent, for the account of the Lenders ratably in accordance with their Pro Rata Share, (a) on the Closing Date, an upfront fee equal to 0.40% of the Aggregate Committed Amount and (b) on the last Business Day of December 2009, an additional upfront fee equal to 0.25% of the aggregate principle amount of the Loans outstanding on

the last Business Day of December 2009 and not converted to Maturity Loans on such date.

3.02 Computation of Fees. All fees calculated on a per annum basis shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed.

3.03 Taxes.

(a) Any and all payments by any Credit Party to any Lender, the Joint Lead Arrangers or the Administrative Agent under this Agreement and the other Transaction Documents shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes.

(b) Except as otherwise provided in Section 3.03(c), the Credit Parties jointly and severally agree to indemnify and hold harmless each Lender and the Administrative Agent for the full amount of Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.03) paid by or assessed against any Lender or the Administrative Agent, as the case may be, and any penalties, interest, additions to tax, and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, except to the extent that such penalties, interest, additions to tax or expenses are incurred solely as a result of any gross negligence or willful misconduct of such Lender, or Administrative Agent, as the case may be. Payment under this indemnification shall be made within thirty (30) days after the date any Lender or the Administrative Agent makes written demand therefor, setting forth in reasonable detail the basis and calculation of such amounts (such written demand shall be presumed correct, absent significant error).

(c) If any Credit Party shall be required by law or regulation to deduct or withhold any Indemnified Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 3.03(c)) such Lender or the Administrative Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) such Credit Party shall make such deductions and withholdings; and

(iii) such Credit Party shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law.

(d) Within thirty (30) days after the date of any payment by a Credit Party of Indemnified Taxes, such Credit Party shall furnish to the Administrative Agent the

original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to the Administrative Agent.

(e) If any Credit Party is required to pay additional amounts to the Administrative Agent or any Lender pursuant to Section 3.03(c), then the Administrative Agent or such Lender, as the case may be, shall, upon reasonable request by the Borrower or the Guarantors, use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office, issuing office or office for receipt of payments by the Borrower and Guarantors hereunder, as the case may be, so as to eliminate or reduce the obligation of the Borrower or the Guarantor, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify the Administrative Agent or such Lender in the future, if such change in the reasonable judgment of the Administrative Agent or such Lender is not otherwise disadvantageous to such Lender. No Credit Party shall be required to pay or increase any amounts payable pursuant to Section 3.03 following any assignment or grant of a participation by any Lender, except to the extent (i) not in excess of the amounts the Borrower and Guarantors were required to pay or increase with respect to such Lender immediately prior to such an event, or (ii) increases in such amounts result from a change in applicable law or regulation occurring after such event.

(f) Each Lender and the Administrative Agent shall, from time to time at the request of the Borrower or the Administrative Agent (as the case may be), promptly furnish to the Borrower and the Administrative Agent (as the case may be), such forms, documents or other information (which shall be accurate and complete) as may be reasonably required to establish any available exemption from, or reduction in the amount of, applicable Taxes; provided, however, that none of any Lender or the Administrative Agent shall be obliged to disclose information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f), it being understood that the identity of any Person shall not be considered for these purposes as information regarding its tax affairs or computations. Each of the Borrower and the Administrative Agent shall be entitled to rely on the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have become payable by such Person had such documentation been accurate.

(g) If the Administrative Agent or any Lender receives a refund or credit in respect of Indemnified Taxes as to which it has been indemnified by any Credit Party pursuant to Section 3.03(b), it shall notify the Credit Party of the amount of such refund or credit and shall return to the Credit Party such refund or the benefit of such credit; provided, however, that (A) the Administrative Agent or such Lender, as the case may be, shall not be obligated to make any effort to obtain such refund or credit or to provide any Credit Party with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Credit Party or any other Person any information that it considers to be proprietary or confidential, and (B) the Credit Party, upon the request of the Administrative Agent or such Lender, as

the case may be, shall return the amount of such refund or the benefit of such credit to the Administrative Agent or such Lender, as the case may be, if the Administrative Agent or such Lender, as the case may be, is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six (6) years of the date the Credit Party is paid such amount by the Administrative Agent or such Lender, as the case may be.

(h) If requested by any Lender that is a resident of the United States for U.S. federal income tax purposes, the Credit Parties will perform an analysis as to whether the Borrower constitutes a passive foreign investment company within the meaning of Section 1297 of the Code and will take into account reasonable comments from such Lender with respect to such analysis. The Lender will have sole discretion to decide whether to make a "QEF election" (as described in Section 1293 of the Code) with respect to its interest in the Loans. For the avoidance of doubt, if based on such analysis the Lender decides to make a QEF election, the Credit Parties will provide the information necessary for making such election, as described in this Section 3.03(h). The Credit Parties will (i) maintain adequate books and records to allow any Lender that would be subject to Section 1291 of the Code with respect to its interest in the Loans to make a proper QEF election and (ii) will further provide annual information statements and any other information to any such Lender if such information is necessary for purposes of making the QEF election or complying with the ongoing requirements associated with such election.

(i) The agreements in this Section 3.03 shall survive the termination of this Agreement and the payment of the Borrower's Obligations.

3.04 General Provisions as to Payments.

(a) All payments to be made by any Credit Party shall be made without set-off, counterclaim or other defense. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Administrative Agent for the account of the Lenders at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 3:30 p.m. (New York City time) on the dates specified herein. The Administrative Agent will promptly distribute to each Lender its applicable share as expressly provided herein of each payment in like funds as received. Any payment received by the Administrative Agent later than 2:30 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(b) Except and to the extent otherwise specifically provided herein, whenever any payment to be made hereunder is due on a day which is not a Business Day, the date for payment thereof shall be extended to the immediately following Business Day and, if interest is stated to be payable in respect thereof, interest shall continue to accrue to such immediately following Business Day.

(c) Subject to Section 2.02(b), unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the

Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, cause to be distributed to the Lenders on such due date an amount equal to the amount then due to the Lenders. If and to the extent that the Borrower shall not have made such payment, each applicable Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with accrued interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by any Lender for more than five (5) Business Days after the Administrative Agent has made a demand for such amount, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 1%, and, provided further, that if any such amount remains unpaid by any Lender for more than ten (10) Business Days, such Lender shall, commencing on the day next following such tenth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 2.00%.

3.05 Funding Losses. If the Borrower makes any payment of principal with respect to the Loans on any day other than the Interest Payment Date applicable thereto, if the Borrower fails to convert the Loans to Maturity Loans after the Conversion Notice has been delivered by the Borrower pursuant to Section 2.01(j), or if the Borrower fails to prepay the Loans after notice has been given pursuant to Section 2.01(g), the Borrower shall reimburse each Lender within fifteen (15) days after demand for any resulting loss or expense incurred by it, provided such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the computations for the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

3.06 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for the Loans:

(a) the Administrative Agent determines that by reason of circumstances affecting the London interbank market, reasonably adequate means do not exist for ascertaining LIBOR applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market for such Interest Period, or

(b) the Required Lenders advise the Administrative Agent that LIBOR as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of making or maintaining their respective Loan for such Interest Period,

then the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders. In the event of any such determination or advice, until the Administrative Agent shall have notified the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for the conversion to a Maturity Loan of the affected Interest Period, or a continuation Interest Period shall be

deemed rescinded and such request shall instead be considered a request for a Base Rate Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

3.07 Capital Adequacy. If any Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule, or regulation regarding capital adequacy, or compliance by such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of increasing such Lender's cost of maintaining its commitment or making or maintaining any Loans or reducing the rate of return on such Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Lender could have achieved but for such adoption, effectiveness, change, or compliance (taking into consideration such Lender's policies with respect to capital adequacy), then, upon notice from such Lender to the Borrower, the Borrower shall be obligated to pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received. Each determination by any such Lender of amounts owing under this Section 3.07 shall, absent manifest error, be conclusive and binding on the parties hereto. The relevant Lender will, upon request, provide a certificate in reasonable detail as to the amount of such increased cost or reduction in amount received and method of calculation.

Upon any Lender's making a claim for compensation under this Section 3.07, such Lender shall use commercially reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its lending office or assign its rights and obligations hereunder to another of its offices, branches or affiliates so as to eliminate or reduce any such additional payment by the Borrower which may thereafter accrue, if such change is not otherwise disadvantageous to such Lender.

3.08 Illegality.

(a) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Closing Date shall make it unlawful for any Lender to make or maintain any commitment or any Loan as contemplated by this Agreement, then such Lender shall be an "Affected Lender" and by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may require that all outstanding Loans, made by it be converted to Base Rate Loans, in which event all such Loans shall be automatically converted to Base Rate Loans as of the effective date of such notice as provided in paragraph (b) below, and

(ii) if it is also illegal for the Affected Lender to make Base Rate Loans, such Lender may declare all amounts owed to it by the Borrower to the extent of such illegality to be due and payable;

provided, however, the Borrower has the right, with the consent of the Administrative Agent, to find an additional Lender to purchase the Affected Lenders' rights and obligations; provided, further, that such Lender will first use its commercially reasonable efforts (consistent with legal and regulatory restrictions) to either change the jurisdiction of its lending office, issuing office or office for receipt of payments, or assign its Commitment or Loans to another Person other than a Competitor, in each case to eliminate such illegality. The Credit Parties agree to cooperate in good faith with the Affected Lenders to affect such change or assignment.

(b) For purposes of this Section 3.08, a notice to the Borrower by any Lender shall be effective on the date of receipt by the Borrower.

3.09 Requirements of Law. If, after the date hereof, the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Closing Date (or, if later, the date on which such Lender becomes a Lender):

(a) shall impose, modify, or hold applicable any reserve, special deposit, compulsory loan, or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans, or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the LIBOR hereunder; or

(b) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender reasonably deems to be material, of making, converting into, continuing, or maintaining Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice delivered to the Borrower from such Lender, through the Administrative Agent, in accordance herewith, the Borrower shall be obligated to promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 3.09, it shall provide notice thereof to the Borrower, promptly upon occurrence of such event, but in any case within three (3) days from the date of such event, through the Administrative Agent, certifying (x) that one of the events described in paragraph (a) and (b) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional

amounts payable pursuant to this subsection submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive and binding on the parties hereto in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. If any Lender becomes aware of a proposed change in any Requirement of Law that would entitle it to claim any additional amounts pursuant to this Section 3.09 it shall promptly, upon the Lender becoming aware of such event, provide notice to the Borrower through the Administrative Agent.

3.10 Substitute Lenders. If any Lender has demanded compensation pursuant to Sections 3.07 or 3.09 or has exercised its rights pursuant to Section 3.08(a)(ii), and such Lender does not waive its right to future additional compensation pursuant to Section 3.07 or 3.09, the Borrower shall have the right (i) to replace such Lender with a Substitute Lender or Substitute Lenders that shall succeed to the rights of such Lender under this Agreement upon execution of an Assignment and Assumption Agreement and payment by the Borrower of the related processing fee of U.S.$3,500 to the Administrative Agent; or (ii) to remove such Lender, and, if such removal takes place prior to the Disbursement Date, reduce the Commitments by the amount of the Commitment of such Lender, and adjust the Commitment Percentage of each Lender such that the percentage of each other Lender shall be increased to equal the percentage equivalent of a fraction, the numerator of which is the Commitment of such other Lender and the denominator of which is the Commitments of the Lenders minus the Commitments of the Lender who demanded payment pursuant to Sections 3.07 or 3.09 or exercised its rights pursuant to Section 3.08(a)(ii); provided, however, that such Lender shall not be replaced or removed hereunder until such Lender has been repaid in full all amounts owed to it pursuant to this Agreement (including Sections 3.05 and 3.07) and the other Transaction Documents unless any such amount is being contested by the Borrower in good faith.

3.11 Sharing of Payments in connection with the Loans, Etc.

(a) If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Obligations owing to it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its share of payments on account of the Obligations obtained by all the Lenders (an "Excess Payment"), such Lender shall forthwith (i) notify the Administrative Agent of such fact, and (ii) purchase from the other Lenders such participations in such Obligations owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's share (according to the proportion of (A) the amount of such paying Lender's required repayment to (B) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Administrative Agent will keep records (which shall be

conclusive and binding in the absence of demonstrable error) of participations purchased pursuant to this Section 3.11 and will in each case notify the Lenders following any such purchases.

(b) If any Lender shall commence any action or proceeding in any court to enforce its rights hereunder after consultation with the other Lenders and, as a result thereof or in connection therewith, it shall receive any Excess Payment, then such Lender shall not be required to share any portion of such excess payment with any Lender which has the legal right to, but does not, join in any such action or proceeding or commence and diligently prosecute a separate action or proceeding to enforce its rights in another court.

(c) The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 3.11 may exercise all its rights of set-off with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE IV
CONDITIONS PRECEDENT

4.01 Conditions Precedent to Loans. The obligations of the Lenders under this Agreement are subject to the satisfaction or waiver of the following conditions precedent (the date on which all such conditions precedent are satisfied or waived being the "Closing Date"):

(a) Loan Documents. The Administrative Agent and the Lenders shall have received, on or before the Closing Date, counterparts of each of the following documents duly executed and delivered by each party thereto, and in full force and effect and reasonably satisfactory to the Administrative Agent:

(i) this Agreement (attaching all Exhibits thereto); and

(ii) Dutch "A" Notes executed by the Borrower for the account of each Lender.

(b) Financial Statements. The Borrower shall have delivered to the Administrative Agent annual audited consolidated financial statements of the Parent for the Fiscal Year ending December 31, 2007.

(c) Opinions of Borrower's and each Guarantor's Counsel. The Administrative Agent shall have received (i) the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Credit Parties, including, *interalia*, with respect to enforceability of this Agreement and the Dutch "A" Notes, as well as not an investment company, substantially in the form of Exhibit E, (ii) the opinion of Lic. Ramiro G. Villarreal Morales, Mexican counsel to the Credit Parties, substantially in the form of Exhibit F, and (iii) the opinion of Warendorf, Dutch counsel to the Credit Parties, substantially in the form of Exhibit G.

(d) Opinion of Counsel to the Administrative Agent. The Administrative Agent shall have received a favorable opinion of (i) Ritch Mueller, S.C., special Mexican counsel to the Administrative Agent and the Lenders, including, *interalia*, a favorable opinion with respect to enforceability and pari passu ranking and (ii) Stibbe New York B.V. special Dutch counsel to the Administrative Agent and the Lenders, including, *interalia*, a favorable opinion with respect to enforceability and pari passu ranking.

(e) Governmental and Third Party Consents and Approvals. (i) Each Credit Party shall have received all necessary approvals, authorizations, or consents of, or notices to, or registrations with any Governmental Authority or other third party with as may be necessary (without the imposition of any conditions that are not acceptable to the Lenders) to allow such Credit Party lawfully (A) to execute, deliver and perform their respective obligations under the Transaction Documents to which each of them is, or shall be, a party and each other agreement or instrument to be executed and delivered by each of them pursuant thereto or in connection therewith and (B) consummate the transactions contemplated hereunder and under any other Transaction Documents; (ii) all applicable waiting periods shall have expired without any adverse action being taken by any competent authority; and (iii) there shall not exist any law or regulation that, in the reasonable judgment of the Lenders, restrains, prevents or imposes materially adverse conditions upon the Loans. The Administrative Agent shall have received certified copies of any and all such necessary approvals, authorizations, or consents of, or notices to, or registrations with any Governmental Authority or other third party required for the Credit Parties to enter into, or perform its obligations under, the Transaction Documents. All such consents, authorizations, permits, approvals, notes and filings shall be in full force and any conditions therein shall have been satisfied.

(f) Margin Regulations. No Credit Party is, nor will any Credit Party be engaged, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U or X), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. The Loans and the use of proceeds thereof do not violate Regulation T, U or X. The Administrative Agent shall have received certificates from a Responsible Officer of each of the Borrower and the Parent that the transactions contemplated by the Transaction Documents are in full compliance with the Federal Reserve's Margin Regulations.

(g) Organizational Documents of the Credit Parties. The Administrative Agent shall have received certified copies of (i) the organizational documents in effect on the Closing Date of each of the Credit Parties and to the extent available in the relevant jurisdiction, an extract of the trade register of each Credit Party, (ii) the powers-of-attorney of each Person executing any Transaction Document on behalf of each of the Credit Parties, together with specimen signatures of such Person and (iii) all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the authorization for the execution, delivery and performance of each such Transaction Document and the transactions contemplated hereby and thereby. All certificates shall state that the resolutions or other information referred to in such

certificates have not been amended, modified, revoked or rescinded as of the date of such certificates (which shall not be earlier than five (5) Business Days before the Closing Date).

(h) Agent for Service of Process. The Administrative Agent shall have received a power of attorney, notarized under Mexican law if applicable, granted by each of the Credit Parties to the Process Agent in respect of the Transaction Documents together with evidence that the Process Agent has accepted its appointment as Process Agent pursuant to Section 12.12.

(i) Fees and Expenses. The Credit Parties shall have paid all fees and expenses owing to the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent to the extent of and payable on or before the Closing Date, and all other fees and expenses owing hereunder and under the Commitment Letter and Fee Letters to the extent due and payable on or before the Closing Date.

(j) No Default. No Default or Event of Default shall have occurred and be continuing either prior to or after giving effect to the transactions contemplated on the Closing Date, and the Credit Parties shall have provided certificates from a Responsible Officer of each of the Borrower and the Parent to such effect to the Administrative Agent.

(k) Representations and Warranties. The representations and warranties of the Credit Parties contained in this Agreement and each other Transaction Document shall be true on and as of the Closing Date, and Credit Parties shall have provided a certificate to such effect to the Administrative Agent.

(l) No Changes. No material adverse change shall have occurred and there has not occurred any event, circumstance or development that, individually or in the aggregate, has resulted in, or could reasonably be expected to cause a material adverse effect on the business, condition (financial or otherwise), operations, performance, properties or prospects of the Parent and its Subsidiaries, taken as a whole in each case, since March 31, 2008.

(m) No Litigation. Except as set forth on Schedule 5.06, no action, suit, investigation, litigation or proceeding is pending or has been threatened or commenced that (i) could reasonably be expected to (A) have a Material Adverse Effect or (B) adversely affect the rights and remedies of the Lenders under the Transaction Documents or (ii) purports to adversely affect the financing of the Loan or prevent the anticipated use of the proceeds thereof.

(n) Solvency. Immediately prior to the incurrence of the Loans on the Closing Date, and after giving effect to such Loans, and the use of the proceeds of the Loans, each Credit Party shall be Solvent and the Administrative Agent shall have received a certificate attesting to such fact from the Responsible Officer of the Parent (and not in such officer's individual capacity), dated the Closing Date, in a form reasonably satisfactory to the Administrative Agent.

(o) Other Documents. The Administrative Agent shall have received such other certificates, powers of attorney and other documents and undertakings relating to the authority for, and the execution, delivery and validity of, the Transaction Documents, as may be reasonably requested by the Administrative Agent or any Lender through the Administrative Agent.

4.02 Conditions Precedent to Loan Disbursement. The disbursement of the Loan funds on the Disbursement Date is subject to the satisfaction of the following conditions:

(a) No Default. On the Disbursement Date, immediately before and after giving effect to the disbursement of the Loans, no Default or Event of Default shall have occurred and be continuing; and

(b) Accuracy of Representations. The representations and warranties of the Credit Parties contained in this Agreement and each other Transaction Document shall be true on and as of the Disbursement Date, and the Credit Parties shall have provided a certificate to such effect to the Administrative Agent.

4.03 Conditions Precedent to Conversion of the Loans. The ability of the Borrower to convert the Loans into the Maturity Loans pursuant to Section 2.01(j) above is subject to the satisfaction or waiver of the following conditions:

(a) Notices. The Administrative Agent shall have received the Conversion Notice delivered in accordance with Section 2.01(j).

(b) No Default. On the Conversion Date, no Event of Default shall have occurred and be continuing.

(c) Deferred Amounts. There are no outstanding Deferred Amounts; provided, that the Borrower shall be permitted to repay any outstanding Deferred Amounts simultaneously with the conversion.

(d) Documents. The Administrative Agent shall have received a fully executed copy of (i) the Maturity Loan "A" Agreement and (ii) the Dutch "A" Notes; provided, however, the failure by one or more Lenders to satisfy its obligations pursuant to Section 2.01 (k)(i) shall not constitute the failure to satisfy this Section 4.03(d) with respect to the other Lenders.

(e) Maturity "A" Loan Agreement Conditions. All of the conditions precedent in the Maturity Loan "A" Agreement have been satisfied or waived by Maturity Loan Lenders.

(f) Additional Covenants and Events of Defaults. Prior to the Conversion Date, the form of the Maturity Loan "A" Agreement in Exhibit A hereto shall have been amended to include any covenants or events of default applicable to any Comparable Debt Facility of any Credit Party entered into after the Closing Date that are new or more

favorable to the lenders in such Comparable Debt Facility than the covenants and events of default in the form of the Maturity Loan "A" Agreement attached as Exhibit A hereto on the Closing Date.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

5.01 Corporate Existence and Power.

(a) The Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Borrower has been validly issued and is fully paid and non-assessable.

(c) The Borrower is in full compliance with the applicable provisions of the Dutch Financial Supervision Act.

5.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Borrower of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action.

(b) This Agreement and the other Transaction Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

5.03 Compliance with Law and Other Instruments. The execution, delivery of and performance under this Agreement and each of the other Transaction Documents to which the Borrower is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Borrower pursuant to, any Contractual Obligation of the Borrower or (b) result in any violation of the *statuten* of the Borrower or any provision of any Requirement of Law applicable to the Borrower.

5.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Borrower of this Agreement and the other Transaction Documents to which the Borrower is a party or the taking of any action contemplated hereby or by any other Transaction Document.

5.05 Financial Information. The consolidated balance sheet of the Parent and its Subsidiaries as at December 31, 2007, and the related consolidated statements of income and cash flows of the Parent and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, and the consolidated balance sheet of the Parent and its Subsidiaries as at March 31, 2008, and the related consolidated statements of income and cash flows of the Parent and its Subsidiaries for the three (3) months then ended, duly certified by the Responsible Officer of the Parent, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2008, and said statements of income and cash flows for the three (3) months then ended, to year-end audit adjustments, the consolidated financial condition of the Parent and its Subsidiaries as at such dates and the consolidated results of the operations of the Parent and its Subsidiaries for the periods ended on such dates, all in accordance with Mexican FRS, consistently applied, except as disclosed in the financial statements for the first quarter of 2008.

5.06 Litigation. Except as set forth in Schedule 5.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Parent or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Parent or any of its Subsidiaries, of the litigation described in Schedule 5.06.

5.07 No Immunity. The Borrower and the Parent are subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by the Borrower and the Parent constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico or The Netherlands (as applicable), none of the Credit Parties nor any of their property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

5.08 Governmental Regulations.

(a) The Borrower is not, and is not controlled by, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or

(b) The Borrower is not subject to regulation under the Public Utility Holding Company Act of 2005, as amended ("PUHCA") that would have the effect of preventing the execution and performance, or the enforceability, of its obligations under each Loan Document to which it is a party.

5.09 Direct Obligations; Pari Passu; Liens.

(a) (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Borrower, and (ii) the Loans, when made, will constitute direct, unconditional unsubordinated and unsecured obligations of the Borrower.

(b) Any amounts due and payable by the Borrower with respect to the Loans under this Agreement rank and will rank in priority of payment at least *pari passu* with the senior unsecured Indebtedness of the Borrower.

(c) There are no Liens on the property of the Credit Parties or any of their Subsidiaries other than Permitted Liens.

5.10 Subsidiaries. As of March 31, 2008, all Material Subsidiaries are listed on Schedule 5.10.

5.11 Ownership of Property. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Parent and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except Permitted Liens and (b) each Credit Party maintains insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation or engaged in similar business and owning similar properties in the same general areas in which such Credit Party operates.

5.12 No Recordation Necessary.

(a) This Agreement and the Dutch "A" Notes are in proper legal form under the law of Mexico for the enforcement thereof against the Borrower under the laws of Mexico or, as the case may be, The Netherlands. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico or, as the case may be, The Netherlands, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or any Governmental Authority in The Netherlands or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement, unless such stamp or similar taxes have been paid by the Borrower; provided, however, that in the event any legal proceedings

are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(b) It is not necessary (i) in order for the Administrative Agent or any Lender to enforce any rights or remedies under the Transaction Documents or (ii) solely by reason of the execution, delivery and performance of this Agreement by the Administrative Agent or any Lender, that the Administrative Agent or such Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

5.13 Taxes.

(a) Each Credit Party has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by the Credit Party, except where the same may be contested in good faith by appropriate proceedings and as to which such Credit Party maintains reserves to the extent it is required to do so by law or pursuant to Applicable GAAP. The charges, accruals and reserves on the books of each Credit Party in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

(b) Except for Tax imposed by way of withholding on interest, fees and commissions remitted from The Netherlands, there is no Tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by or in The Netherlands or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or any of the other Transaction Documents or (ii) on any payment to be made by the Borrower pursuant to this Agreement or any of the other Transaction Documents.

5.14 Compliance with Laws. The Credit Parties and their Subsidiaries are in compliance in all material respects with all applicable Requirements of Law (including with respect to the licenses, certificates, permits, franchises, and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, antitrust laws or Environmental Laws and the rules and regulations and laws with respect to social security, workers' housing funds, and pension funds obligations), except where the failure to so comply would not have a Material Adverse Effect.

5.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

5.16 Full Disclosure. All information heretofore furnished by the Credit Parties to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or any Lender for purposes of or in connection with this Agreement or any transaction

contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by the Borrower) is, and all such information hereafter furnished by the Credit Parties to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Credit Parties have disclosed to the Lenders in writing any and all facts which may have a Material Adverse Effect.

5.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Borrower arising out of or relating to this Agreement in any Mexican or Dutch court or tribunal, any Lender, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 12.10, 12.11 and 12.13.

5.18 Material Changes. There has not occurred any change, event, circumstance or development that, individually or in the aggregate, has resulted in, or could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), operations, performance, properties or prospects of the Credit Parties, taken as a whole in each case, since December 31, 2007.

5.19 Pension and Welfare Plans. During the consecutive twelve-month period prior to the date of the execution and delivery of this Agreement and prior to the date of the conversion, if any, hereunder, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 303(k) of ERISA. All contributions required to be made under each Benefit Plan, as of the date hereof, have been timely made and all obligations in respect of each Benefit Plan have been properly accrued and reflected in the consolidated financial statements of the Parent and its Subsidiaries. No condition exists or event or transaction has occurred with respect to any Pension Plan which would reasonably be expected to result in the incurrence by any Credit Party, any of its Subsidiaries, or any its ERISA Affiliates of any material liability (other than liabilities incurred in the ordinary course of maintaining the Pension Plan), fine or penalty. Each Benefit Plan which is subject to ERISA that is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA and that is intended to be qualified under Section 401(a) of the Code, has received a favorable determination letter from the Internal Revenue Service, covering all tax law changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 or has applied to the Internal Revenue Service for such favorable determination letter within the applicable remedial amendment period under Section 401(b) of the Code, and the Credit Parties, nor any of its Subsidiaries, are not aware of any circumstances likely to result in revocation of any such favorable determination letter or the loss of the qualification of such plan under Section 401(a) of the Code. As of the date hereof, there is no pending or, to the knowledge of the Credit Parties, nor any of its Subsidiaries, threatened, litigation relating to the Benefit Plans

which would reasonably be expected to have a Material Adverse Effect. No Credit Party, nor any of its Subsidiaries, has any contingent liability with respect to any post-retirement benefit under a Welfare Plan which would reasonably be expected to have a Material Adverse Effect, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

5.20 Margin Regulations. No part of the proceeds of the Loans hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulation U, except in compliance with Regulation U. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U. No indebtedness being reduced or retired out of the proceeds of the Loan hereunder was or will be incurred for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U except in compliance with Regulation U or any "margin security" within the meaning of Regulation T, except in compliance with Regulation T. Neither the execution and delivery hereof by the Borrower, nor the performance by it of any of the transactions contemplated by this Agreement (including, without limitation, the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or regulations issued pursuant thereto, or Regulation T, U, or X.

5.21 Dutch Works Council Act. The Borrower has not established, is not in the process of establishing nor has it received a request to establish a works council in accordance with the provisions of the Dutch Works Council Act (*Wet op de ondernemingsraden*).

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

6.01 Corporate Existence and Power.

(a) Such Guarantor is a corporation (*sociedad anónima de capital variable* or *sociedad anónima bursatil de capital variable*) duly incorporated and validly existing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of such Guarantor has been validly issued and is fully paid and non-assessable.

6.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by such Guarantor of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within such Guarantor's corporate powers and have been duly authorized by all necessary corporate action pursuant to the *estatutos sociales* or bylaws of such Guarantor.

(b) This Agreement and the other Transaction Documents to which such Guarantor is a party have been duly executed and delivered by such Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable in accordance with their respective terms, except as enforceability may be limited by applicable *concurso mercantil*, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principals.

6.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which such Guarantor is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of such Guarantor pursuant to, any Contractual Obligation of such Guarantor or (b) result in any violation of the *estatutos sociales* or bylaws of such Guarantor or any provision of any Requirement of Law applicable to such Guarantor.

6.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by such Guarantor of this Agreement and the other Transaction Documents to which such Guarantor is a party or the taking of any action contemplated hereby or by any other Transaction Document.

6.05 Litigation; Material Adverse Effect. Except as set forth in Schedule 5.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Parent or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Parent or any of its Subsidiaries, of the litigation described in Schedule 5.06.

6.06 No Immunity. Such Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by such Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico, neither such Guarantor nor any of its property has any immunity from jurisdiction of any court or any

legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

6.07 Governmental Regulations.

(a) Such Guarantor is not, and is not controlled by, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended; or

(b) Such Guarantor is not subject to regulation under the Public Utility Holding Company Act of 2005, as amended ("PUHCA") that would have the effect of preventing the execution and performance, or the enforceability, of its obligations under each Loan Document to which it is a party.

6.08 Direct Obligations; Pari Passu.

(a) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of such Guarantor.

(b) Any amounts due and payable by the Guarantor under this Agreement rank and will rank in priority of payment at least *pari passu* with the senior unsecured Debt of such Guarantor.

6.09 No Recordation Necessary. This Agreement is in proper legal form under the law of Mexico for the enforcement thereof against such Guarantor under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by a Credit Party; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

6.10 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving such Guarantor arising out of or relating to this Agreement in any Mexican court or tribunal, the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, appointment of process agent, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 12.10, 12.11, 12.12 and 12.13.

6.11 Liens. There are no Liens on the property of the Parent or any of its Subsidiaries other than Permitted Liens.

6.12 Ownership of Property. a) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Parent and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property and b) each Credit Party maintains insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation or engaged in similar business and owning similar properties in the same general areas in which such Credit Party operates.

6.13 No Material Change. There has not occurred any change, event, circumstance or development that, individually or in the aggregate, has resulted in, or could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), operations, performance, properties or prospects of the Credit Parties, taken as a whole in each case, since December 31, 2007.

6.14 Financial Information. The consolidated balance sheet of the Parent and its Subsidiaries as at December 31, 2007, and the related consolidated statements of income and cash flows of the Parent and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, and the consolidated balance sheet of the Parent and its Subsidiaries as at March 31, 2008, and the related consolidated statements of income and cash flows of the Parent and its Subsidiaries for the three (3) months then ended, duly certified by the Responsible Officer of the Parent, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2008, and said statements of income and cash flows for the three (3) months then ended, to year-end audit adjustments, the consolidated financial condition of the Parent and its Subsidiaries as at such dates and the consolidated results of the operations of the Parent and its Subsidiaries for the periods ended on such dates, all in accordance with Mexican FRS, consistently applied, except as disclosed in the financial statements for the first quarter of 2008.

6.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

6.16 Full Disclosure. All information heretofore furnished by the Credit Parties to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by the Borrower) is, and all such information hereafter furnished by the Credit Parties to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Credit Parties have disclosed to the Lenders in writing any and all facts which may have a Material Adverse Effect.

6.17 Taxes.

(a) Each Credit Party has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by the Credit Party, except where the same may be contested in good faith by appropriate proceedings and as to which such Credit Party maintains reserves to the extent it is required to do so by law or pursuant to Applicable GAAP. The charges, accruals and reserves on the books of each Credit Party in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

(b) Except for Tax imposed by way of withholding on interest, fees and commissions remitted from The Netherlands, there is no Tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by or in The Netherlands or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or any of the other Transaction Documents or (ii) on any payment to be made by the Borrower pursuant to this Agreement or any of the other Transaction Documents.

ARTICLE VII
COVENANTS APPLICABLE TO THE LOANS

Each Credit Party covenants and agrees for the benefit of the Lenders that until all Obligations owed to the Lenders are paid in full, it will, unless waived in writing by the Required Lenders pursuant to the provisions set forth in Section 12.02:

7.01 Payment of Contractual Obligations. Each Credit Party shall duly and punctually pay the principal of and interest (together with any additional amounts payable thereon) on the Loans in accordance with the terms of this Agreement and the other Transaction Documents. The Guarantors jointly and severally covenant that they will, as and when any amounts are due on the Loans hereunder or under any Dutch "A" Notes, duly and punctually pay such amounts in accordance with the terms of this Agreement.

7.02 Qualifying Equity Security. Each Credit Party shall apply an amount equal to the net proceeds from the issuance of any Qualifying Equity Security, by the Parent or any of the Parent's Subsidiaries, other than Exempt Issuances, to prepay the Loans and the Dutch "B" Loans on a pro rata basis on the Interest Payment Date immediately following such issuance.

7.03 Corporate Existence. Each Credit Party shall, and shall cause each of its Subsidiaries to, at all times continue to engage in business of the same general type as now conducted by such Credit Party and will preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that no Credit Party nor any of their Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 7.08; and provided, further, that no Credit Party

nor any of their Subsidiaries shall be required to preserve any right or franchise if such Credit Party or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of such Credit Party or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

7.04 Financial Reports and Other Information.

(a) The Parent shall deliver to the Administrative Agent

(i) as soon as available, but in any event within one hundred twenty days (120) after the end of each Fiscal Year of the Parent, a copy of the annual audit report for such year for the Parent and its Subsidiaries containing consolidated and consolidating balance sheets of the Parent and its Subsidiaries, as of the end of such fiscal year and consolidated statements of income and cash flows of the Parent and its Subsidiaries, for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognized standing acceptable to the Required Lenders, together with a certificate of a Responsible Officer of the Parent, stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Credit Parties have taken and proposes to take with respect thereto; provided that in the event of any change in the Applicable GAAP used in the preparation of such financial statements, the Parent shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Applicable GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.01(b) of the Dutch Loan "A" Agreement and provided further that all such documents will be prepared in English; and

(ii) soon as available and in any event within sixty (60) days after the end of each of the first three quarters of each fiscal year of the Parent, consolidated balance sheets of the Parent and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Parent and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by any Responsible Officer of the Parent as having been prepared in accordance with Applicable GAAP and together with a certificate of a Responsible Officer of the Parent, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Parent has taken and proposes to take with respect thereto; provided that in the event of any change in the Applicable GAAP used in the preparation of such financial statements, the Parent shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Applicable GAAP

consistent with those applied in the preparation of the financial statements referred to in Section 4.01(b) of the Dutch Loan "A" Agreement and provided further that all such documents will be prepared in English.

(iii) Each of the Borrower and CEMEX Mexico shall deliver to the Administrative Agent as soon as available, but in any event within one hundred eighty-three days (183) after the end of each Fiscal Year of such entity, the audited unconsolidated financial statements of such entity as of the end of such Fiscal Year.

(b) At all times when the Parent is required to file any financial statements, reports or proxy statements with the U.S. Securities and Exchange Commission (the "Commission"), the Parent shall use its best efforts to file all required statements or reports in a timely manner in accordance with the rules and regulations of the Commission.

(c) In addition to the information required to be provided under Section 7.04(a), the Parent shall deliver to the Administrative Agent (with a copy for each Lender), promptly upon the mailing thereof to the shareholders of the Parent copies of all financial statements, reports and proxy statements so mailed.

7.05 Notice of Default and Litigation. The Credit Parties shall furnish to the Administrative Agent (and the Administrative Agent will notify each Lender):

(a) as soon as practicable and in any event within five (5) days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the Responsible Officer of any Credit Party setting forth details of such Default or Event of Default and the action that the Borrower has taken and proposes to take with respect thereto;

(b) as soon as practicable and in any event at least five (5) Business Days prior to each Extension Date, a statement of the Responsible Officer of any Credit Party that no Event of Default has occurred or is continuing; and

(c) promptly after any Credit Party becomes aware or obtains knowledge of the commencement thereof, notice of all litigation, actions, investigations and proceedings before any court, Governmental Authority or arbitrator affecting the Credit Parties or any of their Subsidiaries of the type described in Section 5.06 or the receipt of written notice by the Credit Parties or any of their Subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation (including but not limited to Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

7.06 Liens. The Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of the Parent or any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which adequate reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(d) any attachment or judgment Lien, unless the judgment it secures shall not, within sixty (60) days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within sixty (60) days after the expiration of any such stay;

(e) Liens existing on the date of this Agreement and liens existing as of March 31, 2008 that are described in Schedule 7.06(e) hereto;

(f) any Lien on property acquired by the Parent after the date hereof that was existing on the date of acquisition of such property; provided that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price, of property acquired by the Parent or any of its Subsidiaries after the date hereof; provided, further, that (A) any such Lien permitted pursuant to this clause (f) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the voting stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine (9) months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

(g) any Lien renewing, extending or refunding any Lien permitted by clause (f) above; provided that the principal amount of Debt secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced and such Lien is not extended to other property;

(h) any Liens created on shares of Capital Stock of the Parent or any of its Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares

constitute the sole assets; provided that any shares of Subsidiary stock held in such trust, corporation or entity could be sold by the Parent; and provided, further, that such Liens may not secure Debt of the Parent or any Subsidiary (unless permitted under another clause of this Section 7.06);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any Qualified Receivables Transaction;

(k) in addition to the Liens permitted by the foregoing clauses (a) through (j), Liens securing Debt of the Parent and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of the Parent and its Subsidiaries; and

(l) any Liens on "margin stock" purchased with the proceeds of the Loans within the meaning of Regulation U, if and to the extent the value of all "margin stock" of the Parent and its Subsidiaries exceeds 25% of the value of the total assets of the Parent and its Subsidiaries;

unless, in each case, the Parent has made or caused to be made effective provision whereby the Obligations hereunder are secured equally and ratably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

7.07 Restricted Payments. If there are any Deferred Amounts outstanding, none of the Parent or any of the Parent's Subsidiaries will make any of the following payments (each a "Restricted Payment"):

(a) declare or pay any dividends, make any distributions or pay any interest on any Qualifying Equity Security; or

(b) repurchase, redeem or otherwise reacquire any Qualifying Equity Security, other than repurchases, redemptions or reacquisitions (i) the sole consideration for which was the payment of common stock of the Parent (or rights to acquire common stock of the Parent), or (ii) in connection with the satisfaction of obligations under any existing or future benefit plan for directors, officers or employees.

If the Credit Parties, or any of their Subsidiaries makes any Restricted Payments when there are any Deferred Amounts outstanding, the Borrower shall concurrently pay in full all Deferred Amounts then outstanding, together with all interest and fees thereon.

7.08 Consolidations and Mergers. None of the Credit Parties shall, in one or more related transactions, (x) consolidate with or merge into any other Person or permit any other Person to merge into it or (y) directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its properties or assets to any Person,

unless, with respect to any transaction described in clause (x) or (y), immediately after giving effect to such transaction:

(a) the Person formed by any such consolidation or merger, if it is not the Borrower or such Guarantor, or the Person that acquires by transfer, conveyance, sale, lease or other disposition all or substantially all of the properties and assets of the Borrower or such Guarantor (any such Person, a "Successor") (i) shall be a corporation organized and validly existing under the laws of its place of incorporation, which in the case of a Successor to the Borrower shall be Mexico, the United States, Canada, France, Belgium, Germany, Italy, Luxembourg, The Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof, (ii) in the case of a Successor to the Borrower, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the Obligations with respect to the Loans of the Borrower pursuant to this Agreement and the performance of every covenant on part of the Credit Parties to be performed and observed and (iii) in the case of a Successor to any Guarantor, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the performance of every covenant of this Agreement applicable to the Loans on part of such Guarantor to be performed and observed;

(b) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Lender and the Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Lender and/or the Administrative Agent solely as a consequence of such transaction with respect to payments under the Transaction Documents;

(c) immediately after giving effect to such transaction, including for purposes of this clause (c) the substitution of any Successor to the Borrower for the Borrower or the substitution of any Successor to a Guarantor for such Guarantor and treating any Debt or Lien incurred by the Borrower or any Successor to the Borrower, or by a Guarantor of the Borrower or any Successor to such Guarantor, as a result of such transactions as having been incurred at the time of such transaction, no Default or Event of Default shall have occurred and be continuing; and

(d) the Borrower shall have delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a written agreement is required in connection with such transaction, such written agreement comply with the relevant provisions of this Article VII and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

7.09 Use of Proceeds. Each of the Credit Parties will use the net (after payment of fees and expenses due in connection with the Loans) proceeds of the Loans to repay existing debt of the Parent and to make intercompany loans solely for the purposes of

repaying existing senior debt of the Parent and/or the Borrower or any of the Parent's consolidated Subsidiaries.

7.10 Waiver of Immunities. To the extent that any Credit Party may in any jurisdiction claim for itself or its assets immunity from a suit, execution, attachment, whether in aid or execution, before judgment or otherwise, or other legal process in connection with this Agreement and the Dutch "A" Notes and to the extent that in any jurisdiction there may be immunity attributed to any Credit Party or any Credit Party's assets whether or not claimed, the Credit Parties have irrevocably agreed for the benefit of the Lender not to claim, and irrevocably waive, the immunity to the full extent permitted by law.

7.11 Additional Covenants. So long as any of the Obligations remain outstanding, each Credit Party shall not, without the prior written consent of the Administrative Agent (acting with the consent of the Required Lenders), commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization or insolvency proceedings of, or against, the other Credit Parties.

7.12 General. Each Credit Party shall:

(a) keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of such Credit Party and each such Subsidiary in accordance with Applicable GAAP;

(b) maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted;

(c) maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of such Credit Party, provided neither paragraph (b) nor this paragraph (c) shall prevent such Credit Party or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(d) comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable Requirements of Law (including with respect to the licenses, approvals, certificates, permits, franchises, notices, registrations and other governmental authorizations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all material Contractual Obligations, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect;

(e) at any reasonable time during normal business hours and from time to time with at least ten (10) Business Days prior notice, or at any time if a Default or Event of Default shall have occurred and be continuing, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof to examine and make abstracts from the individual and consolidated records and books of account of, and visit the properties of, discuss the individual and consolidated affairs, finances and accounts, of such Credit Party with any of its officers or directors and with its independent certified public accountants. All expenses associated with such inspection shall be borne by the inspecting Lenders; provided that if a Default or an Event of Default shall have occurred and be continuing, any expenses associated with such inspection shall be borne jointly and severally by Credit Parties; and

(f) none of the Credit Parties shall use any part of the proceeds of the Loans for any purpose that would result in any violation (whether by any of the Credit Parties, the Administrative Agent or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. None of the Credit Parties shall engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

7.13 Ownership of CEMEX Spain Shares. The Parent shall not:

(a) at any time own (directly or indirectly) less than 80% of the voting and equity ownership interest in CEMEX Spain; and

(b) create any Lien on the common stock of CEMEX Spain; provided, however, that the Parent may create Liens on the common stock of CEMEX Spain directly or indirectly owned by the Parent in excess of the 80% threshold referred to in clause (a).

7.14 Additional Guarantor. Except as set forth below, none of the Credit Parties shall, nor shall they permit any of their Subsidiaries, other than CEMEX Spain and any of its Subsidiaries, to (i) enter into a new Comparable Debt Facility in which its obligations for borrowed money are guaranteed by an entity that is not a Credit Party or any of their Subsidiaries other than CEMEX Spain and any of its Subsidiaries, or (ii) agree to an amendment to add a guarantor that is not a Credit Party or any of their Subsidiaries other than CEMEX Spain and any of its Subsidiaries of its obligations for borrowed money in an existing Comparable Debt Facility, in each case, without the approval of the Required Lenders. For the avoidance of doubt, and without limitation, the following transactions shall not be subject to the provisions hereof:

(a) financings involving Empresas Tolteca de México, S.A. de C.V. with respect to any domestic issuance of *Certificados Bursátiles*;

(b) any letters of credit, leases entered into in the ordinary course of business, Derivatives, financings with Export Credit Agencies or receivables financings;

(c) any intercompany transaction;

(d) any additional guarantors resulting from or in connection with a merger, consolidation or similar transaction; and

(e) any agreements existing on the Closing Date and, with respect to any Comparable Debt Facility, listed on Schedule 7.14(e) and refinancings or rollovers of amounts due thereunder.

7.15 CEMEX Spain Liens. None of the Credit Parties shall, nor shall they permit any of their Subsidiaries, other than CEMEX Spain and its Subsidiaries, to (i) enter into a new senior Debt financing secured by a Lien on the productive assets directly owned by CEMEX Spain or its Subsidiaries or (ii) amend any existing Debt financing to add a Lien on the productive assets directly owned by CEMEX Spain or its Subsidiaries, in each case except for Permitted Liens.

7.16 No Conflict with Loans. None of the Credit Parties shall, nor shall they permit any of their Subsidiaries, other than CEMEX Spain and its Subsidiaries, to enter into any Debt agreement:

(a) restricting the ability of a Credit Party to repay or prepay all or any portion of the Loans;

(b) restricting the ability of the Borrower to convert all or any portion of the Loans into Maturity Loans; or

(c) requiring such Credit Party or any of its Subsidiaries (other than CEMEX Spain and its Subsidiaries) to prepay any senior unsecured Debt (other than the Loans) of such Credit Party or any of its Subsidiaries (other than CEMEX Spain and its Subsidiaries) with the net proceeds from asset sales, a redirection of cash flows or a recapture of cash flows of any Credit Party or any of its Subsidiaries (other than CEMEX Spain and its Subsidiaries). For the avoidance of doubt and without limitation, this clause (c) shall not apply to any prepayment obligations: (i) in connection with any liquidation or termination of any Derivatives, (ii) any financing agreements of CEMEX Spain or any of its Subsidiaries, or (iii) contained in letters of credit, leases entered into in the ordinary course of business, financings with Export Credit Agencies or receivables financings.

7.17 Issuance of New Notes. If, on June 30, 2010, any Loans are outstanding, any Lender shall have the right on such date to request that the Borrower issue new notes in exchange for such Lender's Dutch "A" Note in accordance with the United States federal and state securities laws in a manner that will result in the exchange and any resale of the exchanged notes being exempt from registration under United States federal and state securities laws and the new notes being (i) eligible for resale under Regulation S under the United States Securities Act of 1933, as amended, (ii) in an amount equal to the amount outstanding on such Lender's Dutch "A" Note, and (iii) with identical economic terms and conditions to the Dutch "A" Notes, including but not limited to all adjustments to the Applicable Margin, and any customary legal opinions and other

certifications reasonably requested by the Administrative Agent. The Borrower shall use commercially reasonable best effort to cause such notes to be issued and listed on the Irish Stock Exchange by December 31, 2010. Upon issuance of such new notes in exchange for Dutch "A" Notes, the applicable Dutch "A" Note(s) shall be deemed to have been paid in full.

7.18 Pari Passu Ranking.

(a) Each Credit Party will ensure at all times that amounts due and payable by such Credit Party with respect to the Loans under the Transaction Documents constitute unconditional general obligations of such Credit Party ranking pari passu with the senior unsecured unsubordinated Debt of such Credit Party;

(b) The Parent will disclose in the press release issued in connection with its June 30, 2008 quarterly financial results (i) that the Credit Parties entered into two identical senior unsecured US$525 million facilities, (ii) that the amounts due and payable by each Credit Party under such facilities will rank pari-passu upon liquidation with senior unsecured debt of such Credit Party and (iii) a general description of such facilities; and

(c) The Parent will use its reasonable best efforts to provide in its audited consolidated annual financial statements similar disclosure with respect to the Loans as the Parent provides with respect to the C8 Notes and the C10 Notes.

ARTICLE VIII
OBLIGATIONS OF GUARANTORS

8.01 The Guaranty. Each of the Guarantors jointly and severally hereby unconditionally and irrevocably guarantee (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Borrower to each Lender, the Administrative Agent, the Structuring Agent and the Joint Lead Arrangers under this Agreement and the other Transaction Documents and the Fee Letters, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

8.02 Nature of Liability. The obligations of the Guarantors hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full and all Commitments have been terminated, and shall not be affected in any way by the absence of any action to obtain such amounts from the Borrower or by any variation, extension, waiver, compromise or release of any or all Obligations from time to time therefor. Each Guarantor waives all requirements as to promptness, diligence, presentment, demand for payment, protest and notice of any kind with respect to this Agreement and the other Transaction Documents.

8.03 Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction other than the State of New York, the obligations of

each of the Guarantors hereunder shall be unconditional, irrevocable and absolute and, without limiting the generality of the foregoing, shall not be impaired, terminated, released, discharged or otherwise affected by the following:

(a) the existence of any claim, set-off or other right which either of the Guarantors may have at any time against the Borrower, the Administrative Agent, any Lenders or any other Person, whether in connection with this transaction or with any unrelated transaction;

(b) any invalidity or unenforceability of this Agreement or any other Transaction Document relating to or against the Borrower or either of the Guarantors for any reason;

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the Borrower under this Agreement or any of the other Transaction Documents or the payment, observance, fulfillment or performance of any other Obligations;

(d) any change in the name, purposes, business, Capital Stock (including the ownership thereof) or constitution of the Borrower;

(e) any amendment, waiver or modification of any Transaction Document in accordance with the terms hereof and thereof; or

(f) any other act or omission to act or delay of any kind by the Borrower, the Administrative Agent, the Lenders or any other Person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to either of the Guarantors' obligations hereunder.

8.04 Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Borrower's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Administrative Agent and the Lenders may neglect or forbear to enforce payment hereunder, under any Transaction Document or under any guaranty or security, without in any way affecting or impairing the liability of each Guarantor hereunder. The Administrative Agent or the Lenders shall not be obligated to exhaust recourse or take any other action against the Borrower or under any agreement to purchase or security which the Administrative Agent or the Lenders may hold before being entitled to payment from the Guarantors of the obligations hereunder or proceed against or have resort to any balance of any deposit account or credit on the books of the Administrative Agent or the Lenders in favor of the Borrower or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent or the Lenders shall have the right to bring suit directly against either of the Guarantors, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower and/or the other Guarantor.

8.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this Article VIII and notice of any liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any such liability, suit or the taking of other action by the Administrative Agent or the Lenders against, and any other notice, to the Guarantors.

8.06 Waiver of Defenses. To the extent permitted by New York law and notwithstanding any contrary principles under the laws of any other jurisdiction, each of the Guarantors hereby waives any and all defenses to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this Article VIII, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Borrower, prior notice to the Borrower, that the Borrower's assets are used to repay the Loans first, that the liability of the Guarantors be split, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for any additional endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Administrative Agent and the Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part, (a) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this Article VIII shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Borrower or others (including the Guarantors) or otherwise act or refrain from acting; (c) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of the Borrower to creditors of the Borrower other than the Administrative Agent and the Lenders and the Guarantors; (d) apply any sums by whomsoever paid or howsoever realized, other than payments of the Guarantors of the Obligations, to any liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Administrative Agent and the Lenders regardless of which of such liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantors under this Article VIII, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof.

8.07 Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, each Credit Party shall not, without the prior written consent of the Administrative Agent (acting with the consent of the Required Lenders), commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization or insolvency proceedings of, or against, the Borrower.

(b) If acceleration of the time for payment of any amount payable by the Borrower under this Agreement or the Dutch "A" Notes is stayed upon the insolvency, bankruptcy, reorganization or any similar event of the Borrower or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Lenders.

(c) The obligations of each of the Guarantors under this Article VIII shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of the Borrower or similar proceedings or actions or by any defense which the Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantors' liability shall extend to all amounts and obligations that constitute the Obligations and would be owed by the Borrower but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

(d) Each of the Guarantors acknowledges and agrees that any interest on any portion of the Obligations which accrues after the commencement of any proceeding or action referred to above in Section 8.07(c) (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of the Obligations if said proceedings or actions had not been commenced) shall be included in the Obligations, it being the intention of the Guarantors, the Administrative Agent, and the Lenders that the Obligations which are to be purchased by the Guarantors pursuant to this Article VIII shall be determined without regard to any rule of law or order which may relieve the Borrower of any portion of such Obligations. The Guarantors will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Administrative Agent, or allowing the claim of the Administrative Agent, for the benefit of the Administrative Agent, and the Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the Obligations are paid by or on behalf of the Borrower, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded

or recovered, directly or indirectly, from the Administrative Agent and/or the Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this Article VIII, to the extent permitted by applicable law.

8.08 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

8.09 Right of Contribution. Subject to Section 8.08, each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. The provisions of this Section 8.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers and the Lenders for the full amount guaranteed by such Guarantor hereunder.

8.10 General Limitation on Guaranty. In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganization, *concurso mercantil* or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Article VIII would otherwise, taking into account the provisions of Section 8.09, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 8.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

8.11 Loan Covenants of the Guarantors. Each Guarantor hereby covenants and agrees that, so long as any Obligations with respect to the Loans under this Agreement and any other Transaction Document remain unpaid, or any Lender has any commitment hereunder, it shall comply with the covenants contained or incorporated by reference in this Agreement applicable to the Loans to the extent applicable to it.

ARTICLE IX
EVENTS OF DEFAULT

9.01 Events of Default Applicable to the Loans. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Borrower shall (i) fail to pay any principal of the Loans when due in accordance with the terms hereof or (ii) fail to pay any interest, other than Deferred Amounts, on the Loans, any fee or any other amount relating to the Loans (including nonpayment in connection with the issuance of Qualifying Equity Securities in accordance with Section 7.02) payable under this Agreement or any Dutch "A" Note within five (5) Business Days after the same becomes due and payable; or

(b) Specific Defaults. Any Credit Party defaults in the performance or observance of any of its obligations contained in Sections 7.03 and 7.08; or

(c) Other Defaults. Any Credit Party defaults in the performance or observance of any of its covenants in this Agreement or the Notes (other than in each case as provided in paragraphs (a) and (b) above and the covenants under Sections 7.04, 7.05(c) and 7.12) and continuance of such default or breach for a period of thirty (30) days after there has been given to the Borrower by the Administrative Agent a written notice specifying such default or breach or after any Responsible Officer of any Credit Party has knowledge of such default or breach; or

(d) Involuntary Bankruptcy. The entry by a competent court of (A) a decree, admission order, or order for relief in respect of any Credit Party in an involuntary case or proceeding under any applicable bankruptcy, insolvency, *concurso mercantil*, reorganization or other similar law of Mexico, the United States of America, The Netherlands or other applicable jurisdiction or any political subdivision thereof or other applicable bankruptcy, insolvency, concurso mercantil, reorganization or other similar law, or (B) a decree or order adjudging any Credit Party bankrupt, insolvent or in *concurso mercantil*, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, *concurso mercantil*, or composition of or in respect of, the Borrower or any such Guarantor under any applicable law of Mexico, or the United States of America, The Netherlands or other applicable jurisdiction or any political subdivision thereof or other applicable law, or appointing a custodian, receiver, *síndico*, liquidator, conciliator, assignee, trustee, sequestrator or other similar official of any Credit Party or of any substantial part of the property of any Credit Party, or ordering the winding up or liquidation of the affairs of any Credit Party and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of sixty (60) consecutive days, other than, in any such case, any decree or order

issued pursuant to proceedings that have been commenced prior to the date of this Agreement; or

(e) Voluntary Bankruptcy. The commencement by any Credit Party of a voluntary case or proceeding under any applicable bankruptcy, insolvency, *concurso mercantil*, reorganization or other similar law of Mexico, the United States of America, The Netherlands or other applicable jurisdiction or any political subdivision thereof or other applicable bankruptcy, insolvency, *concurso mercantil*, reorganization or other similar law or of any other case or proceeding to be adjudicated bankrupt, insolvent or in *concurso mercantil*, or the consent by any Credit Party to the entry of a decree or order for relief in respect of any Credit Party in an involuntary case or proceeding under any applicable bankruptcy, insolvency, *concurso mercantil*, reorganization or other similar law of Mexico, the United States of America, The Netherlands or other applicable jurisdiction or any political subdivision thereof or other applicable bankruptcy, insolvency, *concurso mercantil*, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against any Credit Party, or the filing by any Credit Party of a petition or answer or consent seeking reorganization, *concurso mercantil*, or relief under any applicable law of Mexico, the United States of America, The Netherlands or other applicable jurisdiction or any political subdivision thereof or other applicable law, or the consent by any Credit Party to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, *síndico*, liquidator, conciliator, assignee, trustee, sequestrator or similar official of any Credit Party or of any substantial part of the property of any Credit Party, or the making by any Credit Party of an assignment for the benefit of creditors, or the admission by any Credit Party in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by any Credit Party in furtherance of any such action; or

(f) Validity of Agreement. The Borrower shall contest the validity or enforceability of any Transaction Document with respect to the Loan or shall deny generally the liability of the Borrower under any Transaction Documents with respect to the Loan or either Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of either Guarantor under Article VIII hereof shall not be (or is claimed by either Guarantor not to be) in full force and effect; or

(g) Change of Ownership. The Borrower ceases to be a wholly owned indirect Subsidiary of the Parent or ceases to be consolidated in the financial statements of the Parent, or the Parent ceases to control any Guarantor.

9.02 Remedies.

(a) If an Event of Default under Sections 9.01(d) and (e) occurs with respect to any Credit Party, the outstanding principal amount of the Loans, together with any accrued but unpaid interest thereon, including any Deferred Amounts, in each case without notice or any other act by the Lenders, shall immediately become due and

payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(b) If any Event of Default has occurred and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders declare by written notice to the Borrower, the principal amount of the outstanding Loans to be forthwith due and payable, whereupon such principal amount, together with accrued interest thereon, including, if applicable, any Deferred Amounts, and any fees due under this Agreement shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

9.03 Notice of Default. To the extent permitted by law, the Administrative Agent shall give notice to the Borrower of any event occurring under Section 9.01(a), (b) or (c) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE X
THE ADMINISTRATIVE AGENT

10.01 Appointment and Authorization.

(a) Each Lender hereby irrevocably designates and appoints ING Capital LLC as the Administrative Agent of such Lender under this Agreement, and each Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement or any other Transaction Document, together with such other powers as are reasonably incidental thereto.

(b) Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent.

10.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

10.03 Liability of Administrative Agent. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action taken or omitted to be taken by it or any such Person under or in

connection with this Agreement or any other Transaction Document or the transactions contemplated hereby (except for its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by a Credit Party or any officer thereof contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Transaction Document, or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document, or for any failure of a Credit Party or any other party to any Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of a Credit Party.

10.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or teletype message, statement, order or other document or telephone conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of failing to take, taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Lenders (or when expressly required hereby, all the Lenders) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter sent by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction on or before the Closing Date.

10.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except for the Administrative Agent with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders) unless it shall have received written notice from a Lender or the Borrower referring to

this Agreement and describing such Default or Event of Default and stating that such notice is a "Notice of Default". The Administrative Agent shall promptly notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders or the Lenders; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

10.06 Credit Decision. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Credit Party, or any of its Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender acknowledges to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Guarantors and their Affiliates and all applicable Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Credit Party. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Credit Party which may come into the possession of the Administrative Agent or any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact.

10.07 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand the Administrative Agent and its Affiliates, directors, officers, advisors, agents and employees (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to the Pro Rata Share of such Lender of the aggregate amount of Loans outstanding hereunder, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the Obligations, Maturity Date or Conversion Date) be imposed on, incurred by or

asserted against the Administrative Agent (or any of its Affiliates, directors, officers, agents and employees) in any way relating to or arising out of this Agreement or any other Transaction Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for the payment of any portion of such claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent it results from the gross negligence or willful misconduct of the Administrative Agent or its Affiliates, directors, officers, agents or employees. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share (based on its Pro Rate Share of the aggregate amount of Loans outstanding hereunder) of any reasonable and documented costs or out-of-pocket expenses (including legal fees) incurred by the Administrative Agent in connection with the preparation, execution, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower.

10.08 Administrative Agent in its Individual Capacity. ING Capital LLC may make loans to, issue letters of credit for the account of, accept deposits from and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower, the Guarantors or any of their Affiliates as though ING Capital LLC were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, ING Capital LLC or its Affiliates may receive information regarding the Borrower, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of any Credit Party) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to the Obligations, ING Capital LLC shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include ING Capital LLC in its individual capacity.

10.09 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders shall, resign as the Administrative Agent upon thirty (30) days' notice to the Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which appointment shall be subject to the approval of the Borrower, such approval not to be unreasonably withheld (unless a Default or Event of Default shall have occurred and be continuing, in which case such approval shall not be required). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such

successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act on the part of such retiring Administrative Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article X and Sections 12.04 and 12.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted the appointment as Administrative Agent by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and either the Borrower or the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor agent, which shall be a commercial bank organized or licensed under the laws of the United States or of any State thereof and having a combined capital and surplus of at least U.S.$400,000,000.

ARTICLE XI
THE STRUCTURING AGENT

11.01 The Structuring Agent. The Borrower hereby confirms the designation of HSBC SECURITIES (USA) INC., as the Structuring Agent for the Loans. The Structuring Agent assumes no responsibility or obligation hereunder for servicing, enforcement or collection of the Obligations, or any duties as agent for the Lenders. The title "Structuring Agent" implies no fiduciary responsibility on the part of the Structuring Agent to the Administrative Agent, or the Lenders, and the use of such title does not impose on the Structuring Agent any duties or obligations under this Agreement except as may be expressly set forth herein.

11.02 Liability of Structuring Agent. Neither the Structuring Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by them or any such Person under or in connection with this Agreement or any other Transaction Document (except for such Structuring Agent's own gross negligence or willful misconduct), or (b) responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Borrower or any officer thereof, contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Structuring Agent under or in connection with, this Agreement or any other Transaction Document or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document or for any failure of the Borrower or any other party to any other Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Structuring Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower.

11.03 Structuring Agent in its Individual Capacity. The Structuring Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any of its Affiliates as though it were not the Structuring Agent hereunder.

11.04 Credit Decision. Each Lender expressly acknowledges that neither the Structuring Agent nor any of its respective Affiliates, officers, directors, employees, agents or attorneys-in-fact have made any representation or warranty to it, and that no act by the Structuring Agent hereafter taken, including any review of the affairs of a Credit Party, shall be deemed to constitute any representation or warranty by the Structuring Agent to any Lender. Each Lender acknowledges to the Structuring Agent that it has, independently and without reliance upon the Structuring Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of a Credit Party and its Affiliates and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Structuring Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Credit Party. The Structuring Agent shall not have any duty or responsibility to provide any Lender with any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of the Structuring Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XII
MISCELLANEOUS

12.01 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder with respect to the Loans shall be in writing (including facsimile transmission) and shall be sent by an overnight courier service, transmitted by facsimile or delivered by hand to such party: (i) in the case of a Credit Party, the Structuring Agent, the Joint Lead Arrangers, or the Administrative Agent, at its address or facsimile number set forth on Schedule 1.01(c) or at such other address or facsimile number as such party may designate by notice to the other parties hereto and (ii) in the case of any Lender, at its address or facsimile number set forth in Schedule 1.01(b) or at such other address or facsimile number as such Lender may designate by notice to the Borrower, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent.

(b) Unless otherwise expressly provided for herein, each notice, request, demand or other communication with respect to the Loans shall be effective (1) if sent by overnight courier service or delivered by hand, upon delivery, (2) if given by facsimile, when transmitted to the facsimile number specified pursuant to paragraph (a) above and confirmation of receipt of a legible copy thereof is received, or (3) if given by any other means, when delivered at the address specified pursuant to paragraph (a) above; provided, however, that notices to the Administrative Agent under Article II, III, IV or X shall not be effective until received.

12.02 Amendments and Waivers. No amendment, waiver or modification of any provision of this Agreement, and no consent to any departure by any Credit Party from the terms of this Agreement shall be effective, in each case without the written consent of the Credit Parties, and acknowledged by the Administrative Agent (which shall be a purely ministerial action) and signed or consented to by the Required Lenders, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall:

(a) (i) except as specifically provided herein, increase or decrease the Commitment of any Lender (except for a ratable decrease in the Commitments of all Lenders); or

(ii) subject any Lender to any additional obligation; or

(iii) forgive any Obligation, reduce the principal amount of the Obligations, reduce the rate of interest thereon, or change the provisions of Section 3.04; or

(iv) except for any extension of the Maturity Date pursuant to Section 2.01(e) extend the maturity of any of the Obligations, extend the time of payment of interest thereon, or extend the Maturity Date; or

(v) change the percentage specified in the definition of Required Lenders or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement; or

(vi) release any Credit Party from its obligations under this Agreement or the Dutch "A" Notes; or

(vii) amend, modify or waive any provision of this Section 12.02(a); or

(viii) amend, modify or waive any provision of Article IV;

in each case without the consent of all the Lenders;

(b) amend, modify or waive any provision of Section 12.06 without the consent of each Lender directly affected thereby;

(c) amend, modify or waive Article X without the written consent of the Administrative Agent; and

(d) amend, modify or waive any provision of Article XI without the consent of the Structuring Agent.

12.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

12.04 Payment of Expenses, Etc. The Borrower agrees to pay on demand:

(a) all reasonable and documented out-of-pocket costs and expenses (including reasonable legal fees and disbursements of special Mexican counsel, special Dutch counsel and New York counsel to the Administrative Agent and the allocated cost of in-house counsel to the Administrative Agent), syndication (including printing, distribution and bank meetings), travel, telephone and duplication expenses and other reasonable and documented costs and out-of- pocket expenses in connection with the arrangement, documentation, negotiation and closing of the Transaction Documents;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent in connection with any amendment to, waiver of, or consent to any Transaction Document or the transactions contemplated hereby, including the reasonable fees and reasonable and documented out-of-pocket expenses of special Mexican, special Dutch counsel and New York counsel to the Administrative Agent; and

(c) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent or any Lender in connection with the enforcement of and/or preservation of any rights under this Agreement or any other Transaction Document (whether through negotiations, legal proceedings or otherwise), including the reasonable fees and reasonable and documented out-of-pocket expenses of special Mexican, special Dutch counsel and New York counsel to the Administrative Agent and such Lender.

12.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel, the allocated cost of in-house counsel and settlement costs), but excluding taxes that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of

the proceeds of the Loans or (ii) or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's bad faith, gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 12.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. Each Credit Party also agrees not to assert any claim against the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. Neither the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent nor any Lender shall be deemed to have any fiduciary relationship with any Credit Party.

12.06 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon the Borrower, the Guarantors, their successors and assigns and shall inure to the benefit of the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent and the Lenders and their respective successors and assigns, except that the Credit Parties may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of all Lenders other than pursuant to the terms of this Agreement.

(b) Any Lender (such Lender, an "Assignor") may at any time, in its sole discretion, and any Lender, if demanded by the Borrower pursuant to Section 3.10 upon at least five (5) Business Days' notice to such Lender and Administrative Agent, (i) assign or pledge as security all or part of such Lender's rights under this Agreement but not its obligations, to any Federal Reserve Board or entity that is a lender to such Lender without the prior consent (written or otherwise) of the Borrower, the Administrative Agent, the Parent or any other third party, or (ii) assign all or part of such Lender's rights or obligations under this Agreement and any Dutch "A" Notes to any of its Affiliates or related funds or any other Lender or any Affiliate of a Lender, in each case without prior consent (written or otherwise) of the Borrower, the Administrative Agent, the Parent or any other third party, and/or (iii) assign all or part of such Lender's rights or obligations under this Agreement and any Dutch "A" Notes to one or more banks or other financial institutions or any other person that is not a Competitor with the prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, of the Borrower, the Parent and the Administrative Agent (each such person, an "Assignee"); provided however that, in the case of an assignment of only part of such rights and obligations under clause (iii), such assignment shall be in integral multiples of U.S.$5,000,000; provided, further, that in the case of an assignment of only part of such

rights and obligations under clause (iii), the Borrower shall be deemed to have consented to an assignment if it fails to respond to a written request for consent within ten (10) Business Days of such request; provided, further, that if the value of the rights and obligations assigned under clause (i) or clause (ii) is less than euro 50,000 (or its equivalent in another currency or currencies) the assignee or transferee otherwise qualifies as a Professional Market Party. Upon the occurrence and continuation of an Event of Default, each Lender shall have the right, in its sole discretion, to assign all or part of its rights or obligations under this Agreement and any Dutch "A" Notes to any Person that is not a Competitor, without the prior consent (written or otherwise) of the Borrower, the Administrative Agent, the Parent or any other third party; provided however that if the value of the rights and obligations assigned is less than euro 50,000 (or its equivalent in another currency or currencies) the assignee or transferee otherwise qualifies as a Professional Market Party. Upon execution and delivery of an Assignment and Assumption Agreement pursuant to which the Assignee shall assume the Assignor's rights and obligations under this Agreement and any Dutch "A" Notes and payment by the Assignee to the Assignor of an amount equal to the purchase price agreed between such Assignor and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a commitment as set forth in such instrument of assumption (in addition to any commitment previously held by it), and the Assignor shall be released from its obligations hereunder to a corresponding extent (except to the extent the same arose prior to the assignment); and, in the case of an Assignment and Assumption Agreement covering all of the transferor Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Section 3.03 to the extent any claim thereunder relates to an event arising or such Lender's status or activity as Lender prior to such assignment), and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this paragraph (b), the Assignor, the Administrative Agent and the Borrower shall make appropriate arrangements so that a new Dutch "A" Note is issued to the Assignee at the expense of the Assignee. In connection with any such assignment (other than a transfer by a Lender to one of its Affiliates), the Assignor (or in the case of Section 2.01(c) or 3.10, the Borrower), without prejudice to any claims the Borrower may have against any Defaulting Lender, shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of U.S.$3,500.

(c) Nothing herein shall prohibit any Lender from pledging or assigning any Dutch "A" Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 12.06; provided, however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

(d) Any Lender may, without any consent of the Borrower, the Administrative Agent or any other third party at any time grant to any Person that is not a Competitor (each a "Participant") participating interests in its Loans; provided however that if the value of the rights and obligations assigned is less than euro 50,000 (or its equivalent in another currency or currencies) the assignee or transferee otherwise qualifies as a

Professional Market Party. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder, including the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement extending the maturity of any Obligation in respect of which the participation was granted, or reducing the rate or extending the time for payment of interest thereon or reducing the principal thereof, or reducing the amount or basis of calculation of any fees to accrue in respect of the participation, without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 3.05 and 3.08 with respect to its participating interest as if it were a Lender named herein; provided, however, that the Borrower shall not be required to pay any greater amounts pursuant to such Sections than it would have been required to pay but for the sale to such Participant of such Participant's participation interest. An assignment or other transfer which is not permitted by paragraph (b) or (c) above shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this paragraph (d).

(e) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 12.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the Assignee or Participant or proposed Assignee or Participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

12.07 Right of Set-off. In addition to any rights and remedies of the Lenders provided by law, each such Lender shall have the right, without prior notice to the Credit Parties, any such notice being expressly waived by the Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender,

or any branch or agency thereof to or for the credit or the account of the Credit Parties. Each Lender agrees promptly to notify such Credit Party, as the case may be, and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

12.08 Confidentiality. Neither the Administrative Agent nor any Lender shall disclose any Confidential Information to any other Person without the prior written consent of the Credit Parties, other than (a) to the Administrative Agent's, or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 12.06(e), to actual or prospective Assignees and Participants, and then only on a confidential basis, (b) as required by any law, rule or regulation (including as may be required in connection with an audit by the Administrative Agent's, or such Lender's independent auditors, and as may be required by any self-regulating organizations) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking. Notwithstanding the foregoing or anything contained in any Transaction Document to the contrary, the parties (and each employee, representative, or other agent of the parties) may disclose to any and all persons, without limitation of any kind, the tax treatment and any facts that may be relevant to the tax structure of the transactions contemplated by this Agreement, provided, however, that no party (and no employee, representative, or other agent thereof) shall disclose any other information that is not relevant to understanding the tax treatment and tax structure of such transactions (including the identity of any party and any information that could lead another to determine the identity of any party), or any other information to the extent that such disclosure could result in a violation of any federal or state securities law.

12.09 Use of English Language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language (other than the documents required to be provided pursuant to Section 4.01(g)(iii) and Section 7.04 which shall be in the English language or in the Spanish language accompanied by an English translation or summary). Except in the case of the laws of, or official communications of, Mexico or The Netherlands (as applicable), the English language version of any such document shall control the meaning of the matters set forth therein.

12.10 GOVERNING LAW. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

12.11 Submission to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court located in the Borough of Manhattan in New York City and any appellate court thereof for purposes of any suit, legal action or proceeding arising out of or relating to this Agreement, any other Transaction Document or the transactions contemplated hereby, and each of the parties hereto hereby irrevocably agrees that all claims in respect of such suit, action or

proceeding may be heard and determined in such federal or New York State court. Each of the parties hereto also submits to the jurisdiction of the competent courts of its corporate domicile in respect of actions initiated against it as a defendant.

(b) Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, the jurisdiction of any court other than those identified in paragraph (a) above and any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such federal or New York State court and irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding.

(c) Each of the parties hereto irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over it.

(d) Each of the parties hereto agrees, to the fullest extent it may effectively do so under applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in paragraph (a) above brought in any such court shall be conclusive and binding upon such party and may be enforced in other jurisdictions by suit on the judgment or in any manner provided by law.

(e) **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION ORPROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE ACTIONS OF ANY ARRANGER, THE ADMINISTRATIVE AGENT, OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.**

12.12 Appointment of Agent for Service of Process.

(a) The Credit Parties hereby irrevocably appoint CT Corporation System, with an office on the date hereof at 111 Eighth Avenue, 13th Floor, New York, New York 10011, as its agent (the "Process Agent") to receive on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding brought in any New York State or federal court sitting in New York City and designates such domicile as the conventional domicile to receive notices hereunder and under the Transaction Documents. Such service may be made by delivering a copy of such process to any Credit Party in care of the Process Agent at its address specified above, and the Credit Parties hereby authorize and direct the Process Agent to accept such service on their behalf. The appointment of the Process Agent shall be irrevocable until the appointment of a successor Process Agent. The Credit Parties, further agree to promptly and irrevocably appoint a successor Process Agent reasonably acceptable to the Administrative Agent in New York City prior to the termination for any reason of the appointment of the initial Process Agent.

(b) Nothing in Section 12.11 or in this Section 12.12 shall affect the right of any party hereto to serve process in any manner permitted by law or limit any right that any party hereto may have to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

12.13 Waiver of Sovereign Immunity. To the extent that a Credit Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or its property, the Credit Party hereby irrevocably waives such immunity in respect of its obligations hereunder to the extent permitted by applicable law. Without limiting the generality of the foregoing, the Credit Parties agree that the waivers set forth in this Section 12.13 shall have force and effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Foreign Sovereign Immunities Act.

12.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower in Dollars into another currency, the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent or each Lender, as the case may be, could purchase Dollars with such currency at or about 10:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given.

(b) The Obligations in respect of any sum due to any Lender or the Administrative Agent hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent may in accordance with normal banking procedures purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due to such Lender or the Administrative Agent, the Credit Parties agree, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent against such resulting loss.

(c) Each Credit Party shall, to the fullest extent permitted by law, indemnify the Administrative Agent and each Lender against any loss incurred by the Administrative Agent or such Lender, as the case may be, as a result of any judgment or order being given or made for any amount due under this Agreement or any Dutch "A" Note and being expressed and paid in a currency (the "Judgment Currency") other than Dollars, and as a result of any variation between (i) the rate of exchange at which the

Dollar amount is converted into the Judgment Currency for the purpose of such judgment or order and (ii) the spot rate of exchange in New York City at which the Administrative Agent or such Lender, as the case may be, on the date of payment of such judgment or order is able to purchase Dollars with the amount of the Judgment Currency actually received by the Administrative Agent or such Lender. If the amount of Dollars so purchased exceeds the amount originally to be paid to such Lender, such Lender agrees to pay to or for the account of the Borrower (with respect to payments made by the Borrower) and the Guarantors (with respect to payments made by the Guarantors) such excess; provided that such Lender shall not have any obligation to pay any such excess as long as a default by a Credit Party , in its obligations hereunder has occurred and is continuing, in which case such excess may be applied by such Lender to such obligations. The foregoing indemnity shall constitute a separate and independent obligation of each Credit Party and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, United States dollars.

12.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement and any communications, notices and exchanges of information pursuant to this Agreement, including signatures, may be delivered by facsimile and shall be treated in all manner and respects as an original document.

12.16 USA PATRIOT Act. The Lenders, to the extent that they are subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notify the Credit Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

12.17 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

12.18 Survival of Agreements and Representations.

(a) All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) The covenants and agreements contained in Sections 3.03, 3.05, 3.07, 3.08, 12.04, 12.05, 12.08, 12.09, 12.10, 12.11, 12.12 and 12.14, and the obligations of the Lenders under Section 10.07 shall survive the termination of the Commitments, and the payment of all Obligations and, in the case of any Lender that may assign any interest in its commitment or obligations hereunder, with respect to matters occurring before such assignment, shall survive the making of such assignment to the extent any claim arising thereunder relates to any period prior to such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder.

12.19 Interest. It is the intention of the parties hereto that the Administrative Agent and each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby or by any other Transaction Document would be usurious as to the Administrative Agent or any Lender under laws applicable to it (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to the Administrative Agent or such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in this Agreement or any other Transaction Document or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: (a) the aggregate of all consideration that constitutes interest under law applicable to the Administrative Agent or any Lender that is contracted for, taken, reserved, charged or received by the Administrative Agent or such Lender under this Agreement or any other Transaction Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the maximum amount allowed by such applicable law (the "Highest Lawful Rate"), any excess shall be canceled automatically and if theretofore paid shall be credited by the Administrative Agent or such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by the Administrative Agent or such Lender, as applicable, to the Borrower); and (b) in the event that the maturity of the Obligations is accelerated by reason of any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to the Administrative Agent or any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by the Administrative Agent or such Lender, as applicable, as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by the Administrative Agent or such Lender, as applicable, on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by the Administrative Agent or such Lender to the Borrower). All sums paid or agreed to be paid to the Administrative Agent or any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to the Administrative Agent or such Lender, be amortized, prorated, allocated and spread throughout the full term of the Loans until payment in full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (i) the amount of interest payable to the Administrative Agent or any Lender on any date shall

be computed at the Highest Lawful Rate applicable to the Administrative Agent or such Lender pursuant to this Section 12.19 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Administrative Agent or such Lender would be less than the amount of interest payable to the Administrative Agent or such Lender computed at the Highest Lawful Rate applicable to the Administrative Agent or such Lender, then the amount of interest payable to the Administrative Agent or such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to the Administrative Agent or such Lender until the total amount of interest payable to the Administrative Agent or such Lender shall equal the total amount of interest which would have been payable to the Administrative Agent or such Lender if the total amount of interest had been computed without giving effect to this Section 12.19.

SCHEDULE 1.01(a)

Commitments

Lender	**Amount** (in USD)	**Percentage**
Banco Santander, S.A.	$125,000,000	23.8%
HSBC Mexico, S.A., Institución de Banca Multiple, Grupo Financiero HSBC, *acting through its grand cayman branch*	$125,000,000	23.8%
The Royal Bank of Scotland PLC	$125,000,000	23.8%
Caja de Madrid - Miami Agency	$75,000,000	14.3%
ING Bank, N.V., *acting through its Curacao Branch*	$75,000,000	14.3%
TOTAL:	$525,000,000	100%

SCHEDULE 1.01(b)

Lending Offices

Lender	**Lending Offices**
Banco Santander, S.A.	Ciudad Grupo Santander Edificio Marisma (Planta Baja) 28660 Boadilla del Monte Madrid, Spain Attention: Wade A. Kit Telephone: +52 (55) 5257-8520 Fax: +52 (55) 5269-1824
Caja de Madrid-Miami Agency	701 Brickell Ave, Ste 2000 Miami, FL 33131 Attention: Jesus Miramon Telephone: +1 (305) 371-3833 Fax: +1 (305) 371-4243
HSBC Mexico, S.A., Institución de Banca Multiple, Grupo Financiero HSBC, *acting through its grand cayman branch*	Reforma 347 Piso 12 Oficina 3. Col. Cuauhtemoc. C.P. 06500 Mexico City, Mexico Attention: Cordelia Gonzalez Telephone: +52 (81) 8319-2229 Fax: +52 (81) 8319-2349
ING Bank, N.V., *acting through its Curacao Branch*	Bosque de Alisos 45 B Bosques de las Lomas, 05120, Mexico D.F. Attention: Javier Bernus Telephone: +52 (55) 5258-2127 Fax: +52 (55) 5259-3218
The Royal Bank of Scotland PLC	36 St Andrew Square, Edinburgh EH2 2YB Scotland Telephone: +44 (207) 672-6309 Fax: +44 (207) 085-4584

SCHEDULE 1.01(c)

Notice Addresses

Party	**Notice Address**
New Sunward Holding B.V., as BORROWER	Riverstate Building Amsteldijk 166 1079 LH Amsterdam The Netherlands Fax: +31 (0) 20-644 40 95
CEMEX, S.A.B. de C.V., as GUARANTOR	CEMEX, S.A.B. de C.V. Ave.Ricardo Margáin Zozaya # 325 Col. Valle del Campestre Garza García, Nuevo León Mexico 66265 Attention: CEMEX Back-Office Telephone: +52 (818) 888-4632, 4113, 4093 Fax: +52 (818) 888-4519
CEMEX México, S.A. de C.V., as GUARANTOR	CEMEX, S.A.B. de C.V. Ave.Ricardo Margáin Zozaya # 325 Col. Valle del Campestre Garza García, Nuevo León Mexico 66265 Attention: CEMEX Back-Office Telephone: +52 (818) 888-4632, 4113, 4093 Fax: +52 (818) 888-4519
ING Capital LLC, as ADMINISTRATIVE AGENT	1325 Avenue of the Americas New York, New York 10019 USA Attention: Soo Lee Telephone: +1 (646) 424-8236 Fax: +1 (646) 424-8223
HSBC Securities (USA) Inc., as SOLE STRUCTURING AGENT, JOINT LEAD ARRANGER and JOINT BOOKRUNNER	452 Fifth Avenue New York, NY 10018 USA Attention: Karen Giles Telephone: +1 (212) 525-3652

Banco Santander, S.A., as JOINT LEAD ARRANGER and JOINT BOOKRUNNER	Banco Santander S.A. Prol. Paseo de la Reforma No. 500 Mod. 110 Col. Lomas de Santa Fe, 01219 México, DF Attention: Wade A. Kit Telephone: +52 (55) 5257-8520 Fax: +52 (55) 5269 1824
The Royal Bank of Scotland PLC, as JOINT LEAD ARRANGER and JOINT BOOKRUNNER	C/ José Ortega y Gasset, 7, 28006 Madrid, Spain Attention: Franciso Serrat Telephone: +34 (91) 438 52 25 Fax: +34 (91) 438 53 07
Caja de Madrid-Miami Agency, as LENDER	701 Brickell Ave, Ste 2000 Miami, FL 33131 USA Attention: Magdalena Viteri Telephone: +1 (305) 371-3833 Fax: +1 (305) 371-4243
HSBC Mexico, S.A., Institución de Banca Multiple, Grupo Financiero HSBC, *acting through its grand cayman branch,* as LENDER	Blvd. Díaz Ordaz #123 Pte. Torre Sur, Piso 5 Col. Santa María, C.P. 64650 Monterrey, M.L. Mexico Attention: Cordelia Gonzalez Telephone: +52 (81) 8319-2229 Fax: +52 (81) 8319-2349
ING Bank, N.V. *acting through its Curacao Branch*	Bosque de Alisos 45 B Bosques de las Lomas, 05120 Mexico D.F. Attention: Jacqueline Setien Telephone: + 52 (55) 5258-2127 Fax: +52 (55) 5259-3218

SCHEDULE 5.06

A description of material actions, suits, investigations, litigations or proceedings, including Environmental Actions, affecting the Parent or any of its Subsidiaries before any court, Governmental Authority or arbitrator is provided below.

Environmental Matters

United States

As of March 31, 2008, CEMEX, Inc. and it subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$ 47.3 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, regarding the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information available to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with or litigation against potential sources of recovery have been completed.

Rinker Materials of Florida, Inc., a subsidiary of CEMEX, Inc. ("Rinker") holds one federal quarry permit and is the beneficiary of one of 10 other federal quarrying permits granted for the Lake Belt area in South Florida. The permit held by Rinker covers Rinker's SCL and FEC quarries. Rinker's Krome quarry is operated under one of the other federal quarry permits. The FEC quarry is the largest of Rinker's quarries measured by volume of aggregates mined and sold. Rinker's Miami cement mill is located at the SCL quarry and is supplied by that quarry. A ruling was issued on March 22, 2006 by a judge of the U.S. District Court for the Southern District of Florida in connection with litigation brought by environmental groups concerning the manner in which the permits were granted. Although not named as a defendant, Rinker has intervened in the proceedings to protect its interests. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the relevant governmental agencies in connection with the issuance of the permits. The judge remanded the permits to the relevant governmental agencies for further review, which review the governmental agencies have indicated in a recent court filing should take until May 2008 to conclude. The judge also conducted further proceedings to determine the activities to be conducted during the remand period. In July 2007, the judge issued a ruling that halted quarrying operations at three non-Rinker quarries. The judge left in place Rinker's Lake Belt

permits until the relevant government agencies complete their review. Rinker and the other affected companies have appealed the judge's rulings. The appellate court set an expedited schedule for the appeal with a hearing that was held in November 2007. If the Lake Belt permits were ultimately set aside or quarrying operations under them restricted, Rinker would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect Rinker's profits. Any adverse impacts on the Florida economy arising from the cessation or significant restriction of quarrying operations in the Lake Belt could also have a material adverse effect on our financial results.

Europe

In Great Britain, future expenditure on closed and current landfill sites has been assessed and quantified over the period in which the sites are considered to have the potential to cause environmental harm, generally consistent with the regulator view of up to 60 years from the date of closure. The assessed expenditure relates to the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure. The costs have been quantified on a net present value basis in the amount of approximately £122 million, and an accounting provision for this sum has been made at December 31, 2007.

In 2003, the European Union adopted a directive implementing the Kyoto Protocol on climate change and establishing a greenhouse gas emissions allowance trading scheme within the European Union. The directive requires Member States to impose binding caps on carbon dioxide emissions from installations involved in energy activities, the production and processing of ferrous metals, the mineral industry (including cement production) and the pulp, paper or board production business. Under this scheme, companies with operations in these sectors receive from the relevant Member States allowances that set limitations on the levels of greenhouse gas emissions from their installations. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Companies can also use credits issued from the use of the flexibility mechanisms under the Kyoto protocol to fulfill their European obligations. These flexibility mechanisms provide that credits (equivalent to allowances) can be obtained by companies for projects that reduce greenhouse gas emissions in emerging markets. These projects are referred to as Clean Development Mechanism ("CDM") or joint implementation projects depending on the countries where they take place. Failure to meet the emissions caps is subject to heavy penalties.

Companies can also use, up to a certain level, credits issued under the flexible mechanisms of the Kyoto protocol to fulfill their European obligations. Credits for Emission Reduction projects obtained under these mechanisms are recognized, up to a certain level, under the European emission trading scheme as allowances. To obtain these emission reduction credits, companies must comply with very specific and restrictive requirements from the United Nations Convention on Climate Change (UNFCC).

As required by directive, each of the Member States established a National Allocations Plan, or NAP, setting out the allowance allocations for each industrial facility for Phase I, from 2005 to 2007. Based on the NAPs established by the Member States of the European Union for the 2005 to 2007 period and our actual production, on a consolidated basis after trading allowances between our operations in countries with a deficit of allowances and our operations in countries with an excess of allowances, and after some external operations, Parent's Subsidiaries had a surplus of allowances of approximately 1,050,054 tons of carbon dioxide in this Phase I.

For Phase II, comprising 2008 through 2012, however, there has been a reduction in the allowances granted by the Member States that have already approved their NAP, which may result in a consolidated deficit in our carbon dioxide allowances during the period. We believe we may be able to reduce the impact of any deficit by either reducing carbon dioxide emissions in our facilities or by obtaining additional emission credits through the implementation of CDM projects. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase a significant amount of emission credits in the market, the cost of which may have an impact on our operating results. As of December 31, 2007, the market value of carbon dioxide allowances for Phase I was 0.03 € per ton while the price of allowances for Phase II was approximately 22.43 € per ton. We are taking all the measures to minimize our exposure to this market while assuring the supply of our products to our clients.

The U.K. government's NAP for phase two of the trading scheme (2008 to 2012) has been approved by the European Commission. Under this NAP, our cement plant in Rugby has only been allocated 80% of the allowances it has under the current NAP, representing a shortfall of 228,414 allowances per year, while competitor plants have been awarded additional allowances compared to phase one (2005 to 2007). The estimated cost of purchasing allowances to make up for this shortfall is approximately €4 million per year over the five-year period of phase two, depending on the prevailing market price. Legal challenges to the allocation were pursued both in the U.K. domestic courts and the European Court of First Instance, but these challenges have now been withdrawn.

The Spanish NAP has been finally approved by the Spanish Government, reflecting the conditions that were set forth by the European Commission. The allocations made to our installations allow us to foresee a reasonable availability of allowances, nevertheless, there remains the uncertainty regarding the allocations that, against the reserve for new entrants, shall be requested for the new CEMEX cement plant in Andorra (Teruel), currently under construction, and that it is scheduled to start operating in April 2009

Latvian and Polish NAP for phase two of the trading scheme have been reviewed by the European Commission. However, final approvals are conditioned on major changes. Until each country publishes its allocation per site, it is premature for us to draw conclusions concerning our situation or to fine-tune our strategy.

On May 29, 2007, the Polish government filed an appeal before the Court of First Instance in Luxemburg regarding the European Commission's rejection of the initial version of the Polish NAP. The Court has denied Poland's request for a quick path verdict in the case, keeping the case in the regular proceeding path. Therefore the Polish government has started to prepare Polish internal rules on division of allowance at the level already accepted by the Commission. Seven major Polish cement producers, representing 98% of Polish cement production (including CEMEX Polska), have also filed seven separate appeals before the Court of First Instance regarding the European Commission's rejection.

The Latvian government filed an appeal in August 2007 before the Court of First Instance in Luxembourg regarding the European Commission's rejection of the initial version of the Latvian NAP for the years 2008 to 2012.

Tax Matters

Pursuant to amendments to the Mexican income tax law (*Ley del Impuesto sobre la Renta*), which became effective on January 1, 2005, Mexican companies with direct or indirect investments in entities incorporated in foreign countries whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico will be required to pay taxes in Mexico on passive income such as dividends, royalties, interest, capital gains and rental fees obtained by such foreign entities, provided that the income is not derived from entrepreneurial activities in such countries (income derived from entrepreneurial activities is not subject to tax under these amendments). The tax payable by Mexican companies in respect of the 2005 tax year pursuant to these amendments was due upon filing their annual tax returns in March 2006. We believe these amendments are contrary to Mexican constitutional principles, and on August 8, 2005, we filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. On December 23, 2005, we obtained a favorable ruling from the Mexican federal court that the amendments were unconstitutional; however, the Mexican tax authority has appealed this ruling, and it is pending resolution. If the final ruling is not favorable to us, these amendments may have a material impact on us.

In addition, on March 20, 2006, we filed another motion in the Mexican federal courts challenging the constitutionality of the amendments. On June 29, 2006, we obtained a favorable ruling from the Mexican federal court stating that the amendments were unconstitutional. The Mexican tax authority has appealed the ruling, which is pending resolution.

The Mexican Congress approved several amendments to the Mexican Asset Tax Law (*Ley del Impuesto al Activo*) that came into effect on January 1, 2007. As a result of such amendments, all Mexican corporations, including us, are no longer allowed to deduct their liabilities from the calculation of the asset tax. We believe that the Asset Tax Law, as amended, is against the Mexican constitution. We have challenged the Asset Tax Law through appropriate judicial action (juicio de amparo).

The asset tax was imposed at a rate of 1.25% on the value of most of the assets of a Mexican corporation. The asset tax was "complementary" to the corporate income tax (*impuesto sobre la renta*) and, therefore, was payable only to the extent it exceeded payable income tax.

Philippines

As of March 31, 2008, the Philippine Bureau of Internal Revenue (BIR), assessed APO, Solid, IQAC, ALQC and CSPI, our operating subsidiaries in the Philippines, for deficiency taxes covering taxable years 1998 -2005 amounting to a total of approximately 1,994 million Philippine Pesos (approximately U.S.$47. 75 Million as of March 31, 2008, based on an exchange rate of Philippine Pesos 41.76 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on March 31, 2008 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines).

The majority of the tax assessments result primarily from the disallowance of APO's income tax holiday incentives for taxable years 1999 to 2001 (approximately Philippine Pesos 1,078 million or U.S.$25.8 Million as of March 31, 2008, based on an exchange rate of Philippine Pesos 41.76 to U.S.$1.00). We have contested the BIR's assessment, arising from the disallowance of the ITH incentive, with the Court of Tax Appeals (CTA). The initial Division ruling of the CTA was unfavorable, but is subject to further appeal with the CTA as a whole. The assessment is now currently on appeal with the CTA En Banc. A motion was filed with the CTA, requesting the court to hold APO totally not liable for alleged income tax liabilities for all the years covered and to this end cancel and withdraw APO's deficiency income tax assessments for taxable years 1999, 2000, and 2001 on the basis of APO's availment of the tax amnesty described below, as of the date hereof resolution is still pending.

Venezuelan Nationalization

On April 3, 2008, the Government of Venezuela announced its decision to nationalize the cement industry. The Government of Venezuela has stated that it intends to have a participation of at least 60% in each cement producer, with full operational and administrative control, but has also expressed that, if required, it will be able to acquire a 100% participation. The Government of Venezuela and CEMEX have appointed representatives for this process. The Government of Venezuela will conduct a due diligence review, followed by a determination of a price to be paid as compensation for the nationalization.

In the event of any disagreement or dispute, CEMEX has advised the Government of Venezuela that its investment was made by CEMEX subsidiaries in Spain and The Netherlands, and therefore that the Bilateral Investment Treaties Venezuela signed with those countries will govern the resolution of any such disagreements or disputes.

Other Legal Proceedings

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for alleged damages caused by the breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP127,242 million (approximately U.S.$ 72 million as of April 24, 2007, based on an exchange rate of CoP1765 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on April 24, 2008, as published by the Banco de la República de Colombia, the central bank of Colombia). On February 23, 2006, CEMEX Colombia was notified of the judgment of the court, dismissing the claims of the plaintiffs. The case is currently under review by the appellate court.

On August 5, 2005, a lawsuit was filed against a subsidiary of CEMEX Colombia, claiming that it was liable along with the other members of the Asociación Colombiana de Productores de Concreto, or ASOCRETO, a union formed by all the ready-mix concrete producers in Colombia, for the premature distress of the roads built for the mass public transportation system of Bogotá using ready-mix concrete supplied by CEMEX Colombia and other ASOCRETO members. The plaintiffs allege that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs seek the repair of the roads in a manner which guarantees their service during the 20-year period for which they were originally designed, and estimate that the cost of such repair will be approximately U.S.$45 million. The lawsuit was filed within the context of a criminal investigation of two ASOCRETO officers and other individuals, alleging that the ready-mix concrete producers were liable for damages if the ASOCRETO officers were criminally responsible. The court completed the evidentiary stage, and on August 17, 2006 dismissed the charges against the members of ASOCRETO. The other defendants (one ex-director of the Distrital Institute of Development, the legal representative of the constructor and the legal representative of the auditor) were formally accused. The decision was appealed, and on December 11, 2006, the decision was reversed and the two ASOCRETO officers were formally accused as participants (determiners) in the execution of a state contract without fulfilling all legal requirements thereof. The first public hearing took place on November 20, 2007. In this hearing the judge dismissed an annulment petition filed by the ASOCRETO's officers. The petition was based on the fact that the officers were formally accused of a different crime than the one they were being investigated for. This decision was appealed, but the decision was confirmed by the Superior Court of Bogota. On 21st January, 2008, CEMEX Colombia was subject to a judicial order, issued by the court, sequestering a quarry called El Tujuelo, as security for a possible future money judgment to be rendered against CEMEX Colombia in these proceedings. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required within a period of 10 days to deposit with the Court in cash COP $370,000,000,000 (approximately U.S.$ 190 million as of April 24, 2007, based on an exchange rate of CoP1765 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on April 24, 2008, as published by the Banco de la República de Colombia), instead of being allowed to post an insurance policy to secure such

recovery. CEMEX Colombia asked for reconsideration, and the court allowed CEMEX Colombia to present an insurance policy. Nevertheless, CEMEX appealed this decision, in order to reduce the amount of the insurance policy, and also asked that this guarantee should be covered by all of the defendants in this case. The measure does not affect the normal activity of the quarry. At this stage, we are not able to assess the likelihood of an adverse result or the potential damages which could be borne by CEMEX Colombia.

On August 5, 2005, Cartel Damages Claims, SA, or CDC, filed a lawsuit in the District Court in Düsseldorf, Germany against CEMEX Deutschland AG and other German cement companies. CDC is seeking €102 million in respect of damage claims by 28 entities relating to alleged price and quota fixing by German cement companies between 1993 and 2002, which entities had assigned their claims to CDC. CDC is a Belgian company established by two lawyers in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany's Federal Cartel Office with the express purpose of purchasing potential damages claims from cement consumers and pursuing those claims against the cartel participants. In January 2006, another entity assigned alleged claims to CDC, and the amount of damages being sought by CDC increased to €113.5 million plus interest. On February 21, 2007, the District Court of Düsseldorf decided to allow this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants have appealed. The appeal hearing took place on May 14, 2008 and the appeal was dismissed. The lawsuit will proceed at the level of court of instance. As of today the defendants are assessing whether or not to file a complaint before the Federal High Court. In the meantime, CDC has had acquired new assigners and announced to increase the claim to 131m€. As of March 31, 2008, we had accrued liabilities regarding this matter for a total amount of approximately €20 million.

After an extended consultation period, in April 2006, the cities of Kastela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to Dalmacijacement, our subsidiary in Croatia, by the Government of Croatia in September 2005. During the consultation period, Dalmacijacement submitted comments and suggestions to the Master Plans, but these were not taken into account or incorporated into the Master Plan by Kastela and Solin. Most of these comments and suggestions were intended to protect and preserve the rights of Dalmacijacement´s mining concession granted by the Government of Croatia in September 2005. Immediately after publication of the Master Plans, Dalmacijacement filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions. The legal actions taken and filed by Dalmacijacement were as follows: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning Dalmacijacement's constitutional claim for decrease and obstruction of rights earned by investment, and seeking prohibition of implementation of the Master Plans; (ii) on May 17, 2006, a possessory action against the cities of Kastela and Solin seeking the enactment of interim measures prohibiting implementation of the Master Plans and including a request to implead the Republic of Croatia into the proceeding on our side, and (iii) on May 17, 2006, an administrative proceeding before the State Lawyer, seeking a declaration from

the Government of Croatia confirming that Dalmacijacement acquired rights under the mining concessions. Dalmacijacement received State Lawyer`s opinion which confirms the Dalmacijacement`s acquired rights according to the previous decisions ("old concession"). The municipal court in Solin issued a first instance judgment dismissing our possessory action. We filed an appeal against that judgment. The appeal has been resolved by County Court, affirming the judgment and rendering it final. The Municipal Court in Kaštela has issued a first instance judgment dismissing our possessory action. We have filed an appeal against the said judgment. Currently it is difficult for Dalmacijacement to ascertain the approximate economic impact of these measures by Kastela and Solin. These cases are currently under review by the courts and applicable administrative entities in Croatia, and it is expected that these proceedings will continue for several years before resolution.

Club of Environmental Protection, a Latvian environmental protection organization, has initiated a court administrative proceeding against the amended environmental pollution permit for the Broceni Cement Plant in Latvia, owned by CEMEX SIA. This case is currently under review by the first instance of the administrative court, and it is expected that the case will continue for a few years if the parties appeal further to the next court instances. Dispute of the decision shall not suspend the operation and validity of the permit during the court proceedings, allowing CEMEX SIA to continue to operate fully. If the court decides to cancel or invalidate the permit, CEMEX SIA will not be allowed to perform the activities covered by the permit. The permit subject to this proceeding was issued for the existing cement line, which will be fully substituted in 2009 by a new cement line currently under construction at the Broceni plant.

The Australian Competition and Consumer Commission (ACCC) is completing a formal investigation of suspected breaches of the Trade Practices Act by companies of the Cement Australia partnership (in which CEMEX Australia – formerly called Rinker Australia – has a 25% stake) commencing in 2001. The conduct being investigated is the alleged tying-up of the fly-ash market in Queensland. Documents have been produced and the ACCC has conducted records of interviews with relevant employees.

SCHEDULE 5.10

SUBSIDIARIES

CEMEX, S.A.B. de C.V.
CEMEX MEXICO, S.A. DE C.V.
CEMEX UK OPERATIONS LIMITED
RINKER MATERIALS LLC
CEMEX EGYPTIAN INVESTMENTS B.V.
CEMEX COLOMBIA, S.A.
CEMEX ESPAÑA, S.A.
CEMEX CONCRETOS, S.A. DE C.V.
CEMEX AUSTRALIA HOLDINGS PTY LIMITED

SCHEDULE 7.14 (e)

COMPARABLE DEBT FACILITY

A description of all Comparable Debt Facility is provided below:

I.- C10 CAPITAL (SPV) LIMITED U.S.$900,000,000 6.722% Fixed to Floating Rate Callable Perpetual Debenture:

A) Purchase Agreement dated 11 December 2006 between C10 Capital (SPV) Limited, New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX,S.A.B. de C.V. and CEMEX México, S.A. de C.V.; and

B) Note Indenture dated 18 of December 2006 between New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX, S.A.B. de C.V. and CEMEX México, S.A. de C.V. and Bank of New York.

II.- C5 CAPITAL (SPV) LIMITED U.S.$350,000,000 6.196% Fixed to Floating Rate Callable Perpetual Debenture:

A) Purchase Agreement dated 11 December 2006 between C5 Capital (SPV) Limited, New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX,S.A.B. de C.V. and CEMEX México, S.A. de C.V.; and

B) Note Indenture dated 18 of December 2006 between New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX, S.A.B. de C.V. and CEMEX México, S.A. de C.V. and Bank of New York.

III.- C8 CAPITAL (SPV) LIMITED U.S.$750,000,000 6.640% Fixed to Floating Rate Callable Perpetual Debenture:

A) Purchase Agreement dated 12 February 2007 between C8 Capital (SPV) Limited, New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX,S.A.B. de C.V. and CEMEX México, S.A. de C.V.; and

B) Note Indenture dated 12 of February 2007 between 2006 between New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX, S.A.B. de C.V. and CEMEX México, S.A. de C.V. and Bank of New York.

IV.- C10-EUR CAPITAL (SPV) LIMITED EUR 730,000,000 6.277% Fixed to Floating Rate Callable Perpetual Debenture:

A) Purchase Agreement dated 3 May 2007 between C10-EUR Capital (SPV) Limited, New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX,S.A.B. de C.V. and CEMEX México, S.A. de C.V.; and

B) Note Indenture dated 9 May 2007 between New Sunward Holding Financial Ventures B.V., New Sunward Holding B.V., CEMEX, S.A.B. de C.V. and CEMEX México, S.A. de C.V. and Bank of New York.

V.- CEMEX, S.A.B. DE C.V. U.S.$700 million revolving credit facility dated June 24, 2004, as from time to time amended, guaranteed by CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

VI.- CEMEX, S.A.B. DE C.V. U.S. $1,200 million revolving credit facility dated May 31, 2005, as from time to time amended, guaranteed by CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

VII.- New Sunward Holding B.V. US $700 million facilities agreement dated 27 June 2005, as from time to time amended, guaranteed by CEMEX, S.A. DE C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de México, S.A. de C.V.

EXHIBIT A

FORM OF
SENIOR UNSECURED MATURITY LOAN "A" AGREEMENT

among

NEW SUNWARD HOLDING B.V.,
as Borrower

and

CEMEX, S.A.B. de C.V.,
as Guarantor

and

CEMEX MÉXICO, S.A. de C.V.,
as Guarantor

and

HSBC SECURITIES (USA) INC.,
as Sole Structuring Agent

and

HSBC SECURITIES (USA) INC.,
BANCO SANTANDER, S.A. and THE ROYAL BANK OF SCOTLAND PLC

as Joint Lead Arrangers and Joint Bookrunners

and

The Several Lenders Party Hereto,
as Lenders

and

ING CAPITAL LLC,
as Administrative Agent

Up to U.S.$525,000,000

Dated as of [ ]

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SCHEDULES

EXHIBITS

SENIOR UNSECURED MATURITY LOAN "A" AGREEMENT

SENIOR UNSECURED MATURITY LOAN "A" AGREEMENT, dated as of [•][1], among **NEW SUNWARD HOLDING B.V.** (the "Borrower"), a private company with limited liability formed under the laws of The Netherlands with its corporate seat in Amsterdam, The Netherlands, **CEMEX, S.A.B. de C.V.** (the "Parent"), a *sociedad anónima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States, **CEMEX MÉXICO, S.A. de C.V.** ("CEMEX Mexico" and together with the Parent, the "Guarantors"), a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, the several lenders party hereto, **HSBC SECURITIES (USA) INC.**, as sole structuring agent (in such capacity, together with its successors and assigns, if any, in such capacity, the "Structuring Agent"), **HSBC SECURITIES (USA) INC.**, **BANCO SANTANDER, S.A.** and **THE ROYAL BANK OF SCOTLAND PLC** as joint lead arrangers and joint bookrunners (the "Joint Lead Arrangers"), and **ING Capital LLC**, as administrative agent (in such capacity, together with its successors and assigns, if any, in such capacity, the "Administrative Agent").

RECITALS

WHEREAS, the Senior Unsecured Dutch Loan "A" Agreement, dated as of June 2, 2008, by and among the Borrower, each Guarantor, HSBC SECURITIES (USA) INC., as sole structuring agent, HSBC SECURITIES (USA) INC., BANCO SANTANDER, S.A. AND THE ROYAL BANK OF SCOTLAND PLC as joint lead arrangers and joint bookrunners, ING Capital LLC, as administrative agent and each lender party hereto, as such agreement may be amended, modified or supplemented from time to time (the "Dutch Loan "A" Agreement") permits the Borrower to convert its Dutch Loans outstanding thereunder into Loans outstanding under this Agreement, subject to the satisfaction or waiver of certain conditions to such conversion;

WHEREAS, the Dutch Loan "A" Agreement permits the Borrower to convert each Lender's Dutch Loan under the Dutch Loan "A" Agreement into a Loan pursuant to this Agreement and exchange its Dutch "A" Note for a Maturity "A" Note in the identical principal amount;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Subsidiary" means any Subsidiary acquired by the Parent or any other Subsidiary after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary of the Parent or any one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

[1] To be executed on Conversion Date.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, the Borrower or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Act" has the meaning specified in Section 13.16.

"Adjusted Consolidated Net Tangible Assets" means, with respect to the Parent, the total assets of the Parent and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), including any write-ups or restatements required under Applicable GAAP (other than with respect to items referred to in clause (ii) below), after deducting therefrom (i) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licenses, concessions, patents, unamortized debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Applicable GAAP.

"Administrative Agent" means ING Capital LLC, in its capacity as administrative agent for each of the Lenders, and its successors and assigns in such capacity.

"Administrative Agent's Payment Office" means the Administrative Agent's address for payments set forth on the signature pages hereof or such other address as the Administrative Agent may from time to time specify to the other parties hereto pursuant to the terms of this Agreement.

"Affected Lender" has the meaning specified in Section 3.06(a).

"Affiliate" means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company.

"Agreement" means this Senior Unsecured Maturity Loan "A" Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable GAAP" means, with respect to any Person, Mexican FRS or other generally accepted accounting principles required to be applied to such Person in the jurisdiction of its incorporation or organization and used in preparing such Person's financial statements.

"Applicable Margin" means, at any date, 1%.

"Assignee" has the meaning specified in Section 13.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit C.

"Assignor" has the meaning specified in Section 13.06(b).

"Base Rate" means, for any day, the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 1/2% per annum, in each case as in effect for such day. Any change in the Prime Rate announced by the Reference Banks shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means any Loan made or maintained at a rate of interest calculated with reference to the Base Rate.

"Borrower" has the meaning specified in the preamble hereto.

"Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City, New York, Amsterdam, The Netherlands, Madrid, Spain or Mexico City, Mexico are authorized or required by law to close.

"Capital Lease" means, as to any Person, any lease that is capitalized on the balance sheet of such Person prepared in accordance with Applicable GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"CEMEX Mexico" has the meaning specified in the preamble hereto.

"Code" means the Internal Revenue Code of 1986, as amended.

"Competitor" means any Person engaged in the business of producing, distributing, and marketing cement, ready-mix concrete, aggregates, and related building materials.

"Confidential Information" means information that a Credit Party furnishes to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers or such Lender from a source other than a Credit Party that is not, to the best of the Administrative Agent's, the Structuring Agent's, the Joint Lead Arrangers' or such Lender's knowledge, acting in violation of a confidentiality agreement with the Credit Party or any other Person.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period and (b) to the extent not included in (a) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps.

"Consolidated Fixed Charge Coverage Ratio" means, for any period of four consecutive fiscal quarters, the ratio of (a) EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Interest Expense" means, for any period, the total gross interest expense of the Parent and its consolidated Subsidiaries allocable to such period in accordance with Applicable GAAP.

"Consolidated Net Debt" means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Parent and its Subsidiaries at such date, plus (b) to the extent not included in Debt the aggregate amount of all derivative financing in the form of equity swaps outstanding at such date (save to the extent cash collateralized) minus (c) all Temporary Investments of the Parent and its Subsidiaries at such date.

"Consolidated Net Debt / EBITDA Ratio" means, the ratio of (a) Consolidated Net Debt to (b) EBITDA for any period of four consecutive fiscal quarters immediately preceding, which shall be calculated based on the most recent available consolidated financial statements of the Parent and its Subsidiaries.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any indenture, mortgage, deed of trust, loan agreement or other agreement to which such Person is a party or by which it or any of its property or assets is bound.

"Conversion Date" has the meaning set forth in Article IV.

"Conversion Notice" shall have the meaning given such term in the Dutch Loan "A" Agreement.

"Credit Party" means the Borrower or a Guarantor.

"Credit Parties" means the Borrower and the Guarantors.

"Debt" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person. For the avoidance of doubt, Debt does not include Derivatives. With respect to the Parent and its Subsidiaries, the aggregate amount of Debt outstanding shall be adjusted by the Value of Debt Currency Derivatives solely for the purposes of calculating the Consolidated Net Debt / EBITDA Ratio. If the Value of Debt Currency Derivatives is a positive mark-to-market valuation for the Parent and its Subsidiaries, then Debt shall decrease accordingly, and if the Value of Debt Currency Derivatives is a negative mark-to-market valuation for the Parent and its Subsidiaries, then Debt shall increase by the absolute value thereof.

"Debt Currency Derivatives" means derivatives of the Parent and its Subsidiaries related to currency entered into for the purposes of hedging exposures under outstanding Debt of the Parent and its Subsidiaries, including but not limited to cross-currency swaps and currency forwards.

"Default" means any condition, event or circumstance which, with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default.

"Derivatives" means any type of derivative obligations, including but not limited to equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swaptions.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof.

"Dollars," "$" and "U.S.$" each means the lawful currency of the United States.

"Dutch "A" Note" has the meaning set forth in the Dutch Loan "A" Agreement.

"Dutch Financial Supervision Act" means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules and regulations promulgated thereunder.

"Dutch Loan "A" Agreement" has the meaning set forth in the Recitals.

"Dutch Loan Closing Date" means June 2, 2008.

"Dutch Loans" means the Loans as defined in and existing pursuant to the Dutch Loan "A" Agreement.

"EBITDA" means, for any period, the sum for the Parent and its Subsidiaries, determined on a consolidated basis of (a) operating income (*utilidad de operación*), (b) cash interest income and (c) depreciation and amortization expense, in each case determined in accordance with Applicable GAAP consistently applied for such period. For the purposes of calculating EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Net Debt / EBITDA Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if at any time during such Reference Period the Parent or any of its Subsidiaries shall have made any Material Disposition, the EBITDA for such Reference Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period (but when the Material Disposition is by way of lease, income received by the Parent or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) if at any time during such Reference Period the Parent or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto (including the incurrence or assumption of any Debt) as if such Material Acquisition had occurred on the first day of such Reference Period. Additionally, if since the beginning of such Reference Period any Person that subsequently shall have become a Subsidiary or was merged or consolidated with the Parent or any of its Subsidiaries as a result of a Material Acquisition occurring during such Reference Period shall have made any Disposition or Acquisition of

property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Parent or any of its Subsidiaries during such Reference Period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Disposition or Acquisition had occurred on the first day of such Reference Period.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (*norma técnica or norma oficial Mexicana*), code, order, judgment, decree or judicial agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Event of Default" has the meaning set forth in Section 10.01.

"Excess Payment" has the meaning set forth in Section 3.09(a).

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any Tax Related Persons or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, (i) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (ii) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrowers are located, (iii) United States backup withholding taxes imposed because of payee underreporting (iv) any withholding tax that is imposed on amounts payable to a Lender at the time such Lender becomes a party hereto, or that is imposed due to such Lender's failure or inability to comply with Section 3.03(f); provided, however, that Excluded Taxes shall not include (A) any Mexican withholding tax imposed on payments made by any Guarantor to the Administrative Agent, any Lender, or any Tax Related Persons under this Agreement or any other Transaction Documents, or (B) in the case of an assignment, transfer, grant of a participation, or designation of a new Lending Office by any Lender, withholding taxes solely to the extent that such withholding taxes are (1) not in excess of the amounts the Borrower and Guarantors were required to pay or increase with respect to such Lender pursuant to Section 3.01 immediately prior to such an event,

or (2) imposed as a result of a change in applicable law or regulation occurring after such event, and (v) Other Taxes.

"Federal Funds Rate" means for any relevant day, the overnight Federal funds rate as published for such day in the Federal Reserve Statistical Release H.15 (519) or any successor publication, or, if such rate is not published for any day, the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotation for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotation" for such day under the caption "Federal Funds Effective Rate"). If on any relevant day the appropriate rate for such previous day is not yet published in either H.15 (519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of recognized standing of Federal funds transactions in New York City selected by the Administrative Agent.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fitch" means Fitch Ratings, Ltd. and any successor thereto.

"Governmental Authority" means any branch of power or government or any state, department or other political subdivision thereof, or any governmental body, agency, authority (including any central bank or taxing or environmental authority), any entity or instrumentality (including any court or tribunal) exercising executive, legislative, judicial, regulatory, administrative or investigative functions of or pertaining to government.

"Guarantor" has the meaning specified in the preamble hereto.

"Hazardous Materials" means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

"Holding Company" means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

"Indebtedness" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person.

"Indemnified Party" has the meaning specified in Section 13.05.

"Indemnified Taxes" means Taxes other than Excluded Taxes arising from any payment made hereunder or under any other Transaction Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document.

"Interest Payment Date" means the last day of each Interest Period for the Loans, the date of repayment of the Loans and the Maturity Date. If an Interest Payment Date falls on a date that is not a Business Day, such Interest Payment Date shall be deemed to be the next preceding Business Day.

"Interest Period" means the period (i) commencing on (a) the Conversion Date or (b) in the case of the continuation of LIBOR Loans for a further Interest Period, on the last day of the immediately preceding Interest Period and (ii) ending three (3) or six (6) months thereafter (or any other period that is shorter than three (3) months if requested by the Borrower and approved by all of the Lenders) as the Borrower may elect in the Conversion Notice or the applicable Notice of Continuation; provided that the foregoing provisions are subject to the following:

(1) if any Interest Period would otherwise end on a day that is not a LIBOR Business Day, such Interest Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding LIBOR Business Day;

(2) any Interest Period that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last LIBOR Business Day of the relevant calendar month;

(3) if the Borrower shall fail to give notice as provided above, the Borrower shall be deemed to have selected to continue the Loans for a period ending one (1) month thereafter; and

(4) any Interest Period in respect of the Loans that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

"Joint Lead Arrangers" has the meaning specified in the preamble hereto.

"Judgment Currency" has the meaning specified in Section 13.14(c).

"Lender" means any person that holds a Loan, each Assignee that becomes a Lender pursuant to Section 13.06(b), and each of their respective successors or assigns.

"Lending Office" means, with respect to any Lender, (a) the office or offices of such Lender specified as its "Lending Office" or "Lending Offices" in Schedule 2.01(b) or (b)

such other office or offices of such Lender as it may designate as its Lending Office by notice to the Borrower and the Administrative Agent.

"LIBOR" means, applicable to any Interest Period, the rate for deposits in Dollars for a period equal to such Interest Period quoted on the second LIBOR Business Day prior to the first day of such Interest Period, as such rate appears on Reuters Page LIBOR01 as of 11:00 a.m. (London time) on such date as determined by the Administrative Agent and notified to the Lenders and the Borrower on such second prior LIBOR Business Day. If LIBOR cannot be determined based on the Reuters Page LIBOR01, LIBOR means the arithmetic mean (rounded upwards to the nearest 1/100%) of the rates per annum, as supplied to the Administrative Agent, quoted by the Reference Banks to prime banks in the London interbank market for deposits in Dollars at approximately 11:00 a.m. (London time) two (2) LIBOR Business Days prior to the first day of such Interest Period in an amount approximately equal to the principal amount of the Loans to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"LIBOR Business Day" means any Business Day on which commercial banks are open in London for the transaction of international business, including dealings in Dollar deposits in the international interbank markets.

"LIBOR Loan" means any Loan made or maintained at a rate of interest calculated with reference to LIBOR.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Parent or any Subsidiary of the Parent shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Litigation" means any pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Parent or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby.

"Loan" has the meaning set forth in Section 2.01(a).

"Material Acquisition" means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any Person which becomes a Subsidiary or is merged or consolidated with the Parent or any of its Subsidiaries, in each case, which involves the payment of consideration by the Parent and its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Credit Parties taken as a whole, (b) the validity or enforceability of this Agreement or any of the Maturity "A" Notes or the rights and remedies of the Administrative Agent or any Lender under this Agreement or any of the Maturity "A" Notes or (c) the ability of any Credit Party to perform its Obligations under this Agreement, the Maturity "A" Notes, the Conversion Notice, any certificates, waivers, or any other agreement delivered pursuant to this Agreement.

"Material Debt" means Debt (other than the Loans) of the Parent and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount outstanding exceeding U.S.$50,000,000 (or the equivalent thereof in other currencies).

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Parent or any of its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Subsidiary" means, at any date, (a) each Subsidiary of the Parent (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute 5% or more of the consolidated assets of the Parent and its Subsidiaries as of the end of the then most recently ended fiscal quarter for which quarterly financial statements have been prepared or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis, without duplication, constitutes 5% or more of the consolidated operating profit of the Parent and its Subsidiaries for the then most recently ended fiscal quarter for which quarterly financial statements have been prepared and (b) each Guarantor.

"Maturity "A" Notes" has the meaning set forth in Section 2.01(a).

"Maturity Date" means the earlier of (a) June 30, 2011 or (b) the date on which all outstanding principal, accrued and unpaid interest with respect to the Loans are paid in full.

"Mexican FRS" means, Mexican Financial Reporting Standards (*normas de información financiero*) as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 7.01, except that for purposes of Section 8.01, Mexican FRS means Mexican Financial Reporting Standards as in effect on December 31, 2007 and used in the preparation of the audited consolidated financial statements of the Parent as delivered pursuant to Section 4.01(b) of the Dutch Loan "A" Agreement. In the event that any change in Mexican FRS as in effect on December 31, 2007, shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Credit Parties and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such change in Mexican FRS with the desired result that the criteria for evaluating the Parent's financial condition shall be the same after such change as if such change had not been made. Until such time as such an amendment shall have been executed and delivered by the Credit Parties, the Administrative Agent and the Required Lenders, all financial

covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such change in Mexican FRS had not occurred.

"Mexico" means the United Mexican States.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Notice of Continuation" means a notice substantially in the form of Exhibit B attached hereto and made a part hereof.

"Notice of Default" has the meaning specified in Section 11.05.

"Obligations" means, (a) with respect to the Borrower, all of its obligations and liabilities hereunder, including the Loans, to the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, due or to become due, and (b) with respect to each Guarantor, all of its indebtedness including the Loans hereunder, obligations and liabilities to the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, in each case whether direct or indirect, absolute or contingent, due or to become due.

"Other Taxes" means any present or future stamp or documentary taxes which arise from any payment made hereunder and which are imposed, levied, collected or withheld by any Governmental Authority.

"Parent" has the meaning specified in the preamble hereto.

"Participant" has the meaning specified in Section 13.06(d).

"Permitted Liens" has the meaning specified in Section 8.02.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Prime Rate" means the average of the rate of interest publicly announced by each of the Reference Banks from time to time as its Prime Rate in New York City, the Prime Rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent or any Lender in connection with extensions of credit to debtors of any class, or generally.

"Process Agent" has the meaning specified in Section 13.12(a).

"Professional Market Party" means a professional market party (*professionele marktpartij*) within the meaning of the Dutch Financial Supervision Act.

"Qualified Receivables Transaction" means a sale, transfer, or securitization of receivables and related assets by the Parent or its Subsidiaries, including a sale at a discount, provided that (i) such receivables have been sold, transferred or otherwise conveyed, directly or indirectly, by the originator thereof in a manner that satisfies the requirements for a sale, transfer or other conveyance under the laws and regulations of the jurisdiction in which such originator is organized; (ii) at the time of the sale, transfer or securitization of receivables is put in place, the receivables are derecognized from the balance sheet of the Parent or its Subsidiary in accordance with the generally accepted accounting principles applicable to such Person in effect as at the date of such sale, transfer or securitization; and (iii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or securitization is carried out on a non-recourse basis or on a basis where recovery is limited to the collection of receivables.

"Rating Agencies" means Moody's, S&P, and Fitch or if any of such Persons cease to perform credit ratings or other applicable services, such nationally recognized statistical rating organization the Administrative Agent may select.

"Reference Banks" shall mean three banks in the London interbank market, initially Citibank NA, HSBC Bank plc, and ING Bank NV.

"Reference Period" has the meaning set forth under the definition of "EBITDA" in this Section 1.01.

"Regulation T, U, or X" means Regulation T, U, or X, respectively, of the Board of Governors of the Federal Reserve Board as from time to time in effect and any successor to all or a portion thereof.

"Required Lenders" means, at any time, Lenders holding more than 50% of the aggregate principal amount of the outstanding Loans.

"Requirement of Law" means, as to any Person, any law, ordinance, rule, regulation or requirement of any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any Person means the Chief Financial Officer, the Corporate Planning and Finance Director, the Finance Director, the Comptroller of such Person or, in the case of the Borrower, any two directors or managing directors of the Borrower or any attorney-in-fact.

"Reuters Page LIBOR01" means the display designated as "*LIBOR01*" on Reuters 3000 Xtra (or any successor service) or such other page as may replace Page LIBOR01 on Reuters 3000 Xtra or any successor service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for Dollar deposits.

"Solvent" means, with respect to any Person on a particular date, that on such date (i) such Person (a) is not "insolvent" within the meaning of Section 101(32) of the United States Bankruptcy Reform Act of 1978, as amended, (b) is otherwise able to pay its debts as such debts become due unless such debts are the subject of a bona fide dispute as to liability or

amount, or (c) is not or is not deemed to be, in general default of its obligations pursuant to the Mexican Ley de Concursos Mercantiles, or (ii) no corporate action, legal proceedings or other procedure in relation to suspension of payments (surseance van betaling), bankruptcy (faillissement), or the appointment of a trustee in bankruptcy (curator) or administrator (bewindvoerder), all within the meaning of the Dutch Bankruptcy Act, has been taken in relation to it.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"Structuring Agent" has the meaning specified in the preamble hereto.

"Subsidiary" means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than 50% of (a) in the case of a corporation, the issued and outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the beneficial interest in such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person's other Subsidiaries.

"Substitute Lender" means a commercial bank or other financial institution, acceptable to the Parent, the Lenders and the Administrative Agent, each in its sole discretion, and approved by the Structuring Agent (including such a bank or financial institution that is already a Lender hereunder), which assumes all or a portion of the Loan of a Lender pursuant to the terms of this Agreement.

"Successor" has the meaning specified in Section 8.03(a).

"Tax Related Person" means any Person whose income is realized through, or determined by reference to, the Administrative Agent or a Lender; provided that no Lender shall be deemed a Tax Related Person of the Administrative Agent, and the Administrative Agent shall not be deemed a Tax Related Person of any Lender.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Temporary Investments" means, at any date, all amounts that would, in conformity with Applicable GAAP consistently applied, be set forth opposite the caption "cash and cash equivalent" ("*efectivo y equivalentes de efectivo*") or "temporary investments" ("*inversiones temporales*") on a consolidated balance sheet of the Parent at such date.

"Tender Offer" means any offer made by the Parent or any of its Subsidiaries to acquire at least 50.1% of the issued and outstanding shares of a target company or a controlling interest in such target company.

"Transaction Documents" means a collective reference to this Agreement, the Maturity "A" Notes, any Assignment and Assumption Agreement, the Conversion Notice and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"United States" and "U.S." means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"U.S. Government Securities" means any security issued or guaranteed as to principal or interest by the United States, or by a Person controlled or supervised by and acting as an instrumentality of the government of the United States pursuant to authority granted by the Congress of the United States, in each case provided such security is rated "AAA" or the equivalent by each of the Rating Agencies.

"Value of Debt Currency Derivatives" means, on any given date, the aggregate mark-to-market value of Debt Currency Derivatives, expressed as a positive number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed to the Parent and its Subsidiaries) or as a negative number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed by the Parent and its Subsidiaries).

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to."

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days or LIBOR Business Days are expressly prescribed.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with Mexican FRS.

ARTICLE II
THE LOAN FACILITIES

2.01 Loans.

(a) Loans. Subject to the terms and conditions set forth herein, on the Conversion Date, each Lender severally agrees to convert its Dutch Loan under the Dutch Loan "A" Agreement existing on the date hereof to a loan hereunder (each a "Loan" and together the "Loans"). The principal amount of each Lender's Loan hereunder shall be equal to the principal amount of its Dutch Loan as of the Conversion Date and shall be set forth on Schedule 2.01(a). Each Lender's Loan shall be evidenced by a duly executed note in favor of such Lender in the form of Exhibit A attached hereto (each, a "Maturity "A" Note" and, collectively, the "Maturity "A" Notes").

(b) Repayment. The principal amount of the Loans, together with any accrued and unpaid interest, shall be due and payable in full, and the Borrower hereby agrees to pay such amount in full, on the Maturity Date.

(c) Prepayment. The Loans may be repaid in whole or in part without premium or penalty; provided that (i) the Loans may be prepaid only upon five (5) Business Days' prior written notice to the Administrative Agent, and (ii) partial prepayments shall be in minimum principal amounts of U.S.$10,000,000. All such prepayments shall be accompanied by the payment of all accrued interest thereon together with, if such prepayment is made on any date other than a scheduled Interest Payment Date, any funding losses as provided in Section 3.03.

(d) Payments. Each payment of principal with respect to the Loans shall be paid to the Administrative Agent for the ratable benefit of each Lender. No payment with respect to the Loans may be reborrowed.

(e) Continuation. All Loans shall be subject to the terms of the definition of "Interest Period" set forth in Section 1.01. The Loans initially shall have the Interest Period specified in the Conversion Notice. No later than 10:00 a.m. (New York City time) on the third Business Day prior to the end of any Interest Period for the Loans, the Borrower shall deliver to the Administrative Agent a Notice of Continuation (or telephone notice promptly confirmed in writing) of the Interest Period to be effective for the Loans immediately after the then current Interest Period; provided, however, that if the Borrower fails to specify the subsequent Interest Period by the deadline specified above, the Borrower shall be deemed to have requested that such Interest Period be three (3) months. Each Notice of Continuation shall be irrevocable. Promptly after receipt of a Notice of Continuation under this Section 2.01(e), the Administrative Agent shall notify each Lender by telecopy or other similar form of transmission of the proposed continuation.

2.02 Interest.

(a) Loans. Subject to Section 2.02(c), the Loans shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin.

(b) Interest Deferral. The Borrower may not defer interest payments on the Loans.

(c) Default Interest. If any principal of, or interest on, the Loans or any fee or other amount payable by any Credit Party with respect to the Loans is not paid when due, whether at stated maturity, upon acceleration, or otherwise, such overdue amount shall bear interest from the date of such Event of Default, after as well as before judgment, to the day of actual receipt of such sum by the Administrative Agent at a rate per annum equal to 2% plus the rate applicable to the Loans as provided above.

So long as the Event of Default continues, the default interest rate shall be recalculated on the same basis at intervals of such duration as the Administrative Agent may select, provided that the amount of unpaid interest at the above rate accruing during the preceding period (or such longer period as may be the shortest period permitted by applicable law for the capitalization of interest) shall be added to the amount in respect of which such Person is in default.

(d) Payment of Interest. Accrued interest on the Loans shall be payable in arrears on each Interest Payment Date; provided that in the event of any repayment or prepayment of the Loans, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(e) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Base Rate at times when the Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate or LIBOR rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

ARTICLE III
TAXES, PAYMENT PROVISIONS

3.01 Taxes.

(a) Any and all payments by any Credit Party to any Lender, the Joint Lead Arrangers or the Administrative Agent under this Agreement and the other Transaction Documents shall be made free and clear of, and without deduction or withholding for or on account of, any Indemnified Taxes.

(b) Except as otherwise provided in Section 3.01(c), the Credit Parties jointly and severally agree to indemnify and hold harmless each Lender and the Administrative Agent for the full amount of Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) paid by or assessed against any Lender or the Administrative Agent, as the case may be, and any penalties, interest, additions to tax, and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, except to the extent that such penalties, interest, additions to tax or expenses are incurred solely as a result of any gross negligence or willful misconduct of such Lender, or Administrative Agent, as the case may be. Payment under this indemnification shall be made within thirty (30)

days after the date any Lender or the Administrative Agent makes written demand therefor, setting forth in reasonable detail the basis and calculation of such amounts (such written demand shall be presumed correct, absent significant error).

(c) If any Credit Party shall be required by law or regulation to deduct or withhold any Indemnified Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 3.01(c)) such Lender or the Administrative Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) such Credit Party shall make such deductions and withholdings; and

(iii) such Credit Party shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law.

(d) Within thirty (30) days after the date of any payment by a Credit Party of Indemnified Taxes, such Credit Party shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to the Administrative Agent.

(e) If any Credit Party is required to pay additional amounts to the Administrative Agent or any Lender pursuant to Section 3.01(c), then the Administrative Agent or such Lender, as the case may be, shall, upon reasonable request by the Borrower or the Guarantors, use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office, issuing office or office for receipt of payments by the Borrower and Guarantors hereunder, as the case may be, so as to eliminate or reduce the obligation of the Borrower or the Guarantor, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify the Administrative Agent or such Lender in the future, if such change in the reasonable judgment of the Administrative Agent or such Lender is not otherwise disadvantageous to such Lender. No Credit Party shall be required to pay or increase any amounts payable pursuant to Section 3.01 following any assignment or grant of a participation by any Lender, except to the extent (i) not in excess of the amounts the Borrower and Guarantors were required to pay or increase with respect to such Lender immediately prior to such an event, or (ii) increases in such amounts result from a change in applicable law or regulation occurring after such event.

(f) Each Lender and the Administrative Agent shall, from time to time at the request of the Borrower or the Administrative Agent (as the case may be), promptly furnish to the Borrower and the Administrative Agent (as the case may be), such forms, documents or other information (which shall be accurate and complete) as may be reasonably required to establish any available exemption from, or reduction in the amount of, applicable Taxes; provided, however, that none of any Lender or the Administrative Agent shall be obliged to disclose information regarding its tax affairs or computations to the Borrower in connection with this

paragraph (f), it being understood that the identity of any Person shall not be considered for these purposes as information regarding its tax affairs or computations. Each of the Borrower and the Administrative Agent shall be entitled to rely on the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have become payable by such Person had such documentation been accurate.

(g) If the Administrative Agent or any Lender receives a refund or credit in respect of Indemnified Taxes as to which it has been indemnified by any Credit Party pursuant to Section 3.01(b), it shall notify the Credit Party of the amount of such refund or credit and shall return to the Credit Party such refund or the benefit of such credit; provided, however, that (A) the Administrative Agent or such Lender, as the case may be, shall not be obligated to make any effort to obtain such refund or credit or to provide any Credit Party with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Credit Party or any other Person any information that it considers to be proprietary or confidential, and (B) the Credit Party, upon the request of the Administrative Agent or such Lender, as the case may be, shall return the amount of such refund or the benefit of such credit to the Administrative Agent or such Lender, as the case may be, if the Administrative Agent or such Lender, as the case may be, is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six (6) years of the date the Credit Party is paid such amount by the Administrative Agent or such Lender, as the case may be.

(h) If requested by any Lender that is a resident of the United States for U.S. federal income tax purposes, the Credit Parties will perform an analysis as to whether the Borrower constitutes a passive foreign investment company within the meaning of Section 1297 of the Code and will take into account reasonable comments from such Lender with respect to such analysis. The Lender will have sole discretion to decide whether to make a "QEF election" (as described in Section 1293 of the Code) with respect to its interest in the Loans. For the avoidance of doubt, if based on such analysis the Lender decides to make a QEF election, the Credit Parties will provide the information necessary for making such election, as described in this Section 3.01(h). The Credit Parties will (i) maintain adequate books and records to allow any Lender that would be subject to Section 1291 of the Code with respect to its interest in the Loans to make a proper QEF election and (ii) will further provide annual information statements and any other information to any such Lender if such information is necessary for purposes of making the QEF election or complying with the ongoing requirements associated with such election.

(i) The agreements in this Section 3.01 shall survive the termination of this Agreement and the payment of the Borrower's Obligations.

3.02 General Provisions as to Payments.

(a) All payments to be made by any Credit Party shall be made without set-off, counterclaim or other defense. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Administrative Agent for the account of the Lenders at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 2:30 p.m. (New York City time) on the dates specified herein. The

Administrative Agent will promptly distribute to each Lender its applicable share as expressly provided herein of each payment in like funds as received. Any payment received by the Administrative Agent later than 2:30 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(b) Except and to the extent otherwise specifically provided herein, whenever any payment to be made hereunder is due on a day which is not a Business Day, the date for payment thereof shall be extended to the immediately following Business Day and, if interest is stated to be payable in respect thereof, interest shall continue to accrue to such immediately following Business Day.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, cause to be distributed to the Lenders on such due date an amount equal to the amount then due to the Lenders. If and to the extent that the Borrower shall not have made such payment, each applicable Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with accrued interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by any Lender for more than five (5) Business Days after the Administrative Agent has made a demand for such amount, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 1%, and, provided further, that if any such amount remains unpaid by any Lender for more than ten (10) Business Days, such Lender shall, commencing on the day next following such tenth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 2.00%.

3.03 Funding Losses. If the Borrower makes any payment of principal with respect to the Loans on any day other than the Interest Payment Date applicable thereto, or if the Borrower fails to prepay the Loans after notice has been given pursuant to Section 2.01(c), the Borrower shall reimburse each Lender, as applicable, within fifteen (15) days after demand for any resulting loss or expense incurred by it, provided such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the computations for the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

3.04 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for the Loans:

(a) the Administrative Agent determines that by reason of circumstances affecting the London interbank market, reasonably adequate means do not exist for ascertaining LIBOR applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market for such Interest Period, or

(b) the Required Lenders advise the Administrative Agent that LIBOR as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of making or maintaining their respective Loan for such Interest Period,

then the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders. In the event of any such determination or advice, until the Administrative Agent shall have notified the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Loan of the affected amount or Interest Period, or a conversion to or continuation of a Loan of the affected amount or Interest Period shall be deemed rescinded and such request shall instead be considered a request for a Base Rate Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

3.05 Capital Adequacy. If any Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule, or regulation regarding capital adequacy, or compliance by such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of increasing such Lender's cost of making or maintaining such Lender's Loan or reducing the rate of return on such Lender's capital or assets as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, effectiveness, change, or compliance (taking into consideration such Lender's policies with respect to capital adequacy), then, upon notice from such Lender to the Borrower, the Borrower shall be obligated to pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received. Each determination by any such Lender of amounts owing under this Section 3.05 shall, absent manifest error, be conclusive and binding on the parties hereto. The relevant Lender will, upon request, provide a certificate in reasonable detail as to the amount of such increased cost or reduction in amount received and method of calculation.

Upon any Lender's making a claim for compensation under this Section 3.05, (i) such Lender shall use commercially reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its lending office or assign its rights and obligations hereunder to another of its offices, branches or affiliates so as to eliminate or reduce any such additional payment by the Borrower which may thereafter accrue, if such change is not otherwise disadvantageous to such Lender and (ii) the Borrower has the right to replace such Lender in accordance with Section 3.08.

3.06 Illegality.

(a) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Conversion Date shall make it unlawful for any Lender to make or maintain any Loan as contemplated by this Agreement, then such Lender shall be an "Affected Lender" and by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may require that all outstanding Loans, made by it be converted to Base Rate Loans, in which event all such Loans shall be automatically converted to Base Rate Loans as of the effective date of such notice as provided in paragraph (b) below, and

(ii) if it is also illegal for the Affected Lender to make Base Rate Loans, such Lender may declare all amounts owed to it by the Borrower to the extent of such illegality to be due and payable;

provided, however, the Borrower has the right, with the consent of the Administrative Agent, to find an additional Lender to purchase the Affected Lenders' rights and obligations; provided, further, that such Lender will first use its commercially reasonable efforts (consistent with legal and regulatory restrictions) to either change the jurisdiction of its lending office, issuing office or office for receipt of payments, or assign its Loans to another Person other than a Competitor, in each case to eliminate such illegality. The Credit Parties agree to cooperate in good faith with the Affected Lenders to affect such change or assignment.

(b) For purposes of this Section 3.06, a notice to the Borrower by any Lender shall be effective on the date of receipt by the Borrower.

3.07 Requirements of Law. If, after the date hereof, the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Conversion Date (or, if later, the date on which such Lender becomes a Lender):

(a) shall impose, modify, or hold applicable any reserve, special deposit, compulsory loan, or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans, or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the LIBOR hereunder; or

(b) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender reasonably deems to be material, of making, converting into, continuing, or maintaining Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice delivered to the Borrower from such Lender, through the Administrative Agent, in accordance herewith, the Borrower shall be obligated to promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 3.07, it shall provide notice thereof to the Borrower, promptly upon occurrence of such event, but in any case within three (3) days from the date of such event, through the Administrative Agent, certifying (x) that one of the events described in paragraph (a) and (b) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the

additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive and binding on the parties hereto in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. If any Lender becomes aware of a proposed change in any Requirement of Law that would entitle it to claim any additional amounts pursuant to this Section 3.07 it shall promptly, upon the Lender becoming aware of such event, provide notice to the Borrower through the Administrative Agent.

3.08 Substitute Lenders. If any Lender has demanded compensation pursuant to Sections 3.05 or 3.07 or has exercised its rights pursuant to Section 3.06(a)(ii), and such Lender does not waive its right to future additional compensation pursuant to Section 3.05 or 3.07, the Borrower shall have the right (i) to replace such Lender with a Substitute Lender or Substitute Lenders that shall succeed to the rights of such Lender under this Agreement upon execution of an Assignment and Assumption Agreement and payment by the Borrower of the related processing fee of U.S.$3,500 to the Administrative Agent or (ii) to remove such Lender; provided, however, that such Lender shall not be replaced or removed hereunder until such Lender has been repaid in full all amounts owed to it pursuant to this Agreement (including Sections 3.03 and 3.05) and the other Transaction Documents unless any such amount is being contested by the Borrower in good faith.

3.09 Sharing of Payments in connection with the Loans, Etc.

(a) If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Obligations owing to it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its share of payments on account of the Obligations obtained by all the Lenders (an "Excess Payment"), such Lender shall forthwith (i) notify the Administrative Agent of such fact, and (ii) purchase from the other Lenders such participations in such Obligations owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's share (according to the proportion of (A) the amount of such paying Lender's required repayment to (B) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of demonstrable error) of participations purchased pursuant to this Section 3.09 and will in each case notify the Lenders following any such purchases.

(b) If any Lender shall commence any action or proceeding in any court to enforce its rights hereunder after consultation with the other Lenders and, as a result thereof or in connection therewith, it shall receive any Excess Payment, then such Lender shall not be required to share any portion of such excess payment with any Lender which has the legal right to, but does not, join in any such action or proceeding or commence and diligently prosecute a separate action or proceeding to enforce its rights in another court.

(c) The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 3.09 may exercise all its rights of set-off with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE IV
CONDITIONS PRECEDENT

The obligations of the Lenders under this Agreement are subject to the satisfaction or waiver of the following conditions precedent (the date on which all such conditions precedent are satisfied or waived being the "Conversion Date"):

4.01 Loan Documents. The Administrative Agent shall have received, on or before the Conversion Date, counterparts of each of the following documents duly executed and delivered by each party thereto, and in full force and effect and reasonably satisfactory to the Administrative Agent:

(a) this Agreement;

(b) Maturity "A" Notes executed by the Borrower for the account of each Lender; and

(c) the Conversion Notice.

4.02 Opinions of Borrower's and each Guarantor's Counsel. The Administrative Agent shall have received:

(a) the opinion of special New York counsel to the Credit Parties substantially in the form of Exhibit D hereto;

(b) the opinion of in-house counsel to the Credit Parties substantially in the form of Exhibit E hereto; and

(c) the opinion of special Dutch counsel to the Credit Parties substantially in the form of Exhibit F hereto.

4.03 Representations and Warranties. The representations and warranties of each Credit Party contained in this Agreement and each other Transaction Document shall be true on and as of the Conversion Date, and each Credit Party shall have provided a certificate to such effect to the Administrative Agent.

4.04 Conditions to Conversion. All of the conditions precedent to Conversion set forth in Section 4.03 of the Dutch Loan "A" Agreement have been satisfied or waived by the Lenders.

4.05 Officer's Certificate. The Borrower shall deliver an Officer's Certificate that all conditions precedent set forth in this Article IV have been fully satisfied or waived.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

5.01 Corporate Existence and Power.

(a) The Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Borrower has been validly issued and is fully paid and non-assessable.

(c) The Borrower is in full compliance with the applicable provisions of the Dutch Financial Supervision Act.

5.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Borrower of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action.

(b) This Agreement and the other Transaction Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

5.03 Compliance with Law and Other Instruments. The execution, delivery of and performance under this Agreement and each of the other Transaction Documents to which the Borrower is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Borrower pursuant to, any Contractual Obligation of the Borrower or (b) result in any violation of the *statuten* of the Borrower or any provision of any Requirement of Law applicable to the Borrower.

5.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Borrower of this Agreement and the other Transaction Documents to which the Borrower is a party or the taking of any action contemplated hereby or by any other Transaction Document.

5.05 No Immunity. The Borrower and the Parent are subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by the Borrower and the Parent constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico or The Netherlands (as applicable) none of the Credit Parties nor any of their property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

5.06 Governmental Regulations.

(a) The Borrower is not, and is not controlled by, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or

(b) The Borrower is not subject to regulation under the Public Utility Holding Company Act of 2005, as amended ("PUHCA") that would have the effect of preventing the execution and performance, or the enforceability, of its obligations under each Loan Document to which it is a party.

5.07 Direct Obligations; Pari Passu. (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Borrower, and (ii) the Loans, when made, will constitute direct, unconditional unsubordinated and unsecured obligations of the Borrower.

5.08 No Recordation Necessary.

(a) This Agreement and the Maturity "A" Notes are in proper legal form under the law of Mexico for the enforcement thereof against the Borrower under the laws of Mexico or, as the case may be, The Netherlands. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico or, as the case may be, The Netherlands, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or any Governmental Authority in The Netherlands or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement, unless such stamp or similar taxes have been paid by the Borrower; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(b) It is not necessary (i) in order for the Administrative Agent or any Lender to enforce any rights or remedies under the Transaction Documents or (ii) solely by reason of the execution, delivery and performance of this Agreement by the Administrative Agent or any Lender, that the Administrative Agent or such Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

5.09 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Borrower arising out of or relating to this Agreement

in any Mexican or Dutch court or tribunal, any Lender, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 13.10, 13.11 and 13.13.

5.10 Margin Regulations. No part of the proceeds of the Loans hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulation U, except in compliance with Regulation U. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U. No indebtedness being reduced or retired out of the proceeds of the Loan hereunder was or will be incurred for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U except in compliance with Regulation U or any "margin security" within the meaning of Regulation T, except in compliance with Regulation T. Neither the execution and delivery hereof by the Borrower, nor the performance by it of any of the transactions contemplated by this Agreement (including, without limitation, the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or regulations issued pursuant thereto, or Regulation T, U, or X.

5.11 Solvency. The Borrower is and, after giving effect to the Loans and each of the transactions contemplated by this Agreement and the Transaction Documents, will be, Solvent.

5.12 Dutch Works Council Act. The Borrower has not established, is not in the process of establishing nor has it received a request to establish a works council in accordance with the provisions of the Dutch Works Council Act (*Wet op de ondernemingsraden*).

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

6.01 Corporate Existence and Power.

(a) Such Guarantor is a corporation (*sociedad anónima de capital variable* or *sociedad anónima bursatil de capital variable*) duly incorporated and validly existing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of such Guarantor has been validly issued and is fully paid and non-assessable.

6.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by such Guarantor of each Transaction Document to which it is or will be a party, and the consummation of the transactions

contemplated hereby and thereby, are within such Guarantor's corporate powers and have been duly authorized by all necessary corporate action pursuant to the *estatutos sociales* or bylaws of such Guarantor.

(b) This Agreement and the other Transaction Documents to which such Guarantor is a party have been duly executed and delivered by such Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable in accordance with their respective terms, except as enforceability may be limited by applicable *concurso mercantil*, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principals.

6.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which such Guarantor is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of such Guarantor pursuant to, any Contractual Obligation of such Guarantor or (b) result in any violation of the *estatutos sociales* or bylaws of such Guarantor or any provision of any Requirement of Law applicable to such Guarantor.

6.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by such Guarantor of this Agreement and the other Transaction Documents to which such Guarantor is a party or the taking of any action contemplated hereby or by any other Transaction Document.

6.05 No Immunity. Such Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by such Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither such Guarantor nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

6.06 Governmental Regulations.

(a) Such Guarantor is not, and is not controlled by, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended; or

(b) Such Guarantor is not subject to regulation under the Public Utility Holding Company Act of 2005, as amended ("PUHCA") that would have the effect of preventing the execution and performance, or the enforceability, of its obligations under each Loan Document to which it is a party.

6.07 Direct Obligations; Pari Passu.

(a) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of such Guarantor.

(b) The obligations of such Guarantor under this Agreement rank and will rank in priority of payment at least *pari passu* with all other senior unsecured Debt of such Guarantor.

6.08 No Recordation Necessary. This Agreement is in proper legal form under the law of Mexico for the enforcement thereof against such Guarantor under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by a Credit Party; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

6.09 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving such Guarantor arising out of or relating to this Agreement in any Mexican court or tribunal, the Lenders, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, appointment of process agent, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 13.10, 13.12, 13.11 and 13.13.

6.10 Solvency. Each Guarantor is and, after giving effect to the Loans and each of the transactions contemplated by this Agreement and the Transaction Documents, each of the Guarantors will be, Solvent.

ARTICLE VII
AFFIRMATIVE COVENANTS APPLICABLE TO THE LOANS

Each Credit Party covenants and agrees for the benefit of the Lenders that, until all Obligations owed to the Lenders are paid in full, it will, unless waived in writing by the Required Lenders pursuant to the provisions set forth in Section 13.02:

7.01 Financial Reports and Other Information. The Borrower will deliver to the Administrative Agent (with a copy for each Lender):

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Parent, a copy of the annual audit report for such year for the Parent and its Subsidiaries containing consolidated and consolidating balance sheets of the Parent and its Subsidiaries, as of the end of such fiscal year and consolidated statements of income and cash flows of the Parent and its Subsidiaries, for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognized standing acceptable to the Required Lenders, together with (i) a certificate of such accounting firm to the Lenders stating that in the course of

the regular audit of the business of the Parent and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Applicable GAAP, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and (ii) a certificate of a Responsible Officer of the Parent, stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Credit Parties have taken and proposes to take with respect thereto; provided that in the event of any change in the Applicable GAAP used in the preparation of such financial statements, the Parent shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Applicable GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.01(b) of the Dutch Loan "A" Agreement and provided further that all such documents will be prepared in English; and

(b) as soon as available and in any event within sixty (60) days after the end of each of the first three quarters of each fiscal year of the Parent, consolidated balance sheets of the Parent and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Parent and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by any Responsible Officer of the Parent as having been prepared in accordance with Applicable GAAP and together with a certificate of a Responsible Officer of the Parent, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Parent has taken and proposes to take with respect thereto; provided that in the event of any change in the Applicable GAAP used in the preparation of such financial statements, the Parent shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Applicable GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.01(b) of the Dutch Loan "A" Agreement and provided further that all such documents will be prepared in English.

7.02 Notice of Default and Litigation. The Borrower will furnish to the Administrative Agent (and the Administrative Agent will notify each Lender):

(a) as soon as practicable and in any event within five (5) days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the Responsible Officer of any Credit Party setting forth details of such Default or Event of Default and the action that the Borrower has taken and proposes to take with respect thereto; and

(b) promptly after commencement thereof, notice of all Litigation affecting the Credit Parties or any of their Subsidiaries or the receipt of written notice by the Credit Parties or any of their Subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation (including but not limited to Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

7.03 Compliance with Laws and Contractual Obligations, Etc.. Each of the Credit Parties will comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable Requirements of Law (including with respect to the licenses, approvals, certificates, permits, franchises, notices, registrations and other governmental authorizations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all material Contractual Obligations, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

7.04 Payment of Obligations. Each of the Credit Parties will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Lien upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect; provided, however, that no Credit Party nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

7.05 Maintenance of Insurance. Each of the Credit Parties will maintain, and cause each of its Subsidiaries to maintain, insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation engaged in similar businesses and owning similar properties in the same general areas in which the Credit Parties or such Subsidiary operates.

7.06 Conduct of Business and Preservation of Corporate Existence. Each of the Credit Parties will continue to engage in business of the same general type as now conducted by such Credit Party and will preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that none of the Credit Parties nor any of their Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 8.03; and provided, further, that none of the Credit Parties nor any of their Subsidiaries shall be required to preserve any right or franchise if such Credit Party or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of such Credit Party or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

7.07 Books and Records. Each of the Credit Parties will keep, and cause their Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Credit Parties and each such Subsidiary in accordance with Applicable GAAP consistently applied.

7.08 Maintenance of Properties, Etc.. Each of the Credit Parties will:

(a) maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and

(b) maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of the Credit Parties and their Subsidiaries, taken as a whole, provided neither paragraph (a) nor this paragraph (b) shall prevent the Credit Parties or their Subsidiaries from discontinuing the operation and maintenance of any of their properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.09 Pari Passu Ranking. Each Credit Party will ensure at all times that its respective Obligations with respect to the Loans under the Transaction Documents constitute unconditional general obligations of such Credit Party ranking in priority of payment at least pari passu with all other senior unsecured, unsubordinated Debt of such Credit Party.

7.10 Transactions with Affiliates. Each of the Credit Parties will conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of its Affiliates on terms that are commercially reasonable and no less favorable to such Credit Party or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

7.11 Maintenance of Governmental Approvals. The Credit Parties will maintain in full force and effect at all times all approvals of and filings with any Governmental Authority or third party required under applicable law for the conduct of its business (including, without limitation, antitrust laws or Environmental Laws) and the performance of the Credit Parties' obligations hereunder and under the other Transaction Documents by the Borrower and/or the Guarantors, as applicable, and for the validity or enforceability hereof and thereof, except where failure to maintain any such approvals or filings could not reasonably be expected to have a Material Adverse Effect.

7.12 Inspection of Property. At any reasonable time during normal business hours and from time to time with at least ten (10) Business Days prior notice, or at any time if a Default or Event of Default shall have occurred and be continuing, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof to examine and make abstracts from the records and books of account of, and visit the properties of any Credit Party, and to discuss the affairs, finances and accounts of such Credit Party with any of its officers or directors and with its independent certified public accountants. All expenses associated with such inspection shall be borne by the inspecting Lenders; provided that if a Default or an Event of Default shall have occurred and be continuing, any expenses associated with such inspection shall be borne jointly and severally by Credit Parties.

ARTICLE VIII
NEGATIVE COVENANTS APPLICABLE TO THE LOANS

Each Credit Party covenants and agrees for the benefit of the Lenders that until all Obligations owed to the Lenders are paid in full, it will, unless waived in writing by the Required Lenders pursuant to the provisions set forth in Section 13.02:

8.01 Financial Conditions.

(a) The Parent shall not permit the Consolidated Net Debt / EBITDA Ratio at any time to exceed 3.5 to 1.

(b) The Parent shall not permit the Consolidated Fixed Charge Coverage Ratio at the end of each fiscal quarter to be less than 2.5 to 1.

(c) Concurrently with the delivery by the Borrower of any financial statements pursuant to Section 7.01, any Credit Party shall deliver to the Administrative Agent (with a copy to each Lender) a certificate from a Responsible Officer of the Parent containing all information and calculations necessary for determining compliance with Sections 8.01 (a), as applicable, and (b) above.

(d) For the purpose of calculating the Consolidated Net Debt / EBITDA Ratio in Section 8.01(a) above only, "Consolidated Net Debt" shall not include any Debt which, notwithstanding falling within the definition of Debt, is not required to be recorded as a liability by the Parent on its consolidated balance sheet in accordance with Mexican FRS.

8.02 Liens. The Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of the Parent or any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which adequate reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(d) any attachment or judgment Lien, unless the judgment it secures shall not, within sixty (60) days after the entry thereof, have been discharged or execution thereof stayed pending

appeal, or shall not have been discharged within sixty (60) days after the expiration of any such stay;

(e) Liens existing on the date of this Agreement and liens existing as of March 31, 2008, that are described in Schedule 7.06(e) to the Dutch Loan "A" Agreement.

(f) any Lien on property acquired by the Parent after the date hereof that was existing on the date of acquisition of such property; provided that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price, of property acquired by the Parent or any of its Subsidiaries after the date hereof; provided, further, that (A) any such Lien permitted pursuant to this clause (f) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the voting stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine (9) months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

(g) any Lien renewing, extending or refunding any Lien permitted by clause (f) above; provided that the principal amount of Debt secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced and such Lien is not extended to other property;

(h) any Liens created on shares of Capital Stock of the Parent or any of its Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares constitute the sole assets; provided that (A) any shares of Subsidiary stock held in such trust, corporation or entity could be sold by the Parent; and (B) proceeds from the deposit or transfer of such shares into such trust, corporation or entity and from any transfer of or distributions in respect of the Parent's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Section 8.04; and provided, further, that such Liens may not secure Debt of the Parent or any Subsidiary (unless permitted under another clause of this Section 8.02);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any Qualified Receivables Transaction;

(k) in addition to the Liens permitted by the foregoing clauses (a) through (j), Liens securing Debt of the Parent and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of the Parent and its Subsidiaries; and

(l) any Liens on "margin stock" purchased with the proceeds of the Loans within the meaning of Regulation U, if and to the extent the value of all "margin stock" of the Parent and its Subsidiaries exceeds 25% of the value of the total assets of the Parent and its Subsidiaries;

unless, in each case, the Parent has made or caused to be made effective provision whereby the Obligations hereunder are secured equally and ratably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

8.03 Consolidations and Mergers. None of the Credit Parties shall, in one or more related transactions, (x) consolidate with or merge into any other Person or permit any other Person to merge into it or (y) directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its properties or assets to any Person, unless, with respect to any transaction described in clause (x) or (y), immediately after giving effect to such transaction:

(a) the Person formed by any such consolidation or merger, if it is not the Borrower or such Guarantor, or the Person that acquires by transfer, conveyance, sale, lease or other disposition all or substantially all of the properties and assets of the Borrower or such Guarantor (any such Person, a "Successor") (i) shall be a corporation organized and validly existing under the laws of its place of incorporation, which in the case of a Successor to the Borrower shall be Mexico, the United States, Canada, France, Belgium, Germany, Italy, Luxembourg, The Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof, (ii) in the case of a Successor to the Borrower, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the Obligations with respect to the Loans of the Borrower pursuant to this Agreement and the performance of every covenant on part of the Credit Parties to be performed and observed and (iii) in the case of a Successor to any Guarantor, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the performance of every covenant of this Agreement on part of such Guarantor to be performed and observed;

(b) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Lender and the Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Lender and/or the Administrative Agent solely as a consequence of such transaction with respect to payments under the Transaction Documents;

(c) immediately after giving effect to such transaction, including for purposes of this clause (c) the substitution of any Successor to the Borrower for the Borrower or the substitution of any Successor to a Guarantor for such Guarantor and treating any Debt or Lien incurred by the Borrower or any Successor to the Borrower, or by a Guarantor of the Borrower or any Successor to such Guarantor, as a result of such transactions as having been incurred at the time of such transaction, no Default or Event of Default shall have occurred and be continuing; and

(d) the Borrower shall have delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a written agreement is required in connection with such transaction, such written agreement comply with the relevant provisions of this Article VIII and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

8.04 Sales of Assets, Etc.. The Parent will not, and will not permit any of its Material Subsidiaries to, sell, lease or otherwise dispose of any of its assets (including the Capital Stock of

any Subsidiary), other than (a) inventory, trade receivables and assets surplus to the needs of the business of the Parent or any Subsidiary sold in the ordinary course of business (b) assets not used, usable or held for use in connection with cement operations and related operations and (c) any "margin stock" within the meaning of Regulation U acquired by the Parent through a Tender Offer, unless the proceeds of the sale of such assets are retained by the Parent or such Subsidiary, as the case may be, and, as promptly as practicable after such sale (but in any event within 180 days of such sale), the proceeds are applied to (i) expenditures for property, plant and equipment usable in the cement industry or related industries; (ii) the repayment of senior Debt of the Parent or any of its Subsidiaries, whether secured or unsecured; or (iii) investments in companies engaged in the cement industry or related industries.

8.05 Change in Nature of Business. Neither the Parent nor the Borrower shall make, or permit any of its Material Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

8.06 Margin Regulations. None of the Credit Parties shall use any part of the proceeds of the Loans for any purpose which would result in any violation (whether by any of the Credit Parties, the Administrative Agent or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. None of the Credit Parties shall engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

ARTICLE IX
OBLIGATIONS OF GUARANTORS

9.01 The Guaranty. Each of the Guarantors jointly and severally hereby unconditionally and irrevocably guarantee (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Borrower to each Lender, the Administrative Agent, the Structuring Agent and the Joint Lead Arrangers under this Agreement and the other Transaction Documents, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

9.02 Nature of Liability. The obligations of the Guarantors hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full, and shall not be affected in any way by the absence of any action to obtain such amounts from the Borrower or by any variation, extension, waiver, compromise or release of any or all Obligations from time to time therefor. Each Guarantor waives all requirements as to promptness, diligence, presentment, demand for payment, protest and notice of any kind with respect to this Agreement and the other Transaction Documents.

9.03 Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction other than the State of New York, the obligations of each of the Guarantors hereunder shall be unconditional, irrevocable and absolute and, without limiting the generality of the foregoing, shall not be impaired, terminated, released, discharged or otherwise affected by the following:

(a) the existence of any claim, set-off or other right which either of the Guarantors may have at any time against the Borrower, the Administrative Agent, any Lenders or any other Person, whether in connection with this transaction or with any unrelated transaction;

(b) any invalidity or unenforceability of this Agreement or any other Transaction Document relating to or against the Borrower or either of the Guarantors for any reason;

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the Borrower under this Agreement or any of the other Transaction Documents or the payment, observance, fulfillment or performance of any other Obligations;

(d) any change in the name, purposes, business, Capital Stock (including the ownership thereof) or constitution of the Borrower;

(e) any amendment, waiver or modification of any Transaction Document in accordance with the terms hereof and thereof; or

(f) any other act or omission to act or delay of any kind by the Borrower, the Administrative Agent, the Lenders or any other Person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to either of the Guarantors' obligations hereunder.

9.04 Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Borrower's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Administrative Agent and the Lenders may neglect or forbear to enforce payment hereunder, under any Transaction Document or under any guaranty or security, without in any way affecting or impairing the liability of each Guarantor hereunder. The Administrative Agent or the Lenders shall not be obligated to exhaust recourse or take any other action against the Borrower or under any agreement to purchase or security which the Administrative Agent or the Lenders may hold before being entitled to payment from the Guarantors of the obligations hereunder or proceed against or have resort to any balance of any deposit account or credit on the books of the Administrative Agent or the Lenders in favor of the Borrower or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent or the Lenders shall have the right to bring suit directly against either of the Guarantors, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower and/or the other Guarantor.

9.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this Article IX and notice of any liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any such liability, suit or the taking of other action by the Administrative Agent or the Lenders against, and any other notice, to the Guarantors.

9.06 Waiver of Defenses. To the extent permitted by New York law and notwithstanding any contrary principles under the laws of any other jurisdiction, each of the Guarantors hereby waives any and all defenses to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may

conflict with the terms of this Article IX, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Borrower, prior notice to the Borrower, that the Borrower's assets are used to repay the Loans first, that the liability of the Guarantors be split, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for any additional endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Administrative Agent and the Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part, (a) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this Article IX shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Borrower or others (including the Guarantors) or otherwise act or refrain from acting; (c) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of the Borrower to creditors of the Borrower other than the Administrative Agent and the Lenders and the Guarantors; (d) apply any sums by whomsoever paid or howsoever realized, other than payments of the Guarantors of the Obligations, to any liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Administrative Agent and the Lenders regardless of which of such liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantors under this Article IX, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof.

9.07 Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, each Credit Party shall not, without the prior written consent of the Administrative Agent (acting with the consent of the Required Lenders), commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization or insolvency proceedings of, or against, the Borrower.

(b) If acceleration of the time for payment of any amount payable by the Borrower under this Agreement or the Maturity "A" Notes is stayed upon the insolvency, bankruptcy, reorganization or any similar event of the Borrower or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Lenders.

(c) The obligations of each of the Guarantors under this Article IX shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding or

action, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of the Borrower or similar proceedings or actions or by any defense which the Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantors' liability shall extend to all amounts and obligations that constitute the Obligations and would be owed by the Borrower but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

(d) Each of the Guarantors acknowledges and agrees that any interest on any portion of the Obligations which accrues after the commencement of any proceeding or action referred to above in Section 9.07(c) (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of the Obligations if said proceedings or actions had not been commenced) shall be included in the Obligations, it being the intention of the Guarantors, the Administrative Agent, and the Lenders that the Obligations which are to be purchased by the Guarantors pursuant to this Article IX shall be determined without regard to any rule of law or order which may relieve the Borrower of any portion of such Obligations. The Guarantors will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Administrative Agent, or allowing the claim of the Administrative Agent, for the benefit of the Administrative Agent, and the Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the Obligations are paid by or on behalf of the Borrower, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Administrative Agent and/or the Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this Article IX, to the extent permitted by applicable law.

9.08 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the

exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

9.09 Right of Contribution. Subject to Section 9.08, each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. The provisions of this Section 9.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Structuring Agent, the Joint Lead Arrangers and the Lenders for the full amount guaranteed by such Guarantor hereunder.

9.10 General Limitation on Guaranty. In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganization, *concurso mercantil* or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Article IX would otherwise, taking into account the provisions of Section 9.09, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 9.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

9.11 Covenants of the Guarantors. Each Guarantor hereby covenants and agrees that, so long as any Obligations with respect to the Loans under this Agreement and any other Transaction Document remain unpaid, it shall comply with the covenants contained or incorporated by reference in this Agreement applicable to the Loans to the extent applicable to it.

ARTICLE X
EVENTS OF DEFAULT

10.01 Events of Default Applicable to the Loans. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Borrower shall (i) fail to pay any principal of the Loans when due in accordance with the terms hereof or (ii) fail to pay any interest on the Loans, any fee or any other amount payable under this Agreement or any Maturity "A" Note within three (3) Business Days after the same becomes due and payable; or

(b) Representation and Warranties. Any representation or warranty made by any Credit Party in any Transaction Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Transaction Document, as applicable, shall prove to have been incorrect in any material respect on or as of the date made if such failure shall remain unremedied for thirty (30) days after the earlier of the date on which (i) a Responsible Officer of such Credit Party becomes

aware of such incorrectness or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent; or

(c) Specific Defaults. A Credit Party shall fail to perform or observe any term, covenant or agreement contained in Section 7.01, 7.02(a), 7.06 (with respect to the Borrower's and each Guarantor's existence only) or 7.09 or Article VIII; or

(d) Other Defaults. A Credit Party shall fail to perform or observe any term, covenant or agreement applicable to the Loans contained in this Agreement or the Maturity "A" Notes, any certificates, waivers, or any other agreements delivered pursuant to this Agreement related to the Loans (other than as provided in paragraphs (a) and (c) above) and such failure shall continue unremedied for a period of thirty (30) days after the earlier of the date on which (i) the Responsible Officer of the Borrower becomes aware of such failure or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent at the request of any Lender; or

(e) Defaults under Other Agreements. The occurrence of a default or event of default under any indenture, agreement or instrument relating to any Material Debt of the Parent or any of its Subsidiaries, and (unless any principal amount of such Material Debt is otherwise due and payable) such default or event of default results in the acceleration of the maturity of any principal amount of such Material Debt prior to the date on which it would otherwise become due and payable; or

(f) Voluntary Bankruptcy. Any Credit Party or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization, *concurso mercantil* or other relief with respect to itself or its debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing or the equivalent thereof under applicable law; or

(g) Involuntary Bankruptcy. An involuntary case or other proceeding shall be commenced against any Credit Party or any Material Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, *concurso mercantil* or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) consecutive days; or an order for relief shall be entered against the Parent or any Material Subsidiaries under any bankruptcy, insolvency, *suspensión de pagos* or other similar law as now or hereafter in effect; or

(h) Monetary Judgment. A final judgment or judgments or order or orders not subject to further appeal for the payment of money in an aggregate amount in excess of U.S.$50,000,000

shall be rendered against the Parent and/or any of its Subsidiaries that are neither discharged nor bonded in full within thirty (30) days thereafter; or

(i) Pari Passu. The Obligations of the Credit Parties under this Agreement shall fail to rank at least *pari passu* with all other senior unsecured Indebtedness of the Borrower or such Guarantor, as the case may be; or

(j) Validity of Agreement. The Borrower shall contest the validity or enforceability of any Transaction Document with respect to the Loan or shall deny generally the liability of the Borrower under any Transaction Documents with respect to the Loan or either Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of either Guarantor under Article IX hereof shall not be (or is claimed by either Guarantor not to be) in full force and effect; or

(k) Governmental Authority. Any governmental or other consent, license, approval, permit or authorization which is now or may in the future be necessary or appropriate under any applicable Requirement of Law for the execution, delivery, or performance by the Borrower or either Guarantor of any Transaction Document to which it is a party or to make such Transaction Document legal, valid, enforceable and admissible in evidence shall not be obtained or shall be withdrawn, revoked or modified or shall cease to be in full force and effect or shall be modified in any manner that would have an adverse effect on the rights or remedies of the Administrative Agent or the Lenders; or

(l) Expropriation, Etc. Any Governmental Authority shall condemn, nationalize, seize or otherwise expropriate all or any substantial portion of the property of, or Capital Stock issued or owned by, the Borrower or either Guarantor or take any action that would prevent the Borrower or either Guarantor from performing its obligations with respect to the Loan under this Agreement or the Maturity "A" Notes, the Conversion Notice, any certificates, waivers, or any other agreements delivered pursuant to this Agreement; or

(m) Moratorium; Availability of Foreign Exchange. A moratorium shall be agreed or declared in respect of any Debt of the Borrower or either Guarantor or any restriction or requirement not in effect on the date hereof shall be imposed, whether by legislative enactment, decree, regulation, order or otherwise, which limits the availability or the transfer of foreign exchange by the Borrower or either Guarantor for the purpose of performing any material obligation under this Agreement or the Maturity "A" Notes, any certificates, waivers, or any other agreements delivered pursuant to this Agreement to which it is a party; or

(n) Change of Ownership or Control. The beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, as amended) of 20% or more in voting power of the outstanding voting stock of the Borrower or either Guarantor is acquired by any Person after the Dutch Loan Closing Date; provided that the acquisition of beneficial ownership of Capital Stock of the Borrower or either Guarantor by Lorenzo H. Zambrano or any member of his immediate family shall not constitute an Event of Default.

10.02 Remedies.

(a) If an Event of Default under Sections 10.01(f) and (g) occurs with respect to any Credit Party, the outstanding principal amount of the Loans together with any accrued but unpaid interest thereon, in each case without notice or any other act by the Lenders, shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

(b) If any Event of Default has occurred and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders declare by written notice to the Borrower, the principal amount of the outstanding Loans to be forthwith due and payable, whereupon such principal amount, together with accrued interest thereon, including any fees due under this Agreement, shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

10.03 Notice of Default. To the extent permitted by law, the Administrative Agent shall give notice to the Borrower of any event occurring under Section 10.01(a), (b), (c) or (d) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE XI
THE ADMINISTRATIVE AGENT

11.01 Appointment and Authorization.

(a) Each Lender hereby irrevocably designates and appoints ING Capital LLC as the Administrative Agent of such Lender under this Agreement, and each Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement or any other Transaction Document, together with such other powers as are reasonably incidental thereto.

(b) Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent.

11.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

11.03 Liability of Administrative Agent. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action taken or omitted to be taken by it or any such Person under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby (except for its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by a Credit Party or any officer thereof contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Transaction Document, or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document, or for any failure of a Credit Party or any other party to any Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of a Credit Party.

11.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or teletype message, statement, order or other document or telephone conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of failing to take, taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Lenders (or when expressly required hereby, all the Lenders) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter sent by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction on or before the Conversion Date.

11.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except for the Administrative Agent with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders) unless it shall have received written notice from a Lender or the Borrower referring to this Agreement and describing such Default or Event of Default and stating that such notice is a "Notice of Default".

The Administrative Agent shall promptly notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders or the Lenders; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

11.06 Credit Decision. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Credit Party, or any of its Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender acknowledges to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Guarantors and their Affiliates and all applicable Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Credit Party. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Credit Party which may come into the possession of the Administrative Agent or any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact.

11.07 Indemnification.

(a) Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand the Administrative Agent and its Affiliates, directors, officers, advisors, agents and employees (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably based on such Lender's share of the aggregate amount of Loans outstanding hereunder, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the Obligations or the Maturity Date) be imposed on, incurred by or asserted against the Administrative Agent (or any of its Affiliates, directors, officers, agents and employees) in any way relating to or arising out of this Agreement or any other Transaction Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for the

payment of any portion of such claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent it results from the gross negligence or willful misconduct of the Administrative Agent or its Affiliates, directors, officers, agents or employees. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share (based on its share of the aggregate amount of Loans outstanding hereunder) of any reasonable and documented costs or out-of-pocket expenses (including legal fees) incurred by the Administrative Agent in connection with the preparation, execution, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower.

11.08 Administrative Agent in its Individual Capacity. ING CAPITAL LLC may make loans to, issue letters of credit for the account of, accept deposits from and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower, the Guarantors or any of their Affiliates as though ING CAPITAL LLC were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, ING CAPITAL LLC or its Affiliates may receive information regarding the Borrower, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of any Credit Party) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to the Obligations, ING CAPITAL LLC shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include ING CAPITAL LLC in its individual capacity.

11.09 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders shall, resign as the Administrative Agent upon thirty (30) days' notice to the Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which appointment shall be subject to the approval of the Borrower, such approval not to be unreasonably withheld (unless a Default or Event of Default shall have occurred and be continuing, in which case such approval shall not be required). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act on the part of such retiring Administrative Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article XI and Sections 13.04 and 13.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted the appointment as Administrative Agent by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless

thereupon become effective and either the Borrower or the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor agent, which shall be a commercial bank organized or licensed under the laws of the United States or of any State thereof and having a combined capital and surplus of at least U.S.$400,000,000.

ARTICLE XII
THE STRUCTURING AGENT

12.01 The Structuring Agent. The Borrower hereby confirms the designation of HSBC SECURITIES (USA) INC., as the Structuring Agent for the Loans. The Structuring Agent assumes no responsibility or obligation hereunder for servicing, enforcement or collection of the Obligations, or any duties as agent for the Lenders. The title "Structuring Agent" implies no fiduciary responsibility on the part of the Structuring Agent to the Administrative Agent, or the Lenders, and the use of such title does not impose on the Structuring Agent any duties or obligations under this Agreement except as may be expressly set forth herein.

12.02 Liability of Structuring Agent. Neither the Structuring Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by them or any such Person under or in connection with this Agreement or any other Transaction Document (except for such Structuring Agent's own gross negligence or willful misconduct), or (b) responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Borrower or any officer thereof, contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Structuring Agent under or in connection with, this Agreement or any other Transaction Document or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document or for any failure of the Borrower or any other party to any other Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Structuring Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower.

12.03 Structuring Agent in its Individual Capacity. The Structuring Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any of its Affiliates as though it were not the Structuring Agent hereunder.

12.04 Credit Decision. Each Lender expressly acknowledges that neither the Structuring Agent nor any of its respective Affiliates, officers, directors, employees, agents or attorneys-in-fact have made any representation or warranty to it, and that no act by the Structuring Agent hereafter taken, including any review of the affairs of a Credit Party, shall be deemed to constitute any representation or warranty by the Structuring Agent to any Lender. Each Lender acknowledges to the Structuring Agent that it has, independently and without reliance upon the Structuring Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of a Credit Party and its Affiliates and made its own decision to enter into this Agreement. Each Lender also

acknowledges that it will, independently and without reliance upon the Structuring Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Credit Party. The Structuring Agent shall not have any duty or responsibility to provide any Lender with any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of the Structuring Agent or any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XIII
MISCELLANEOUS

13.01 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder with respect to the Loans shall be in writing (including facsimile transmission) and shall be sent by an overnight courier service, transmitted by facsimile or delivered by hand to such party: (i) in the case of a Credit Party, the Structuring Agent, the Joint Lead Arrangers or the Administrative Agent, at its address or facsimile number set forth on Schedule 2.01(c) or at such other address or facsimile number as such party may designate by notice to the other parties hereto and (ii) in the case of any Lender, at its address or facsimile number set forth in Schedule 2.01(b) or at such other address or facsimile number as such Lender may designate by notice to the Borrower, the Structuring Agent, the Joint Lead Arrangers and the Administrative Agent.

(b) Unless otherwise expressly provided for herein, each notice, request, demand or other communication with respect to the Loans shall be effective (1) if sent by overnight courier service or delivered by hand, upon delivery, (2) if given by facsimile, when transmitted to the facsimile number specified pursuant to paragraph (a) above and confirmation of receipt of a legible copy thereof is received, or (3) if given by any other means, when delivered at the address specified pursuant to paragraph (a) above; provided, however, that notices to the Administrative Agent under Article II, III, IV or XI shall not be effective until received.

13.02 Amendments and Waivers. No amendment, waiver or modification of any provision of this Agreement, and no consent to any departure by any Credit Party from the terms of this Agreement shall be effective, in each case without the written consent of the Credit Parties, and acknowledged by the Administrative Agent (which shall be a purely ministerial action) and signed or consented to by the Required Lenders, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall:

(a) (i) except as specifically provided herein, increase or decrease the Loan of any Lender; or

(ii) extend the maturity of any of the Obligations, extend the time of payment of interest thereon, or extend the Maturity Date; or

(iii) forgive any Obligation, reduce the principal amount of the Obligations, reduce the rate of interest thereon or change the provisions of Section 3.02;

in each case without the consent of the Borrower and each Lender directly affected thereby;

(b) (i) amend, modify or waive any provision of this Section 13.02; or

(ii) change the percentage specified in the definition of Required Lenders or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement; or

(iii) amend, modify or waive any provision of Section 11.06;

(iv) amend, modify or waive any provision of ARTICLE IV; or

in each case without the consent of the Borrower and all the Lenders;

(c) amend, modify or waive any provision of ARTICLE XI without the written consent of the Administrative Agent; and

(d) amend, modify or waive any provision of ARTICLE XII without the consent of the Structuring Agent.

13.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13.04 Payment of Expenses, Etc. The Borrower agrees to pay on demand:

(a) all reasonable and documented out-of-pocket costs and expenses (including reasonable legal fees and disbursements of special Mexican counsel, special Dutch counsel and New York counsel to the Administrative Agent and the allocated cost of in-house counsel to the Administrative Agent), syndication (including printing, distribution and bank meetings), travel, telephone and duplication expenses and other reasonable and documented costs and out-of- pocket expenses in connection with the arrangement, documentation, negotiation and closing of the Transaction Documents;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent in connection with any amendment to, waiver of, or consent to any Transaction Document or the transactions contemplated hereby, including the reasonable fees

and reasonable and documented out-of-pocket expenses of special Mexican, special Dutch counsel and New York counsel to the Administrative Agent; and

(c) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent or any Lender in connection with the enforcement of and/or preservation of any rights under this Agreement or any other Transaction Document (whether through negotiations, legal proceedings or otherwise), including the reasonable fees and reasonable and documented out-of-pocket expenses of special Mexican, special Dutch counsel and New York counsel to the Administrative Agent and such Lender.

13.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel, the allocated cost of in-house counsel and settlement costs), but excluding taxes that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Loans or (ii) or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's bad faith, gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. Each Credit Party also agrees not to assert any claim against the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. Neither the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent, nor any Lender shall be deemed to have any fiduciary relationship with any Credit Party.

13.06 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon the Borrower, the Guarantors, their successors and assigns and shall inure to the benefit of the Structuring Agent, the Joint Lead Arrangers, the Administrative Agent and the Lenders and their respective successors and assigns, except that the Credit Parties may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of all Lenders other than pursuant to the terms of this Agreement.

(b) Any Lender (such Lender, an "Assignor") may at any time, in its sole discretion, and any Lender, if demanded by the Borrower pursuant to Section 3.08 upon at least five (5) Business Days' notice to such Lender and Administrative Agent, (i) assign or pledge as security all or part of such Lender's rights under this Agreement but not its obligations, to any Federal Reserve Board or entity that is a lender to such Lender without the prior consent (written or otherwise) of the Borrower, the Administrative Agent, the Parent or any other third party, or (ii) assign all or part of such Lender's rights or obligations under this Agreement and any Maturity "A" Notes to any of its Affiliates or related funds or any other Lender or any Affiliate of a Lender , in each case without the prior consent (written or otherwise) of the Borrower, the Administrative Agent, the Parent or any other third party, and/or (iii) assign all or part of such Lender's rights or obligations under this Agreement and any Maturity "A" Notes to one or more banks or other financial institutions or any other person that is not a Competitor with the prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, of the Borrower, the Parent and the Administrative Agent (each such person, an "Assignee"); provided however that, in the case of an assignment of only part of such rights and obligations under clause (iii), such assignment shall be in integral multiples of U.S.$5,000,000; provided further that in the case of an assignment of only part of such rights and obligations under clause (iii), the Borrower shall be deemed to have consented to an assignment if it fails to respond to a written request for consent within ten (10) Business Days of such request; provided, further, that if the value of the rights and obligations assigned under clause (i) or clause (ii) is less than euro 50,000 (or its equivalent in another currency or currencies) the assignee or transferee otherwise qualifies as a Professional Market Party. Upon the occurrence and continuation of an Event of Default, each Lender shall have the right, in its sole discretion, to assign all or part of its rights or obligations under this Agreement and any Maturity "A" Notes to any Person that is not a Competitor, without the prior consent (written or otherwise) of the Borrower, the Administrative Agent, the Parent or any other third party; provided however that if the value of the rights and obligations assigned is less than euro 50,000 (or its equivalent in another currency or currencies) the assignee or transferee otherwise qualifies as a Professional Market Party. Upon execution and delivery of an Assignment and Assumption Agreement pursuant to which the Assignee shall assume the Assignor's rights and obligations under this Agreement and any Maturity "A" Notes and payment by the Assignee to the Assignor of an amount equal to the purchase price agreed between such Assignor and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a commitment as set forth in such instrument of assumption (in addition to any commitment previously held by it), and the Assignor shall be released from its obligations hereunder to a corresponding extent (except to the extent the same arose prior to the assignment); and, in the case of an Assignment and Assumption Agreement covering all of the transferor Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 3.01 (to the extent any claim thereunder relates to an event arising or such Lender's status or activity as Lender prior to such assignment), and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this paragraph (b), the Assignor, the Administrative Agent and the Borrower shall make appropriate arrangements so that a new Maturity "A" Note is issued to the Assignee at the expense of the Assignee. In connection with any such assignment (other than a transfer by a Lender to one of its Affiliates), the Assignor (or in the case of Section 3.07, the Borrower) shall pay to the

Administrative Agent an administrative fee for processing such assignment in the amount of U.S.$3,500.

(c) Nothing herein shall prohibit any Lender from pledging or assigning any Maturity "A" Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 13.06; provided, however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

(d) Any Lender may, without any consent of the Borrower, the Administrative Agent or any other third party at any time grant to any Person that is not a Competitor (each a "Participant") participating interests in its Loans; provided however that if the value of the rights and obligations assigned is less than euro 50,000 (or its equivalent in another currency or currencies) the assignee or transferee otherwise qualifies as a Professional Market Party. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder, including the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement extending the maturity of any Obligation in respect of which the participation was granted, or reducing the rate or extending the time for payment of interest thereon or reducing the principal thereof, or reducing the amount or basis of calculation of any fees to accrue in respect of the participation, without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 3.03 and 3.06 with respect to its participating interest as if it were a Lender named herein; provided, however, that the Borrower shall not be required to pay any greater amounts pursuant to such Sections than it would have been required to pay but for the sale to such Participant of such Participant's participation interest. An assignment or other transfer which is not permitted by paragraph (b) or (c) above shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this paragraph (d).

(e) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 13.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the Assignee or Participant or proposed Assignee or Participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

13.07 Right of Set-off. In addition to any rights and remedies of the Lenders provided by law, each such Lender shall have the right, without prior notice to the Credit Parties, any such notice being expressly waived by the Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such

amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, or any branch or agency thereof to or for the credit or the account of the Credit Parties. Each Lender agrees promptly to notify such Credit Party, as the case may be, and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.08 Confidentiality. Neither the Administrative Agent nor any Lender shall disclose any Confidential Information to any other Person without the prior written consent of the Credit Parties, other than (a) to the Administrative Agent's, or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 13.06(e), to actual or prospective Assignees and Participants, and then only on a confidential basis, (b) as required by any law, rule or regulation (including as may be required in connection with an audit by the Administrative Agent's, or such Lender's independent auditors, and as may be required by any self-regulating organizations) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking. Notwithstanding the foregoing or anything contained in any Transaction Document to the contrary, the parties (and each employee, representative, or other agent of the parties) may disclose to any and all persons, without limitation of any kind, the tax treatment and any facts that may be relevant to the tax structure of the transactions contemplated by this Agreement, provided, however, that no party (and no employee, representative, or other agent thereof) shall disclose any other information that is not relevant to understanding the tax treatment and tax structure of such transactions (including the identity of any party and any information that could lead another to determine the identity of any party), or any other information to the extent that such disclosure could result in a violation of any federal or state securities law.

13.09 Use of English Language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language. Except in the case of the laws of, or official communications of, Mexico or The Netherlands (as applicable), the English language version of any such document shall control the meaning of the matters set forth therein.

13.10 GOVERNING LAW. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

13.11 Submission to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court located in the Borough of Manhattan in New York City and any appellate court thereof for purposes of any suit, legal action or proceeding arising out of or relating to this Agreement, any other Transaction Document or the transactions contemplated hereby, and each of the parties hereto hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such federal or New York State court.

Each of the parties hereto also submits to the jurisdiction of the competent courts of its corporate domicile in respect of actions initiated against it as a defendant.

(b) Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, the jurisdiction of any court other than those identified in paragraph (a) above and any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such federal or New York State court and irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding.

(c) Each of the parties hereto irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over it.

(d) Each of the parties hereto agrees, to the fullest extent it may effectively do so under applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in paragraph (a) above brought in any such court shall be conclusive and binding upon such party and may be enforced in other jurisdictions by suit on the judgment or in any manner provided by law.

(e) **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION ORPROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE ACTIONS OF ANY ARRANGER, THE ADMINISTRATIVE AGENT, OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.**

13.12 Appointment of Agent for Service of Process.

(a) The Credit Parties hereby irrevocably appoint CT Corporation System, with an office on the date hereof at 111 Eighth Avenue, 13th Floor, New York, New York 10011,as its agent (the "Process Agent") to receive on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding brought in any New York State or federal court sitting in New York City and designates such domicile as the conventional domicile to receive notices hereunder and under the Transaction Documents. Such service may be made by delivering a copy of such process to any Credit Party in care of the Process Agent at its address specified above, and the Credit Parties hereby authorize and direct the Process Agent to accept such service on their behalf. The appointment of the Process Agent shall be irrevocable until the appointment of a successor Process Agent. If the Process Agent fails to accept such appointment on or prior to the Conversion Date, the Credit Parties agree to promptly appoint an alternate Process Agent reasonably acceptable to the Administrative Agent with an office in New York City. The Credit Parties further agree to promptly and irrevocably appoint a successor Process Agent in New York City prior to the termination for any reason of the appointment of the initial Process Agent.

(b) Nothing in Section 13.11 or in this Section 13.12 shall affect the right of any party hereto to serve process in any manner permitted by law or limit any right that any party hereto may have to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

13.13 Waiver of Sovereign Immunity. To the extent that a Credit Party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or its property, the Credit Party hereby irrevocably waives such immunity in respect of its obligations hereunder to the extent permitted by applicable law. Without limiting the generality of the foregoing, the Credit Parties agree that the waivers set forth in this Section 13.13 shall have force and effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Foreign Sovereign Immunities Act.

13.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower in Dollars into another currency, the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent or each Lender, as the case may be, could purchase Dollars with such currency at or about 10:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given.

(b) The Obligations in respect of any sum due to any Lender or the Administrative Agent hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent may in accordance with normal banking procedures purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due to such Lender or the Administrative Agent, the Credit Parties agree, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent against such resulting loss.

(c) Each Credit Party shall, to the fullest extent permitted by law, indemnify the Administrative Agent and each Lender against any loss incurred by the Administrative Agent or such Lender, as the case may be, as a result of any judgment or order being given or made for any amount due under this Agreement or any Maturity "A" Note and being expressed and paid in a currency (the "Judgment Currency") other than Dollars, and as a result of any variation between (i) the rate of exchange at which the Dollar amount is converted into the Judgment Currency for the purpose of such judgment or order and (ii) the spot rate of exchange in New York City at which the Administrative Agent or such Lender, as the case may be, on the date of payment of such judgment or order is able to purchase Dollars with the amount of the Judgment Currency actually received by the Administrative Agent or such Lender. If the amount of

Dollars so purchased exceeds the amount originally to be paid to such Lender, such Lender agrees to pay to or for the account of the Borrower (with respect to payments made by the Borrower) and the Guarantors (with respect to payments made by the Guarantors) such excess; provided that such Lender shall not have any obligation to pay any such excess as long as a default by a Credit Party , in its obligations hereunder has occurred and is continuing, in which case such excess may be applied by such Lender to such obligations. The foregoing indemnity shall constitute a separate and independent obligation of each Credit Party and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, United States dollars.

13.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. This Agreement and any communications, notices and exchanges of information pursuant to this Agreement, including signatures, may be delivered by facsimile and shall be treated in all manner and respects as an original document.

13.16 USA PATRIOTAct. The Lenders, to the extent that they are subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notify the Credit Parties that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

13.17 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

13.18 Survival of Agreements and Representations.

(a) All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) The covenants and agreements contained in Sections 3.01, 3.03, 3.05, 3.06, 13.04, 13.05, 13.08, 13.09, 13.11, 13.12 and 13.14, and the obligations of the Lenders under Section 11.07 shall survive the payment of all Obligations and, in the case of any Lender that may assign any interest in its commitment or obligations hereunder, with respect to matters occurring before such assignment, shall survive the making of such assignment to the extent any claim arising thereunder relates to any period prior to such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder.

EXHIBIT B

FORM OF NOTICE OF CONTINUATION

ING Capital LLC,
as Administrative Agent
[ ]
[ ]
[ ]

Ladies and Gentlemen:

The undersigned, New Sunward Holding, B.V. (the "Borrower"), refers to the Senior Unsecured Maturity Loan "A" Agreement, dated as of June [•], 2008, among the Borrower, CEMEX, S.A.B. de C.V., as Guarantor, CEMEX México, S.A. de C.V., as Guarantor, the Lenders party thereto, ING Capital LLC, as Administrative Agent, HSBC Securities (USA) Inc., as Sole Structuring Agent, and HSBC Securities (USA) Inc., Banco Santander, S.A. and The Royal Bank of Scotland PLC, as Joint Lead Arrangers and Joint Lead Bookrunners (as the same may be amended, modified, supplemented or restated from time to time, the "Loan Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement) and hereby gives you notice, irrevocably, pursuant to Section 2.01(e) of the Loan Agreement, that the undersigned hereby requests to continue the borrowing of the Loans referred to below. In regard to that request, the undersigned sets forth below the information relating to such continuation (the "Proposed Continuation") as required by Section 2.01(e) of the Loan Agreement:

(i) The Proposed Continuation relates to the borrowing of the Loans originally made on [•],200[•] (the "Outstanding Borrowing") in the principal amount of [•] and currently maintained as a borrowing of Loans with an Interest Period ending on [_____ ___, ____].

(ii) The Business Day of the Proposed Continuation is [•].[2]

(iii) The Outstanding Borrowing shall be continued as a borrowing of Loans with an Interest Period of [_____].

---

[2] Shall be a Business Day at least three Business Days after the date hereof; provided, that such notice shall be deemed to have been given on a certain day only if given before 10:00 a.m. (New York City time) on such day.

Very truly yours,

NEW SUNWARD HOLDING, B.V.

By:
Name:
Title:

EXHIBIT C

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment and Assumption"), dated _____, is entered into by and between _____ (the "Assignor") and _____ (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Unsecured Maturity Loan "A" Agreement, dated as of [•], among New Sunward Holding B.V., as Borrower (the "Borrower"), the other Credit Parties party thereto, as Guarantors, the Lenders party thereto, ING Capital LLC, as Administrative Agent, HSBC Securities (USA) Inc., as Sole Structuring Agent, HSBC Securities (USA) Inc., Banco Santander, S.A., and The Royal Bank of Scotland PLC, as Joint Lead Arrangers and Joint Bookrunners (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date set forth below, and established in accordance with Section 13.06 of the Loan Agreement (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the facility identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the Loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:

2. Assignee:

3. Borrower: New Sunward Holding B.V.

4. Administrative Agent: ING Capital LLC

Aggregate Amount of Assignor's Outstanding Loan	Amount of Loan Assigned	Proportionate Share Assigned
$	$	%

Effective Date: _____

[SIGNATURE PAGE FOLLOWS]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME]

By:
Name:
Title:

ASSIGNEE

[NAME]

By:
Name:
Title:

Address for Notices:

Accepted:

ING Capital LLC,
as Administrative Agent

By:
Name:
Title:

NEW SUNWARD HOLDING, B.V**.**
the Borrower

By:
Name:
Title:

CEMEX, S.A.B. de C.V.,
the Parent

By:
Name:
Title:

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

ARTICLE 1
Representations and Warranties.

1.01 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Transaction Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Transaction Documents, (iii) the financial condition of the Borrower, the other Credit Parties, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of the Loan Agreement or any other Transaction Document or (iv) the performance or observance by the Borrowers, the other Credit Parties, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Loan Agreement or any other Transaction Document and (c) notwithstanding being released from all obligations under the Loan Agreement, will make arrangements such that a replacement Dutch "A" Note is issued to the Assignee at the expense of the Assignee.

1.02 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender and perform the obligations of a Lender under the Loan Agreement, (ii) it satisfies the requirements, if any, specified in the Loan Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Loan Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Loan Agreement, duly completed and executed by the Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Transaction Documents, and (ii) it will perform all of the obligations of the Transaction Documents, which by their terms are required to be performed by it as

a Lender; and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Transaction Documents as are delegated to or otherwise conferred upon the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

2. Payments. From and after the Effective Date, the Borrower shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) for the account of **[the Assignor for amounts which have accrued prior to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date] [the Assignee]**.

3. Effect of Assignment. Upon the delivery of a fully executed original hereof to the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment, shall have the rights and obligations of a Lender thereunder and under the other Transaction Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Transaction Documents.

4. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by and construed and enforced in all respects in accordance with the laws of the State of New York.

EXHIBIT D

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment and Assumption"), dated _____, is entered into by and between _____ (the "Assignor") and _____ (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Senior Unsecured Dutch Loan "A" Agreement, dated as of June 2, 2008, among New Sunward Holding B.V., as Borrower (the "Borrower"), the other Credit Parties party thereto, as Guarantors, the Lenders party thereto, ING Capital LLC, as Administrative Agent, HSBC Securities (USA) Inc., as Sole Structuring Agent, HSBC Securities (USA) Inc., Banco Santander, S.A., and The Royal Bank of Scotland PLC, as Joint Lead Arrangers and Joint Bookrunners (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date set forth below, and established in accordance with Section 12.06 of the Loan Agreement (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the facility identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the Loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:

2. Assignee:

3. Borrower: New Sunward Holding B.V.

4. Administrative Agent: ING Capital LLC

Aggregate Amount of Assignor's Outstanding Loan	Amount of Loan Assigned	Proportionate Share Assigned
$	$	%

Effective Date: _____

[SIGNATURE PAGE FOLLOWS]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME]

By:
Name:
Title:

ASSIGNEE

[NAME]

By:
Name:
Title:

Address for Notices:

Accepted:

ING Capital LLC,
as Administrative Agent

By:
Name:
Title:

NEW SUNWARD HOLDING, B.V.,[3]
the Borrower

[3] Note: Signatures from the Parent and the Borrower are required only in certain express circumstance pursuant to section 12.06 of the Loan Agreement.

By:
Name:
Title:

CEMEX, S.A.B. de C.V.,
the Parent

By:
Name:
Title:

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

ARTICLE I
Representations and Warranties.

1.01 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Transaction Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Transaction Documents, (iii) the financial condition of the Borrower, the other Credit Parties, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of the Loan Agreement or any other Transaction Document or (iv) the performance or observance by the Borrowers, the other Credit Parties, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under the Loan Agreement or any other Transaction Document and (c) notwithstanding being released from all obligations under the Loan Agreement, will make arrangements such that a replacement Dutch "A" Note is issued to the Assignee at the expense of the Assignee.

1.02 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender and perform the obligations of a Lender under the Loan Agreement, (ii) it satisfies the requirements, if any, specified in the Loan Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Loan Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Loan Agreement, duly completed and executed by the Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Transaction Documents, and (ii) it will perform all of the obligations of the Transaction Documents, which by their terms are required to be performed by it as a

Lender; and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Transaction Documents as are delegated to or otherwise conferred upon the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

2. Payments. From and after the Effective Date, the Borrower shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) for the account of **[the Assignor for amounts which have accrued prior to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date] [the Assignee]**.

3. Effect of Assignment. Upon the delivery of a fully executed original hereof to the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment, shall have the rights and obligations of a Lender thereunder and under the other Transaction Documents and (ii) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Transaction Documents.

4. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by and construed and enforced in all respects in accordance with the laws of the State of New York.

EXHIBIT E

FORM OF OPINION OF NEW YORK COUNSEL TO THE BORROWER AND THE GUARANTORS

June ___, 2008

To the Administrative Agent and the
Banks listed on Schedule I hereto

Re: New Sunward Holding B.V. Senior Unsecured Dutch Loan "A" Agreement

Ladies and Gentlemen:

We have acted as special New York counsel to New Sunward Holding B.V., a private company with limited liability formed under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands (the "Borrower"), CEMEX, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States (the "Parent"), and CEMEX México, S.A. de C.V., a *sociedad anónima de capital variable* organized and existing pursuant to the laws of the United Mexican States ("CEMEX México" and, together with the Parent, each, a "Guarantor," and collectively, the "Guarantors"), in connection with the preparation, execution and delivery of the Senior Unsecured Dutch Loan "A" Agreement, dated as of the date hereof (the "Loan Agreement"), by and among the Borrower, each Guarantor, HSBC Securities (USA) Inc., as sole structuring agent, HSBC Securities (USA) Inc., Banco Santander, S.A., and The Royal Bank of Scotland Plc, each as joint lead arranger and joint bookrunner, ING Capital LLC, as administrative agent, and the several lenders party thereto and certain other agreements, instruments and documents related to the Loan Agreement. This opinion is being delivered pursuant to Section 4.01(c)(ii) of the Loan Agreement. For purposes of this opinion, the Borrower and the Guarantors are also referred to individually as a "Credit Party" and collectively as the "Credit Parties."

In rendering the opinions set forth herein, we have examined and relied on originals or copies of the following:

(a) the Loan Agreement;

(b) the form of Dutch "A" Note attached as Exhibit B to the Loan Agreement (the "Dutch "A" Notes");

(c) the certificates of Rodrigo Treviño, Chief Financial Officer of the Parent and principal financial officer of CEMEX México and the Borrower, attached as Exhibit A hereto, and Lic. Ramiro G. Villarreal, General Counsel to each Credit Party, attached as Exhibit B hereto; and

(d) such other documents as we have deemed necessary or appropriate as a basis for the opinions set forth below.

In our examination we have assumed the genuineness of all signatures including endorsements, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts relevant to this opinion which we did not independently establish or verify, we have relied upon statements and representations of the Credit Parties and their officers and other representatives and of public officials, including the facts and conclusions set forth therein.

We do not express any opinion as to the laws of any jurisdiction other than (i) the Applicable Laws of the State of New York, (ii) the Applicable Laws of the United States of America (including, without limitation, Regulations T, U and X of the Federal Reserve Board), and (iii) solely, for purposes of our opinion in paragraph 7 herein, the Investment Company Act of 1940, as amended. Insofar as the opinions expressed herein relate to matters governed by laws other than those set forth in the preceding sentence, we do not express any opinion as to the effect of such laws or as to the effect thereof on the opinions herein stated.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings herein as ascribed thereto in the Loan Agreement. The Loan Agreement and the form of Dutch "A" Note attached as Exhibit B to the Loan Agreement shall hereinafter be referred to collectively as the "Transaction Agreements." "Applicable Laws" shall mean those laws, rules and regulations which, in our experience, are normally applicable to transactions of the type contemplated by the Transaction Agreements (other than the United States federal securities laws, state securities or blue sky laws, antifraud laws and the rules and regulations of the Financial Industry Regulatory Authority), without our having made any special investigation as to the applicability of any specific law, rule or regulation, and which are not the subject of a specific opinion herein referring expressly to a particular law or laws. "Governmental Approval" means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any governmental authority pursuant to the Applicable Laws of the State of New York. "Applicable Orders" means those orders or decrees of governmental authorities identified in the certificate attached as Exhibit B hereto. "Applicable Contracts" mean those agreements or instruments listed on Schedule II hereto. "Uniform Commercial Code" means the Uniform Commercial Code as in effect on the date hereof in the State of New York (without regard to laws referenced in Section 9-201 thereof).

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

1. The Loan Agreement constitutes the valid and binding obligation of each Credit Party enforceable against such Credit Party in accordance with its terms under the Applicable Laws of the State of New York.

2. The Dutch "A" Notes will constitute the valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms under the laws of the State of New York.

3. The execution and delivery by each Credit Party of each Transaction Agreement to which it is a party and the performance by the Credit Parties of their respective obligations thereunder, each in accordance with its terms, do not (i) constitute a violation of, or a default under, any Applicable Contracts or (ii) cause the creation of any security interest upon any property of the Credit Parties pursuant to the Applicable Contracts. We do not express any opinion, however, as to whether the execution, delivery or performance by the Credit Parties of the Transaction Agreements will constitute a violation of, or a default under, any covenant, restriction or provision with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the respective Credit Parties. We call to your attention that certain of the Applicable Contracts are governed by laws other than those as to which we express our opinion. We do not express any opinion as to the effect of such other laws on the opinions herein stated.

4. Neither the execution, delivery or performance by each Credit Party of the Transaction Agreements to which such Credit Party is a party nor the compliance by such Credit Party with the terms and provisions thereof will contravene any provision of any Applicable Law of the State of New York or any Applicable Law of the United States of America.

5. No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required in connection with, the execution or delivery of any Transaction Agreement by each Credit Party party thereto or the enforceability of any Transaction Agreement against any Credit Party party thereto.

6. Neither the execution, delivery nor performance by each Credit Party of its respective obligations under the Transaction Agreements to which it is a party nor compliance by such Credit Party with the terms thereof will contravene any Applicable Order to which such Credit Party is subject.

7. Each Credit Party is not, and solely after giving effect to the loans made pursuant to the Transaction Agreements will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

Our opinions are subject to the following assumptions and qualifications:

(a) The Dutch "A" Notes will be executed in the form attached as Exhibit B to the Loan Agreement;

(b) enforcement may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, or other laws, regulations and administrative orders affecting the rights of creditors of the Credit Parties and by general principles of equity (regardless of whether enforcement is sought in equity or at law);

(c) we have assumed that each Transaction Agreement constitutes the valid and binding obligation of each party to such Transaction Agreement (other than the Credit Parties to the extent expressly set forth herein) enforceable against such other party in accordance with its terms;

(d) we do not express any opinion as to the effect on the opinions expressed herein of (i) the compliance or non-compliance of any party (other than the Credit Parties to the extent expressly set forth herein) to the Transaction Agreements with any state, federal or other laws or regulations applicable to it or (ii) the legal or regulatory status or the nature of the business of any party (other than the Credit Parties to the extent expressly set forth herein);

(e) our opinion is subject to possible judicial action giving effect to governmental actions or foreign laws affecting creditors' rights;

(f) we do not express any opinion as to the enforceability of any rights to contribution or indemnification provided for in the Transaction Agreements which are violative of the public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation);

(g) we do not express any opinion with respect to any provision of the Loan Agreement to the extent it authorizes or permits any purchaser of a participation interest or any branch or agency of any Lender to set-off or apply any deposit, property or indebtedness or the effect thereof on the opinions contained herein;

(h) we do not express any opinion on the enforceability of any provision in the Transaction Agreements purporting to prohibit, restrict or condition the assignment of rights under such Transaction Agreements to the extent such restriction on assignability is ineffective pursuant to the Uniform Commercial Code;

(i) in the case of the guaranty contained in Article X of the Loan Agreement (the "Guaranty"), certain of the provisions, including waivers, with respect to the Guaranty are or may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the guaranty, taken as a whole;

(j) we do not express any opinion as to the enforceability of Section 8.03(b) of the Loan Agreement to the extent that the same provides that the obligations of the Guarantors are absolute and unconditional irrespective of the invalidity or enforceability of such Loan

Agreement against the Guarantor, but the existence of such provisions does not affect the validity of the guaranty;

(k) with respect to the enforceability of all obligations under the Transaction Agreements, we note that a U.S. federal court would award a judgment only in U.S. dollars and that a judgment of a court in the State of New York rendered in a currency other than the U.S. dollar would be converted into U.S. dollars at the rate of exchange prevailing on the date of entry of such judgment; further, we do not express any opinion as to the enforceability of the provisions of the Transaction Agreements providing for indemnity by any party thereto against any loss in obtaining the currency due to such party under the Transaction Agreements from a court judgment in a currency other than the U.S. dollar;

(l) we do not express any opinion as to the enforceability of any section of the Transaction Agreements to the extent it purports to waive any objection a person may have that a suit, action or proceeding has been brought in an inconvenient forum or a forum lacking subject matter jurisdiction;

(m) we have assumed that all conditions precedent contained in Section 4.01 of the Loan Agreement, which conditions require the delivery of documents, evidence or other items satisfactory in form, scope and/or substance to the Administrative Agent or the satisfaction of which is otherwise in the discretion or control of the Administrative Agent have been, or contemporaneously with the delivery hereof will be, fully satisfied or waived;

(n) to the extent that any opinion relates to the enforceability of the choice of New York law and choice of New York forum provisions of the Transaction Agreements, our opinion is rendered in reliance upon N.Y. Gen. Oblig. Law §§ 5-1401, 5-1402 (McKinney 2001) and N.Y. CPLR 327(b) (McKinney 2001) and is subject to the qualifications that such enforceability may be limited by public policy considerations of any jurisdiction, other than the courts of the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought;

(o) in rendering the opinions expressed above we have also assumed, without independent investigation or verification of any kind, that the choice of New York law to govern the Transaction Agreements, which are stated therein to be governed thereby, is legal and valid under the laws of other applicable jurisdictions and that insofar as any obligation under any Transaction Agreement is to be performed in any jurisdiction outside the United States of America its performance will not be illegal or ineffective by virtue of the law of that jurisdiction;

(p) we call to your attention that federal courts of the United States of America located in New York could decline to hear a case on grounds of forum non-conveniens or any other doctrine limiting the availability of such courts in New York as a forum for the resolution of disputes not having a sufficient nexus to New York, irrespective of any agreement between the parties;

(q) we do not express any opinions as to the subject matter jurisdiction of the federal courts of the United States of America in any action arising out of or relating to the Transaction Agreements; and

(r) in rendering the opinions expressed above, we note that the various obligations of the Credit Parties in respect of the Transaction Agreements implicate the laws of Mexico and The Netherlands and, accordingly, such obligations may be affected by such laws, as to which we do not express any opinion.

In rendering the foregoing opinions, we have assumed, with your consent, that:

(a) the Borrower is validly existing and in good standing as a private company with limited liability under the laws of The Netherlands; the Parent is validly existing and in good standing as a *sociedad anónima bursátil de capital variable* under the laws of the United Mexican States; and CEMEX México is validly existing and in good standing as a *sociedad anónima de capital variable* under the laws of the United Mexican States;

(b) each Credit Party has the power and authority to execute, deliver and perform all obligations under each Transaction Agreement to which it is a party, and the execution and delivery of each Transaction Agreement to which it is a party and the consummation by such Credit Party of the transactions contemplated thereby have been duly authorized by all requisite action on the part of such Credit Party; each Transaction Agreement has been duly executed and delivered by each Credit Party party thereto;

(c) the execution, delivery and performance by each Credit Party of any such Credit Party's obligations under the Transaction Agreements to which such Credit Party is a party do not and will not conflict with, contravene, violate or constitute a default under (i) the organizational documents of such Credit Party, (ii) any lease, indenture, instrument or other agreement to which such Credit Party or such Credit Party's property is subject (other than the Applicable Contracts as to which we express our opinion in paragraph 3 herein), (iii) any rule, law or regulation to which such Credit Party is subject (other than Applicable Laws of the State of New York and Applicable Laws of the United States of America as to which we express our opinion in paragraph 4 herein) or (iv) any judicial or administrative order or decree of any governmental authority (other than Applicable Orders as to which we express our opinion in paragraph 6 herein); and

(d) no authorization, consent or other approval of, notice to or filing with any court, governmental authority or regulatory body (other than Governmental Approvals as to which we express our opinion in paragraph 5 herein) is required to authorize or is required in connection with the execution and delivery by or enforceability against each Credit Party of any Transaction Agreement to which such Credit Party is a party or the transactions contemplated thereby.

We understand that you are separately receiving opinions, with respect to certain of the foregoing assumptions from Lic. Ramiro G. Villarreal, General Counsel of each Credit Party, and Warendorf, special Dutch counsel to the Borrower, and we are advised that such

opinions contain qualifications. Our opinions herein stated are based on the assumptions specified above and we do not express any opinion as to the effect on the opinions herein stated of the qualifications contained in such other opinions.

This opinion is being furnished only to you in connection with the Transaction Agreements and is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to for any other purpose or relied upon by any other person or entity for any purpose without our prior written consent; provided that (i) Lic. Ramiro G. Villarreal and Warendorf may rely upon this opinion as to matters of the laws of the State of New York and of the United States of America and in rendering their opinions in connection with the Loan Agreement and (ii) any Person who becomes a Lender under Section 12.06(b) of the Loan Agreement after the date hereof may rely on this opinion as if it were originally addressed to such Lender and delivered on the date hereof. We do not assume any obligation to revise or supplement this opinion letter should any factual matters change or other transactions occur or should any laws or regulations be changed by legislative or regulatory action, judicial decision or otherwise.

Very truly yours,

HSBC Securities (USA) Inc., as Sole Structuring Agent

HSBC Securities (USA) Inc., as Joint Lead Arranger and Joint Bookrunner

Banco Santander, S.A., as Joint Lead Arranger and Joint Bookrunner

The Royal Bank of Scotland Plc, as Joint Lead Arranger and Joint Bookrunner

ING Capital LLC, as Administrative Agent

Each of the following, as Lender:

Banco Santander, S.A.
Caja de Madrid-Miami Agency
HSBC Mexico, S.A., Institución de Banca Multiple, Grupo Financiero HSBC, *acting through its Grand Cayman branch*
ING Bank N.V., *acting through its Curacao branch*
The Royal Bank of Scotland PLC

Applicable Contracts

(1) Indenture, dated as of October 1, 1999, among CEMEX, S.A.B. de C.V. (formerly, CEMEX, S.A. de C.V., "CEMEX"), as issuer, CEMEX México, S.A. de C.V. (formerly, Serto Construcciones, S.A. de C.V. and successor guarantor to TOLMEX, S.A. de C.V., Cemento Portland Nacional, S.A. de C.V., and Cementos Mexicanos, S.A. de C.V., ("CEMEX México") and Empresas Tolteca de México, S.A. de C.V. ("Empresas Tolteca"), as guarantors, and U.S. Bank Trust National Association, as trustee, relating to U.S.$200,000,000 original aggregate principal amount of 9.625% Notes due 2009 of CEMEX, as amended by the First Supplemental Indenture, dated as of April 17, 2002, the Second Supplemental Indenture, dated as of October 4, 2004, and the Third Supplemental Indenture, dated as of October 20, 2006.

(2) Credit Agreement, dated as of May 31, 2005, by and among CEMEX, as borrower, CEMEX México and Empresas Tolteca, as guarantors, the several lenders party thereto, Barclays Bank PLC, New York Branch, as administrative agent, Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as joint lead arranger and joint bookrunner, and Citigroup Global Markets Inc., as documentation agent, joint lead arranger and joint bookrunner, for an aggregate principal amount of U.S.$1,200,000,000, as amended by Amendment No. 1 thereto, dated as of June 19, 2006, the Amendment and Waiver Agreement, dated as of November 30, 2006, the Third Amendment to Credit Agreement, dated as of May 9, 2007, and the Limited Waiver Agreement, dated as of November 30, 2007.

(3) Amended and Restated Credit Agreement, dated as of June 6, 2005, by and among CEMEX, as borrower, CEMEX México and Empresas Tolteca, as guarantors, Barclays Bank PLC, New York Branch, as issuing bank and documentation agent, ING Bank N.V., as issuing bank, the several lenders party thereto, and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as joint bookrunner, Citigroup Global Markets Inc., as joint bookrunner and syndication agent, and ING Capital LLC, as joint bookrunner and administrative agent, for an aggregate principal amount of U.S.$700,000,000, as amended by Amendment No. 1 thereto, dated as of June 21, 2006, the Amendment and Waiver Agreement, dated as of December 1, 2006, the Third Amendment to Credit Agreement, dated as of May 9, 2007, and the Waiver Agreement, dated as of November 30, 2007.

(4) US$700,000,000 Facilities Agreement*, dated June 27, 2005, for New Sunward Holding B.V. ("NSH") as borrower, CEMEX, CEMEX Mexico and Empresas Tolteca as guarantors and Citibank, N.A. as agent, as amended by Amendment Agreement, dated June 22, 2006, Deed of Waiver and Second Amendment, dated November 30, 2006 and Waiver Agreement, dated November 30, 2007.

(5) Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of U.S. $900,000,000 Callable Perpetual Dual-Currency Notes.

(6) Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of U.S. $350,000,000 Callable Perpetual Dual-Currency Notes.

(7) Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of U.S. $750,000,000 Callable Perpetual Dual-Currency Notes.

(8) Note Indenture, dated as of May 9, 2007, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of €730,000,000 Callable Perpetual Dual-Currency Notes.

*The Facilities Agreement referred to in Item 4 is governed by English law.

Exhibit A to the
Opinion of Special Counsel

[ATTACHED SEPARATELY]

[ATTACHED SEPARATELY]

EXHIBIT F

FORM OF OPINION OF NEW YORK COUNSEL TO THE BORROWER AND THE GUARANTORS

June ___, 2008

To the Administrative Agent and the
Banks listed on Schedule I hereto

Re: New Sunward Holding B.V. Senior Unsecured Dutch Loan "A" Agreement

Ladies and Gentlemen:

We have acted as special New York counsel to New Sunward Holding B.V., a private company with limited liability formed under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands (the "Borrower"), CEMEX, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States (the "Parent"), and CEMEX México, S.A. de C.V., a *sociedad anónima de capital variable* organized and existing pursuant to the laws of the United Mexican States ("CEMEX México" and, together with the Parent, each, a "Guarantor," and collectively, the "Guarantors"), in connection with the preparation, execution and delivery of the Senior Unsecured Dutch Loan "A" Agreement, dated as of the date hereof (the "Loan Agreement"), by and among the Borrower, each Guarantor, HSBC Securities (USA) Inc., as sole structuring agent, HSBC Securities (USA) Inc., Banco Santander, S.A., and The Royal Bank of Scotland Plc, each as joint lead arranger and joint bookrunner, ING Capital LLC, as administrative agent, and the several lenders party thereto and certain other agreements, instruments and documents related to the Loan Agreement. This opinion is being delivered pursuant to Section 4.01(c)(ii) of the Loan Agreement. For purposes of this opinion, the Borrower and the Guarantors are also referred to individually as a "Credit Party" and collectively as the "Credit Parties."

In rendering the opinions set forth herein, we have examined and relied on originals or copies of the following:

(e) the Loan Agreement;

(f) the form of Dutch "A" Note attached as Exhibit B to the Loan Agreement (the "Dutch "A" Notes");

(g) the certificates of Rodrigo Treviño, Chief Financial Officer of the Parent and principal financial officer of CEMEX México and the Borrower, attached as Exhibit A hereto, and Lic. Ramiro G. Villarreal, General Counsel to each Credit Party, attached as Exhibit B hereto; and

(h) such other documents as we have deemed necessary or appropriate as a basis for the opinions set forth below.

In our examination we have assumed the genuineness of all signatures including endorsements, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts relevant to this opinion which we did not independently establish or verify, we have relied upon statements and representations of the Credit Parties and their officers and other representatives and of public officials, including the facts and conclusions set forth therein.

We do not express any opinion as to the laws of any jurisdiction other than (i) the Applicable Laws of the State of New York, (ii) the Applicable Laws of the United States of America (including, without limitation, Regulations T, U and X of the Federal Reserve Board), and (iii) solely, for purposes of our opinion in paragraph 7 herein, the Investment Company Act of 1940, as amended. Insofar as the opinions expressed herein relate to matters governed by laws other than those set forth in the preceding sentence, we do not express any opinion as to the effect of such laws or as to the effect thereof on the opinions herein stated.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings herein as ascribed thereto in the Loan Agreement. The Loan Agreement and the form of Dutch "A" Note attached as Exhibit B to the Loan Agreement shall hereinafter be referred to collectively as the "Transaction Agreements." "Applicable Laws" shall mean those laws, rules and regulations which, in our experience, are normally applicable to transactions of the type contemplated by the Transaction Agreements (other than the United States federal securities laws, state securities or blue sky laws, antifraud laws and the rules and regulations of the Financial Industry Regulatory Authority), without our having made any special investigation as to the applicability of any specific law, rule or regulation, and which are not the subject of a specific opinion herein referring expressly to a particular law or laws. "Governmental Approval" means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any governmental authority pursuant to the Applicable Laws of the State of New York. "Applicable Orders" means those orders or decrees of governmental authorities identified in the certificate attached as Exhibit B hereto. "Applicable Contracts" mean those agreements or instruments listed on Schedule II hereto. "Uniform Commercial Code" means the Uniform Commercial Code as in effect on the date hereof in the State of New York (without regard to laws referenced in Section 9-201 thereof).

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

8. The Loan Agreement constitutes the valid and binding obligation of each Credit Party enforceable against such Credit Party in accordance with its terms under the Applicable Laws of the State of New York.

9. The Dutch "A" Notes will constitute the valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms under the laws of the State of New York.

10. The execution and delivery by each Credit Party of each Transaction Agreement to which it is a party and the performance by the Credit Parties of their respective obligations thereunder, each in accordance with its terms, do not (i) constitute a violation of, or a default under, any Applicable Contracts or (ii) cause the creation of any security interest upon any property of the Credit Parties pursuant to the Applicable Contracts. We do not express any opinion, however, as to whether the execution, delivery or performance by the Credit Parties of the Transaction Agreements will constitute a violation of, or a default under, any covenant, restriction or provision with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the respective Credit Parties. We call to your attention that certain of the Applicable Contracts are governed by laws other than those as to which we express our opinion. We do not express any opinion as to the effect of such other laws on the opinions herein stated.

11. Neither the execution, delivery or performance by each Credit Party of the Transaction Agreements to which such Credit Party is a party nor the compliance by such Credit Party with the terms and provisions thereof will contravene any provision of any Applicable Law of the State of New York or any Applicable Law of the United States of America.

12. No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required in connection with, the execution or delivery of any Transaction Agreement by each Credit Party party thereto or the enforceability of any Transaction Agreement against any Credit Party party thereto.

13. Neither the execution, delivery nor performance by each Credit Party of its respective obligations under the Transaction Agreements to which it is a party nor compliance by such Credit Party with the terms thereof will contravene any Applicable Order to which such Credit Party is subject.

14. Each Credit Party is not, and solely after giving effect to the loans made pursuant to the Transaction Agreements will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

Our opinions are subject to the following assumptions and qualifications:

(a) The Dutch "A" Notes will be executed in the form attached as Exhibit B to the Loan Agreement;

(b) enforcement may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, or other laws, regulations and administrative orders affecting the rights of creditors of the Credit Parties and by general principles of equity (regardless of whether enforcement is sought in equity or at law);

(c) we have assumed that each Transaction Agreement constitutes the valid and binding obligation of each party to such Transaction Agreement (other than the Credit Parties to the extent expressly set forth herein) enforceable against such other party in accordance with its terms;

(d) we do not express any opinion as to the effect on the opinions expressed herein of (i) the compliance or non-compliance of any party (other than the Credit Parties to the extent expressly set forth herein) to the Transaction Agreements with any state, federal or other laws or regulations applicable to it or (ii) the legal or regulatory status or the nature of the business of any party (other than the Credit Parties to the extent expressly set forth herein);

(e) our opinion is subject to possible judicial action giving effect to governmental actions or foreign laws affecting creditors' rights;

(f) we do not express any opinion as to the enforceability of any rights to contribution or indemnification provided for in the Transaction Agreements which are violative of the public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation);

(g) we do not express any opinion with respect to any provision of the Loan Agreement to the extent it authorizes or permits any purchaser of a participation interest or any branch or agency of any Lender to set-off or apply any deposit, property or indebtedness or the effect thereof on the opinions contained herein;

(h) we do not express any opinion on the enforceability of any provision in the Transaction Agreements purporting to prohibit, restrict or condition the assignment of rights under such Transaction Agreements to the extent such restriction on assignability is ineffective pursuant to the Uniform Commercial Code;

(i) in the case of the guaranty contained in Article X of the Loan Agreement (the "Guaranty"), certain of the provisions, including waivers, with respect to the Guaranty are or may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the guaranty, taken as a whole;

(j) we do not express any opinion as to the enforceability of Section 8.03(b) of the Loan Agreement to the extent that the same provides that the obligations of the Guarantors are absolute and unconditional irrespective of the invalidity or enforceability of such Loan

Agreement against the Guarantor, but the existence of such provisions does not affect the validity of the guaranty;

(k) with respect to the enforceability of all obligations under the Transaction Agreements, we note that a U.S. federal court would award a judgment only in U.S. dollars and that a judgment of a court in the State of New York rendered in a currency other than the U.S. dollar would be converted into U.S. dollars at the rate of exchange prevailing on the date of entry of such judgment; further, we do not express any opinion as to the enforceability of the provisions of the Transaction Agreements providing for indemnity by any party thereto against any loss in obtaining the currency due to such party under the Transaction Agreements from a court judgment in a currency other than the U.S. dollar;

(l) we do not express any opinion as to the enforceability of any section of the Transaction Agreements to the extent it purports to waive any objection a person may have that a suit, action or proceeding has been brought in an inconvenient forum or a forum lacking subject matter jurisdiction;

(m) we have assumed that all conditions precedent contained in Section 4.01 of the Loan Agreement, which conditions require the delivery of documents, evidence or other items satisfactory in form, scope and/or substance to the Administrative Agent or the satisfaction of which is otherwise in the discretion or control of the Administrative Agent have been, or contemporaneously with the delivery hereof will be, fully satisfied or waived;

(n) to the extent that any opinion relates to the enforceability of the choice of New York law and choice of New York forum provisions of the Transaction Agreements, our opinion is rendered in reliance upon N.Y. Gen. Oblig. Law §§ 5-1401, 5-1402 (McKinney 2001) and N.Y. CPLR 327(b) (McKinney 2001) and is subject to the qualifications that such enforceability may be limited by public policy considerations of any jurisdiction, other than the courts of the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought;

(o) in rendering the opinions expressed above we have also assumed, without independent investigation or verification of any kind, that the choice of New York law to govern the Transaction Agreements, which are stated therein to be governed thereby, is legal and valid under the laws of other applicable jurisdictions and that insofar as any obligation under any Transaction Agreement is to be performed in any jurisdiction outside the United States of America its performance will not be illegal or ineffective by virtue of the law of that jurisdiction;

(p) we call to your attention that federal courts of the United States of America located in New York could decline to hear a case on grounds of forum non-conveniens or any other doctrine limiting the availability of such courts in New York as a forum for the resolution of disputes not having a sufficient nexus to New York, irrespective of any agreement between the parties;

(q) we do not express any opinions as to the subject matter jurisdiction of the federal courts of the United States of America in any action arising out of or relating to the Transaction Agreements; and

(r) in rendering the opinions expressed above, we note that the various obligations of the Credit Parties in respect of the Transaction Agreements implicate the laws of Mexico and The Netherlands and, accordingly, such obligations may be affected by such laws, as to which we do not express any opinion.

In rendering the foregoing opinions, we have assumed, with your consent, that:

(a) the Borrower is validly existing and in good standing as a private company with limited liability under the laws of The Netherlands; the Parent is validly existing and in good standing as a *sociedad anónima bursátil de capital variable* under the laws of the United Mexican States; and CEMEX México is validly existing and in good standing as a *sociedad anónima de capital variable* under the laws of the United Mexican States;

(b) each Credit Party has the power and authority to execute, deliver and perform all obligations under each Transaction Agreement to which it is a party, and the execution and delivery of each Transaction Agreement to which it is a party and the consummation by such Credit Party of the transactions contemplated thereby have been duly authorized by all requisite action on the part of such Credit Party; each Transaction Agreement has been duly executed and delivered by each Credit Party party thereto;

(c) the execution, delivery and performance by each Credit Party of any such Credit Party's obligations under the Transaction Agreements to which such Credit Party is a party do not and will not conflict with, contravene, violate or constitute a default under (i) the organizational documents of such Credit Party, (ii) any lease, indenture, instrument or other agreement to which such Credit Party or such Credit Party's property is subject (other than the Applicable Contracts as to which we express our opinion in paragraph 3 herein), (iii) any rule, law or regulation to which such Credit Party is subject (other than Applicable Laws of the State of New York and Applicable Laws of the United States of America as to which we express our opinion in paragraph 4 herein) or (iv) any judicial or administrative order or decree of any governmental authority (other than Applicable Orders as to which we express our opinion in paragraph 6 herein); and

(d) no authorization, consent or other approval of, notice to or filing with any court, governmental authority or regulatory body (other than Governmental Approvals as to which we express our opinion in paragraph 5 herein) is required to authorize or is required in connection with the execution and delivery by or enforceability against each Credit Party of any Transaction Agreement to which such Credit Party is a party or the transactions contemplated thereby.

We understand that you are separately receiving opinions, with respect to certain of the foregoing assumptions from Lic. Ramiro G. Villarreal, General Counsel of each Credit Party, and Warendorf, special Dutch counsel to the Borrower, and we are advised that such

opinions contain qualifications. Our opinions herein stated are based on the assumptions specified above and we do not express any opinion as to the effect on the opinions herein stated of the qualifications contained in such other opinions.

This opinion is being furnished only to you in connection with the Transaction Agreements and is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to for any other purpose or relied upon by any other person or entity for any purpose without our prior written consent; provided that (i) Lic. Ramiro G. Villarreal and Warendorf may rely upon this opinion as to matters of the laws of the State of New York and of the United States of America and in rendering their opinions in connection with the Loan Agreement and (ii) any Person who becomes a Lender under Section 12.06(b) of the Loan Agreement after the date hereof may rely on this opinion as if it were originally addressed to such Lender and delivered on the date hereof. We do not assume any obligation to revise or supplement this opinion letter should any factual matters change or other transactions occur or should any laws or regulations be changed by legislative or regulatory action, judicial decision or otherwise.

Very truly yours,

HSBC Securities (USA) Inc., as Sole Structuring Agent

HSBC Securities (USA) Inc., as Joint Lead Arranger and Joint Bookrunner

Banco Santander, S.A., as Joint Lead Arranger and Joint Bookrunner

The Royal Bank of Scotland Plc, as Joint Lead Arranger and Joint Bookrunner

ING Capital LLC, as Administrative Agent

Each of the following, as Lender:

Banco Santander, S.A.
Caja de Madrid-Miami Agency
HSBC Mexico, S.A., Institución de Banca Multiple, Grupo Financiero HSBC, *acting through its Grand Cayman branch*
ING Bank N.V., *acting through its Curacao branch*
The Royal Bank of Scotland PLC

Applicable Contracts

(9) Indenture, dated as of October 1, 1999, among CEMEX, S.A.B. de C.V. (formerly, CEMEX, S.A. de C.V., "CEMEX"), as issuer, CEMEX México, S.A. de C.V. (formerly, Serto Construcciones, S.A. de C.V. and successor guarantor to TOLMEX, S.A. de C.V., Cemento Portland Nacional, S.A. de C.V., and Cementos Mexicanos, S.A. de C.V., ("CEMEX México") and Empresas Tolteca de México, S.A. de C.V. ("Empresas Tolteca"), as guarantors, and U.S. Bank Trust National Association, as trustee, relating to U.S.$200,000,000 original aggregate principal amount of 9.625% Notes due 2009 of CEMEX, as amended by the First Supplemental Indenture, dated as of April 17, 2002, the Second Supplemental Indenture, dated as of October 4, 2004, and the Third Supplemental Indenture, dated as of October 20, 2006.

(10) Credit Agreement, dated as of May 31, 2005, by and among CEMEX, as borrower, CEMEX México and Empresas Tolteca, as guarantors, the several lenders party thereto, Barclays Bank PLC, New York Branch, as administrative agent, Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as joint lead arranger and joint bookrunner, and Citigroup Global Markets Inc., as documentation agent, joint lead arranger and joint bookrunner, for an aggregate principal amount of U.S.$1,200,000,000, as amended by Amendment No. 1 thereto, dated as of June 19, 2006, the Amendment and Waiver Agreement, dated as of November 30, 2006, the Third Amendment to Credit Agreement, dated as of May 9, 2007, and the Limited Waiver Agreement, dated as of November 30, 2007.

(11) Amended and Restated Credit Agreement, dated as of June 6, 2005, by and among CEMEX, as borrower, CEMEX México and Empresas Tolteca, as guarantors, Barclays Bank PLC, New York Branch, as issuing bank and documentation agent, ING Bank N.V., as issuing bank, the several lenders party thereto, and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as joint bookrunner, Citigroup Global Markets Inc., as joint bookrunner and syndication agent, and ING Capital LLC, as joint bookrunner and administrative agent, for an aggregate principal amount of U.S.$700,000,000, as amended by Amendment No. 1 thereto, dated as of June 21, 2006, the Amendment and Waiver Agreement, dated as of December 1, 2006, the Third Amendment to Credit Agreement, dated as of May 9, 2007, and the Waiver Agreement, dated as of November 30, 2007.

(12) US$700,000,000 Facilities Agreement*, dated June 27, 2005, for New Sunward Holding B.V. ("NSH") as borrower, CEMEX, CEMEX Mexico and Empresas Tolteca as guarantors and Citibank, N.A. as agent, as amended by Amendment Agreement, dated June 22, 2006, Deed of Waiver and Second Amendment, dated November 30, 2006 and Waiver Agreement, dated November 30, 2007.

(13) Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of U.S. $900,000,000 Callable Perpetual Dual-Currency Notes.

(14) Note Indenture, dated as of December 18, 2006, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of U.S. $350,000,000 Callable Perpetual Dual-Currency Notes.

(15) Note Indenture, dated as of February 12, 2007, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of U.S. $750,000,000 Callable Perpetual Dual-Currency Notes.

(16) Note Indenture, dated as of May 9, 2007, among New Sunward Holding Financial Ventures B.V. and CEMEX, CEMEX Mexico and NSH with respect to the issuance of €730,000,000 Callable Perpetual Dual-Currency Notes.

*The Facilities Agreement referred to in Item 4 is governed by English law.

[ATTACHED SEPARATELY]

Exhibit B to the
Opinion of Special Counsel

[ATTACHED SEPARATELY]

EXHIBIT G

FORM OF OPINION OF DUTCH COUNSEL TO THE BORROWER AND THE GUARANTORS

To ING Capital LLC, as Administrative Agent and
the Lenders listed on Schedule 1 hereto

Date ____ June 2008
Our ref. 08A C 101684
Subject New Sunward Holding B.V. Senior Unsecured Dutch Loan "A" Agreement

Dear Sirs,

(1) We have acted as special Dutch counsel to New Sunward Holding B.V. (the "**Company**") in connection with a Senior Unsecured Dutch Loan "A" Agreement, dated as of the date hereof (the "**Dutch Loan "A" Agreement**"), by and among the Company, as Borrower, CEMEX S.A.B. de C.V. and CEMEX México, S.A. de C.V., as Guarantors, HSBC Securities (USA) Inc., as Sole Structuring Agent, HSBC Securities (USA) Inc., Banco Santander, S.A., and The Royal Bank of Scotland PLC, as Joint Lead Arrangers and Joint Bookrunners, ING Capital LLC, as Administrative Agent, and the several lenders party thereto and certain other agreements, instruments and documents related to the Dutch Loan "A" Agreement. For purposes of this opinion, we have examined and relied on the documents listed in Schedule 2 and Schedule 3, which shall form part of this opinion. The documents listed in Schedule 2 are referred to as the "**Documents**" and the documents listed in Schedule 3 as the "**Certificates**."

Unless otherwise defined in this opinion or unless the context otherwise requires, words and expressions defined in the Dutch Loan "A" Agreement shall have the same meanings when used in this opinion. We understand that you require this opinion from us pursuant to Section 4.01(c)(iii) to the Dutch Loan "A" Agreement.

In connection with such examination and in giving this opinion, we have assumed:

(b) the genuineness of the signatures to the Documents and the Certificates, the authenticity and completeness of the Documents and the Certificates submitted to us as originals, the conformity to the original documents of the Documents and the Certificates submitted to us as copies and the authenticity and completeness of these original documents;

(c) the legal capacity (*handelingsbekwaamheid*) of the natural persons acting on behalf of the parties, the due incorporation and valid existence of, the power and authority of, and the due authorisation and execution of the Documents and the power of attorney referred to in Schedule 3 paragraph c) by each of the parties thereto (other than the Company) under any applicable law (other than Dutch law);

(d) the validity, binding effect and enforceability of the Documents and the power of attorney referred to in Schedule 3 under the law of the State of New York;

(e) the accuracy, completeness, validity and binding effect of the Certificates (with the exception of the Articles) and the matters certified or evidenced thereby at the date hereof and any other relevant date;

(f) for the duration of the Dutch Loan "A" Agreement the Company, under the Dutch Loan "A" Agreement, borrows exclusively (i) from Lenders that qualify as professional market parties (*professionele markpartijen*) within the meaning of the Financial Markets Supervision Act 2007 (*Wet op het financieel toezicht 2007*) (in reliance upon a letter dated 15 December 2006 issued by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) and this requirement can be considered satisfied if the amount borrowed by the Company from each existing or future Lender individually is not less than EUR 50,000 or its equivalent in any other currency).

This opinion is given only with respect to Dutch law as generally interpreted and applied by the Dutch courts at the date of this opinion. As to matters of fact we have relied on the Certificates and the representations and warranties contained in or made pursuant to the Documents and the Certificates. We do not express an opinion on the completeness or accuracy of the representations or warranties made by the parties to the Documents, matters of fact, matters of foreign law, international law, including, without limitation, the law of the European Union, and tax, anti-trust and competition law, except to the extent that those representations and warranties and matters of fact and law are explicitly covered by the opinions below. No opinion is given on commercial, accounting or non-legal matters or on the ability of the parties to meet their financial or other obligations under the Documents.

Based on and subject to the foregoing, and subject to the qualifications set out below and matters of fact, documents or events not disclosed to us, we express the following opinions:

1. The Company is duly incorporated and is validly existing under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and possesses the capacity to sue and to be sued in its own name.

1. The Extract does not reveal that the Company has been dissolved (*ontbonden*) or has been declared bankrupt (*failliet verklaard*) or that it has been granted a (provisional) suspension of payment ((*voorlopige*) *surséance van betaling verleend*) or any order for the administration of the assets of the Company has been made (*onder bewind gesteld*), which has also been confirmed to us by telephone on the time and date hereof by the Court registry of the Civil Law Section (*sector civiel recht*) of the Amsterdam District Court.

2. The Company has the corporate power and capacity to execute the Documents, to perform its obligations thereunder and to consummate the transactions contemplated therein.

3. The Company has taken all necessary corporate action to authorise the execution of the Documents, the performance of its obligations thereunder and the consummation of the transactions contemplated therein.

4. Each of the Documents, has been duly executed under applicable law on behalf of the Company by Rodrigo Trevino Muguerza and/or Humberto Lozano Vargas and/or Hector Vela Dib and/or Francisco Javier Garcia Ruiz de Morales individually and severally as attorney pursuant to the power of attorney referred to in Schedule 3 paragraph c) and constitutes valid and legally binding obligations of the Company enforceable in accordance with its terms and would be so treated in the Dutch courts. Each of those Documents is in proper form for its enforcement in the Dutch courts.

5. It is not necessary in order to ensure the validity, enforceability or admissibility in evidence of the Documents against the Company in the Dutch courts that those Documents or any other document in connection therewith be filed, registered of recorded with governmental, judicial or public bodies or authorities in The Netherlands or that any other action be taken in The Netherlands.

6. The execution by the Company of the Documents, the performance of its obligations thereunder and the consummation of the transactions contemplated therein do not conflict with or result in a violation of (i) any provision of the Articles of the Company; (ii) any existing provision of, or rule or regulation under, the law of The Netherlands, applicable to companies generally; or (iii) any judgment or order of any court or arbitrator or governmental or regulatory authority in The Netherlands.

7. No authorisations, consents, approvals, licences or exemptions from governmental, judicial or public bodies or authorities in The Netherlands are required for the execution of the Documents by the parties thereto, the performance of their respective obligations thereunder and the consummation of the transactions contemplated therein.

8. The obligations of the Company under the Documents will rank at least *pari passu* with all the other present or future unsecured and unsubordinated obligations of the Company, except for those obligations that have been accorded preferential rights by law and those obligations that are subject to rights of set-off or counterclaim.

9. The choice of the law of the State of New York to govern the Documents is a valid choice of law and the irrevocable submission thereunder by the Company to the non-exclusive jurisdiction of any state or federal court sitting in New York and the waiver of any objection to the venue of a proceeding in any such court, are valid and legally binding on the Company. This choice of law and this submission would be upheld by the Dutch courts.

10. In proceedings taken in The Netherlands, neither the Company nor any of its assets is immune from legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other legal process).

11. A final judgment rendered by a state or federal court sitting in New York would not automatically be enforceable in The Netherlands. However, a final judgment obtained in any such court (the "**NY Judgment**") that is not rendered by default and which is not subject to appeal or other means of contestation and is enforceable in New York with respect to the payment obligations of the Company under the Documents would generally be upheld and regarded by a Dutch court of competent jurisdiction as conclusive evidence when asked to render a judgment in accordance with the NY Judgment, without substantive re-examination or re-litigation of the subject matter thereof, provided, however that the NY Judgment has been rendered by a court of competent jurisdiction, in accordance with the principles of due process, its content and enforcement do not conflict with Dutch public policy and has not been rendered in proceedings of a penal or revenue or other public nature.

12. It is not necessary for the execution, performance or enforcement in The Netherlands of the Documents, that the Lenders be licensed, registered, qualified or otherwise entitled to carry on business in The Netherlands and no Lender is and will be deemed to be resident, domiciled or carrying on business in The Netherlands merely by reason of the execution, performance or enforcement of the Documents, the holding of the Club "A" Notes or the making or receipt of any payment under the Documents, including the Club "A" Notes.

13. There are no exchange control restrictions in The Netherlands, that would restrict the ability of a Lender to exercise its rights against the Company under the Documents or to remit the proceeds of enforcement thereof out of The Netherlands.

14. A judgment rendered by a Dutch court against the Company with respect to its payment obligations under a Document would, if requested, be expressed in the currency in which this money is payable.

15. No stamp (*zegelrechten*), registration duties or similar taxes or charges are payable under the laws of The Netherlands in connection with the execution, performance or enforcement of the Dutch Loan "A" Agreement or any of the other Documents, other than court fees in respect of proceedings in the Dutch courts.

16. Payments of principal or interest by the Company under the Documents will not be subject to Dutch withholding tax, provided that any such payments do not qualify as and will not be construed as income from shares (*opbrengst van aandelen*) of the Company, income from profit rights (*opbrengst van winstbewijzen*) of the Company and income from loans to the Company entered into under such conditions that they in fact function as equity (*opbrengst van leningen onder zodanige voorwaarden aangegaan dat deze feitelijk functioneren als eigen vermogen*) of the Company, and we have no reason to believe at this time, and do not believe, that any such payments will be considered income from such shares, profit rights and loans.

17. There are no actions, suits or proceedings pending against the Company before any court in The Netherlands and no steps have been, or are being, taken to compulsorily wind-up the Company and no resolution to voluntarily wind-up the Company has been adopted by its respective members.

18. The appointment by the Company of CT Corporation Systems as its agent for the purpose described in Section 12.12 of the Dutch Loan "A" Agreement or any other similar provision in any of the Documents is valid, binding and effective. Service of process effected in the manner set forth in Section 12.12 of the Dutch Loan "A" Agreement or any other similar provision in any of the Documents, assuming its validity under the laws of the State of New York, will be effective, insofar as Dutch law is concerned, to confer valid personal jurisdiction over the Company.

The opinions expressed above are subject to the following qualifications:

19. Our opinions expressed herein are subject to and limited by applicable bankruptcy, suspension of payment, insolvency, reorganisation and other laws relating to or affecting the rights of creditors or secured creditors generally.

20. Delivery of documents is not a concept of Dutch law.

21. The enforcement in The Netherlands of the Documents is subject to the Dutch rules of civil procedure as applied by the Dutch courts.

22. The availability in the Dutch courts of the remedies of injunction and specific performance is at the discretion of the courts.

23. The Dutch courts may stay or refer proceedings if concurrent proceedings are being brought elsewhere.

24. The Dutch courts may render judgments for a monetary amount in foreign currencies, bu t these foreign monetary amounts may be converted into Euros for enforcement purposes. Foreign currency amounts claimed in a Dutch (provisional) suspension of payment or bankruptcy proceeding will be converted into Euros at the rate prevailing at commencement of that proceeding.

25. The choice of the law of the State of New York to govern the Documents would be upheld by the Dutch courts, although under the rules of Dutch private international law (and those of the Convention on the Law Applicable to Contra ctual Relations of 19 June 1980 (the "**Rome Convention**")), (i) effect may be given to the mandatory rules of the law of another country with which the situation has a close connection, if and insofar as, under the law of that other country, those mandatory rules must be applied regardless of the law applicable to the contract (Article 7 of the Rome Convention) or (ii) the application of a term or condition of the Documents or a rule of foreign law applicable thereto under the Rome Convention may be refused if that application is manifestly incompatible with Dutch public policy (Article 16 of the Rome Convention). With the express reservation that we are not qualified to assess the exact meaning and consequences of the respective terms and conditions of the Documents under the law of the State of New York, on the face of those Documents, we are not aware of any condition therein that is likely to give rise to situations (i)where the mandatory rules of Dutch law will be applied by the Dutch courts irrespective of the law otherwise applicable to those Documents or (ii) that appear to be *prima facie* manifestly incompatible with Dutch public policy.

26. The obligations of the Company under the Documents may be contested by it or by its receiver in bankruptcy on the basis of Section 2:7 of The Netherlands Civil Code, if both (a) the execution and performance of the Documents cannot serve the attainment of the objects as expressed in the articles of association of the Company (having regard to all relevant circumstances such as, whether the execution and performance of the Documents is in the Company's corporate interest (*vennootschappelijk belang*) and whether or not the subsistence of the Company could be jeopardised by the performance of its obligations under the Documents), and (b) the counterparties to the Documents knew or should reasonably have known (without any enquiry) of this fact. However, unless and until the Company has successfully invoked the nullity of the Documents on this basis, the Documents remain valid, binding and enforceable (unless they would be void on other grounds).

(i) *As regards (a):*

In determining whether the entering into of the transactions contemplated by the Documents is in furtherance of the objects and purposes of a Netherlands company, it is important to consider (x) the text of the objects clause in the articles of association of such Netherlands company, (y) whether such transactions (including the granting of such guarantee or security) are in The Netherlands company's corporate interest (*vennootschappelijk belang*) and to its benefit, and (z) whether or not the subsistence of such Netherlands company is jeopardised by such transactions.

(ii) The mere fact that a certain transaction (*rechtshandeling*) is explicitly mentioned in a Netherlands company's objects clause is not sufficient to determine with certainty whether or not the Documents will or will not be *ultra vires.* This is because, following a majority of the authoritative legal writers, the Supreme Court of The Netherlands has rendered judgments that a transaction should in any event be in the corporate interest of a Netherlands company in order to be *intra vires.* As it cannot reasonably be expected of counterparties to make an assessment of corporate interest in each transaction they enter into with a Dutch company, the test proposed in authoritative literature is that it should have been obvious to the counterparty that a certain transaction was contrary to a company's corporate interest in order for that transaction to be voided on the grounds of *ultra vires.* In case the Documents would ever be challenged by the Company on such grounds, the Lenders should be able to demonstrate that they had *no* indication that the Documents were *not* in the Company's corporate interest.

(iii) For purposes of this opinion we have assumed that the Company's execution and performance of the Documents are in its corporate interest.

(iv) *As regards (b):*

Because the criteria for determining whether requirement (a) is met are mostly factual, absolute certainty cannot be provided. Consequently, it is often advisable to achieve protection against *ultra vires* by obtaining and relying on confirmations as to (a) from a Dutch company. This type of comfort would typically consist of a statement or representation from the company's highest executive body, i.e. in this case the managing directors (*bestuur*). The purpose of such a statement or representation is to ensure that the second requirement for a successful *ultra vires* challenge is not met. In the event that a Netherlands company invokes (the defence of) *ultra vires* before a Netherlands court, and the counterparty to the relevant transaction can demonstrate that it relied on statements as to the scope of the company's objects clause or its corporate benefit made by that company's managing director(s) (such as those contained in the Board Resolutions) *prior to entering into the relevant agreements,* this will give rise to the presumption that such counterparty could reasonably have assumed that the transaction was within the company's objects. This presumption will avoid the defence being invoked successfully, provided that it cannot be established that the beneficiary had actual knowledge that could rebut such presumption.

(v) In the present case the managing directors of the Company have all signed the Board Resolutions, which contain certain confirmations. Since according to such statements and representations the execution and performance of the Documents is and will be in its corporate interest and to its benefit (which statements we assume to be correct without any investigation on our part), and do not breach its articles of association and assuming that the Lenders will be entering into the Documents in *bona fide* reliance on the statements made in the Board Resolutions (i.e. had no indication whatsoever that the transactions contemplated thereby were not in the Company's corporate benefit), having given consideration to recent case law and literature, it may reasonably be expected that the execution of the Documents cannot be challenged successfully on the basis of Section 2:7 of The Netherlands Civil Code by the Company or its receiver in bankruptcy.

27. Our opinions expressed herein are further subject to the effect of general principles of equity, including (without limitation) the concepts or materiality, reasonableness and fairness (*redelijkheid en billijkheid* as known under Netherlands law), impr évision, misrepresentation, good faith and fair dealing and subject to the concepts of error (*dwaling*) and fraud (*bedrog*).

28. A power of attorney granted by a Dutch company will automatically, *i.e.* by operation of law, terminate upon the bankruptcy of the company or become ineffective, when this company has been granted a (provisional) suspension of payment. To the extent that the appointment of a process agent by the Company constitutes the granting of a power of attorney to that process agent, the service of process on that agent, after the Company has been declared bankrupt or it has been granted a (provisional) suspension of payments, would not be valid and effective, other than to the extent authorised by the public receiver (*curator*) or administrator (*bewindvoerder*), as the case may be.

been declared bankrupt or it has been granted a (provisional) suspension of payments, would not be valid and effective, other than to the extent authorised by the public receiver (*curator*) or administrator (*bewindvoerder*), as the case may be.

29. We have assumed that the Extract fully and accurately reflects the corporate status and position of the Company. It is noted, however, that the Extract may not completely and accurately reflect this status and position insofar as there may be a delay between the taking of a corporate action (such as the issuance of shares, the appointment or removal of a director, a winding-up (*ontbinding*) or (provisional) suspension of payment resolution or the making of a court order, like a winding-up, (provisional) suspension of payment or bankruptcy order) and the filing of the necessary documentation at the Commercial Register and a further delay between that filing and an entry appearing on the file of the relevant party at the Commercial Register.

30. In issuing this opinion we do not assume any obligation to notify or to inform you (or any other person entitled to rely on this opinion) of any development subsequent to its date that might render its contents untrue or inaccurate in whole or in part at such time.

31. As to the opinions 7(iii) and 18 we have relied solely upon a management certificate from the Company; we have assumed that the statements made therein are accurate and correct in all respects and we have not investigated any of the matters addressed therein.

This opinion, which is strictly limited to the matters expressly stated herein is given subject to the conditions, including the limitation of liability, set out at the bottom of the front page of this opinion letter and on the basis that this opinion is governed by and to be construed in accordance with Dutch law and that any action, arising out of it, is to be determined by a competent court in Amsterdam which shall have exclusive jurisdiction in relation thereto.

This opinion is given solely for the benefit of the Administrative Agent, the Lenders identified on Schedule 1 hereto and their respective legal advisors in this particular matter and the context specified herein. It may not, without our prior written consent, be transmitted or otherwise disclosed to, or relied upon by, others, referred to in other matters or context whatsoever, or be quoted or made public in any way.

Yours faithfully,

SCHEDULE 1

HSBC Securities (USA) Inc., as Sole Structuring Agent

HSBC Securities (USA) Inc., Joint Lead Arranger and Joint Bookrunner

Banco Santander, S.A., Joint Lead Arranger and Joint Bookrunner

The Royal Bank of Scotland PLC, Joint Lead Arranger and Joint Bookrunner

ING Capital LLC, as Administrative Agent

Each of the following, as Lender:

(vi) HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, acting through its Grand Cayman branch

(vii) Banco Santander, S.A.

(viii) The Royal Bank of Scotland, PLC

(ix) ING Bank N.V., acting through its Curacao branch

(x) Caja de Madrid - Miami Agency

(xi) Each Assignee that becomes a Lender pursuant to Section 12.06(b) of the Dutch Loan "A" Agreement and each of their respective successors or assigns.

(xii) SCHEDULE 2

Documents

(a) an execution copy of the Dutch Loan "A" Agreement; and

(b) copies of the Club "A" Notes.

EXHIBIT H

SCHEDULE 3

Certificates

(a) a copy of the Articles of Association (*statuten*) of the Company, dated 15 October 2003 which are the currently effective Articles of Association of the Company according to the extract referred to in clause b) below (the "**Articles**");

(b) an official extract (*uittreksel*) dated the date hereof from the Commercial Register (*Handelsregister*) of the Chamber of Commerce in Amsterdam, relating to the registration of the Company under number 34133556 (the "**Extract**");

(c) a copy of the resolutions of the Board of Managing Directors (*Bestuur*) of the Company incorporating the power of attorney, granted by the Company to Rodrigo Trevino Muguerza and/or Humberto Lozano Vargas and/or Hector Vela Dib and/or Francisco Javier Garcia Ruiz de Morales individually and severally , dated 2 June 2008 (the "**Board Resolutions**");

(d) a copy of the manager's certificate of the Company dated 2 June 2008, certifying the matters set forth therein;

(e) a copy of an officers' certificate of the Company dated 2 June 2008 certifying the matters set forth therein;

(f) a copy of a managers certificate from the Company dated 2 June 2008 certifying the matters referred to in opinions 7(iii) and 18 hereof.

*****

EXHIBIT H

[FORM OF]
CONVERSION NOTICE

[ ],
as Administrative Agent for the Dutch "A" Loan
[ ],
[ ],
Attention: [ ],

[ ],
as Administrative Agent for the Maturity "A" Loan
[ ],
[ ],
Attention: [ ],

Reference is made to the Senior Unsecured Dutch Loan "A" Agreement, dated June [ ] 2008 by and among New Sunward Holding B.V. (the "Borrower"), CEMEX S.A.B. de C.V. as Guarantor, CEMEX México, S.A. de C.V. as Guarantor, HSBC Securities (USA) Inc., as sole structuring agent, each of HSBC Securities (USA) Inc., Banco Santander, S.A., and The Royal Bank of Scotland Plc, each as joint lead arranger and joint bookrunner, [ ], as administrative agent, and the several lenders party thereto (the " Dutch "A" Loan Agreement"). Terms used but not defined herein shall have the meaning provided in the Dutch "A" Loan Agreement. The undersigned hereby gives this Conversion Notice pursuant to, and in accordance with, Sections 2.01(i) and (j) of the Dutch "A" Loan Agreement, of its request to convert the Loans into Maturity Loans, on the following terms:

(A) Principal amount of Conversion _____

(B) Requested Conversion Date (which is a Business Day) _____

(C) Initial Interest Period and the last date thereof _____

(D) Interest Accrued and Unpaid _____

(E) Deferred Amounts Accrued and Unpaid _____

The Borrower hereby represents and warrants that (i) each of the conditions set forth in Section 4.03 has been [or will be upon Conversion] satisfied or waived and (ii) the form of the Maturity Loan "A" Agreement attached as Exhibit A hereto satisfies the requirements of Section 4.03(f). The Borrower hereby acknowledges that this Conversion Notice is irrevocable.

IN WITNESS WHEREOF, the undersigned has hereto set his name on this _____ day of _____, 20 .

NEW SUNWARD HOLDING B.V.,
as Borrower

By:
Name:
Title:

Execution Version

Date: April 23, 2008

To: Banco Nacional de México, S.A.,
Integrante del Grupo Financiero Banamex,
División Fiduciaria, acting solely as trustee
under trust No. 111339-7 ("Counterparty")
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

Attn: Trust No. 111339-7
Phone: (52 81) 12.26.19.84
Fax: (52 81) 12.26.20.97

From: Citibank, N.A. ("Citibank")
390 Greenwich Street
5th Floor
New York, NY 10013

Our Ref.: As set out in Annex A for each Component

FORWARD TRANSACTION (CEMEX SHARES)

The purpose of this letter agreement (this "Confirmation") is to set forth the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

Citibank is entering into this Transaction as principal and not as an agent for any other party.

CITIGROUP GLOBAL MARKETS INC. ("CGMI") WILL ACT AS AGENT IN CONNECTION WITH THIS TRANSACTION. CITIBANK HAS ACTED AS PRINCIPAL IN AND IS YOUR COUNTERPARTY TO THIS TRANSACTION. CGMI'S OBLIGATIONS AS AGENT ARE STRICTLY LIMITED TO THE DELIVERY OF ANY CASH AND SECURITIES THAT IT ACTUALLY RECEIVES FROM CITIBANK OR COUNTERPARTY, AS THE CASE MAY BE, TO THE OTHER PARTY. IN TRANSMISSION OF THE CONFIRMATION, CGMI DOES NOT GUARANTEE ANY PARTY'S OBLIGATIONS NOR IS IT PROVIDING INVESTMENT ADVICE OR OTHER SERVICES.

1. The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern. "USD", "MXN" and "Business Day" each have the meaning assigned in the 2006 ISDA Definitions, as published by ISDA.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation, together with all other documents referring to the ISDA 2002 Master Agreement, as published by ISDA (the "Agreement") (each a "Confirmation") confirming transactions (each a "Transaction") entered into between you and us,

including the Option Transaction (the "Relevant Option Transaction") and the Forward Transaction referencing shares of Nacional Financiera S.N.C. (NAFTRAC) (the "Other Forward Transaction"), in each case, dated as of the date hereof, shall supplement, form a part of, and be subject to an agreement in the form of the Agreement (excluding any Schedule but including the elections set forth in this Confirmation and in the Credit Support Annex specified below) on the Trade Date of the first such Transaction between us. All provisions contained or incorporated by reference in the Agreement will govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	April 4, 2008.
Seller:	Citibank.
Buyer:	Counterparty.
Shares:	Ordinary Participation Certificates (*Certificados de Participación Ordinarios*) of Cemex, S.A.B. de C.V. (the "Issuer") (Bloomberg identifier: "CEMEXCP MM").
Components:	The Transaction will be divided into individual Components, each with the respective terms set forth in this Confirmation, and in particular with the Number of Shares specified in Annex A to this Confirmation. The deliveries to be made upon settlement of the Transaction shall be determined separately for each Component as if such Component were a separate Transaction under the Agreement.
Number of Shares:	For each Component, the Number of Shares provided in Annex A to this Confirmation.
Forward Price:	USD 2.6738.
Prepayment:	Applicable.
Prepayment Amount:	For all Components in the aggregate, an amount in USD equal to the Forward Price multiplied by the aggregate Number of Shares.
Prepayment Date:	The Trade Date.
Variable Obligation:	Not Applicable.
Exchange:	Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*).

Related Exchange(s):	All Exchanges.
Calculation Agent:	Citibank.
Business Days:	New York and Mexico City.

Settlement Terms:

In respect of any Component:

Physical Settlement:	Applicable.
Settlement Date:	The Cash Settlement Payment Date for the corresponding Component under the Relevant Option Transaction.
Reference Settlement Date:	The Valuation Date for the corresponding Component under the Relevant Option Transaction.

Market Disruption Event: The third and fourth lines of Section 6.3(a) of the Equity Definitions are hereby amended by deleting the words "at any time during the one hour period that ends at the relevant Valuation Time" and replacing them with "at any time prior to the relevant Valuation Time".

Section 6.3(b) of the Equity Definitions is hereby amended by inserting the words "or a suspension of or material limitation imposed on trading in Mexican Pesos." after the words "(ii) in futures or options contracts relating to the Shares on any relevant Related Exchange".

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Settlement Method Election:	Not Applicable.

Dividends:

In respect of any Component:

Dividend Period:	The period from and including the Trade Date to but excluding the Settlement Date.
Dividend Payment:	With respect to any Dividend Amount paid or delivered by the Issuer to holders of record of a Share on or prior to the relevant Reference Settlement Date, on the first Scheduled Trading Day that is not a Disrupted Day immediately following the first Currency Business Day

such Dividend Amount is so paid or delivered, the Calculation Agent shall adjust the Number of Shares to be increased by a number equal to such Dividend Amount divided by the closing price per Share (after giving effect to any reinvestment discount then in effect) on such Scheduled Trading Day. The Calculation Agent shall have the discretion to make such an adjustment notwithstanding the fact that a Scheduled Trading Day is a Disrupted Day if it determines that the relevant Market Disruption Event does not have a material impact on the determination of the closing price per Share on such Scheduled Trading Day.

Dividend Amount: An amount in MXN equal to the Record Amount multiplied by the Number of Shares. To the extent that the Record Amount is not in the form of MXN (whether in another currency, securities or any other asset), the Calculation Agent shall determine the fair market value in MXN of such amount in a commercially reasonable manner.

Section 9.2(a)(iii) of the Equity Definitions is amended by deleting the words "the Excess Dividend Amount, if any, and".

The definition of "Record Amount" in Section 10.1 of the Equity Definitions is amended by replacing in the second line thereof the words "the gross cash dividend per Share" with "the cash dividend per Share, net of any withholding or deduction of taxes at the source by or on behalf of any applicable taxing authority," and adding thereafter the phrase "(including any Extraordinary Dividend) and any non-cash dividend or other distribution paid or delivered by the Issuer to holders of record of a Share (other than in the form of Shares)".

Adjustments:

Method of Adjustment: Calculation Agent Adjustment; provided, however, that the Equity Definitions shall be amended by replacing the words "diluting or concentrative" in Sections 11.2(a), 11.2(c) (in two instances) and 11.2(e)(vii) with the word "material" and by adding the words "or the Transaction" after the words "theoretical value of the relevant Shares" in Sections 11.2(a), 11.2(c) and 11.2(e)(vii); provided, further, that adjustments may be made to account for changes in volatility, expected dividends, stock loan rate and liquidity relative to the relevant Share or the Transaction.

Potential Adjustment Event: Section 11.2(e) of the Equity Definitions is amended by deleting clauses (iii) and (iv) thereof.

Extraordinary Events:

Consequences of Merger Events:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Tender Offer: Applicable.

Consequences of Tender Offers:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Composition of Combined Consideration: Not Applicable.

Nationalization, Insolvency or Delisting: Cancellation and Payment.

Determining Party: For all applicable Extraordinary Events, Citibank.

Additional Disruption Events:

Change in Law: Applicable.

Failure to Deliver: Applicable.

Hedging Disruption: Applicable.

Increased Cost of Hedging: Applicable.

Hedging Party: ***For all applicable Additional Disruption Events, Citibank.***

Determining Party: For all applicable Additional Disruption Events, Citibank.

Acknowledgments:

Non-Reliance: Applicable.

Agreements and Acknowledgments Regarding Hedging Activities: Applicable.

Additional Acknowledgments: Applicable.

3. **Account Details:**

Payments to Citibank: To be provided.

Payments to Counterparty: MXN:

BANCO NACIONAL DE MEXICO, S.A.

SUCURSAL. 870

ACCOUNT: 559220

CLABE: 002180087005592205

BENEFICIARY: BANCO NACIONAL DE MEXICO,

S.A. FIDUCIARIO

1 REFERENCIA: 110975672

2 REFERENCIA: F52986

USD:
CITIBANK, N.Y. USA
CUENTA: 36206844
ABA: 021000089
SWIFT CODE: CITIUS 33
BENEFICIARY: BANCO NACIONAL DE MEXICO, S.A. FIDUCIARIO
FFC: 1109756 CEMENTOS MEXICANOS

4. **Collateral Provisions:**

Credit Support Provider: In relation to Citibank, Not Applicable.

In relation to Counterparty, the Issuer.

Credit Support Document: In the case of Citibank: The Credit Support Annex, dated as of the date hereof, between Citibank and Counterparty, which supplements, forms part of, and is subject to the Agreement (the "Credit Support Annex").

In the case of Counterparty:

(i) The Credit Support Annex; (ii) the *Contrato de Prenda Bursátil*, dated as of the date hereof among Citibank, Counterparty and Monex Casa de Bolsa, S.A. de C.V, Monex Grupo Financiero, as Administrator and Executor and (iii) the Guarantee with respect to this Transaction, the Relevant Option Transaction and the Other Forward Transaction, by the Issuer in favor of Citibank, dated as of the date hereof.

5. **Additional Representations, Warranties and Agreements:**

(a) In addition to the representations, warranties and covenants in the Agreement, each of Citibank and Counterparty represents, warrants and covenants to the other party that:

(i) it (i) is an "accredited investor" as defined in Section 2(a)(15)(ii) of the Securities Act of 1933, as amended (the "Securities Act") or (ii) is not a U.S. person and is entering into this Transaction in reliance on Regulation S under the Securities Act;

(ii) it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA"), and this Confirmation and each Transaction hereunder are subject to individual negotiation by the parties and have not been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA;

(iii) it is not entering into this Transaction on the basis of any material non-public information with respect to the Issuer or the Shares or the American depository receipts of the Issuer (the "CX ADSs") and it is not aware of any material non-public information with respect thereto;

(iv) it has not and shall not directly or indirectly violate any applicable law (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in connection with any Transaction under this Confirmation; and

(v) it is not entering into any Transaction to create, and shall not engage in any other securities or derivatives transactions to create, actual or apparent trading activity in the Shares or CX ADSs (or any security convertible into or exchangeable for Shares or CX ADSs) or to raise or depress or to manipulate the price of the Shares or CX ADSs (or any security convertible into or exchangeable for Shares or CX ADSs).

(b) In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Citibank that:

(i) it understands that Citibank has no obligation or intention to register this Transaction under the Securities Act or any state securities law or other applicable federal or non-U.S. securities law;

(ii) it understands that no obligations of Citibank to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any Affiliate of Citibank or any governmental agency;

(iii) IT UNDERSTANDS THAT THIS TRANSACTION IS SUBJECT TO COMPLEX RISKS THAT MAYARISE WITHOUT WARNING, RELATED MARKETS AND PRICING MAY AT TIMES BEVOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDEAND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS;

(iv) each of the representations and warranties made by it and each grantor (*fideicomitente – fideicomisario adherente*) (each, a "Grantor") pursuant to the Irrevocable Trust Agreement Number 111339-7 dated March 24, 2008, as amended, with Banco Nacional de Mexico, S.A., Institución de Banca Múltiple, a member of Grupo Financiero Banamex, as Trustee and any agreement pursuant to which a Grantor becomes bound by the terms thereof (including any representation letter related thereto) (together, the "Trust Agreement") is true and accurate as of the date such representations were executed and delivered and, to the extent the truth and accuracy of any such representation or warranty

remains material to Citibank or its Affiliates and such representation or warranty was stated to remain true and accurate in the applicable document, shall remain true and accurate at all times during the term of the Transaction;

(v) it has sufficient knowledge and expertise to enter into this Transaction and it is entering into this Transaction in reliance upon such tax, accounting, regulatory, legal, and financial advice as its deems necessary and not upon any view expressed by the other party;

(vi) it has made its own independent decision to enter into this Transaction, is acting at arm's length and is not relying on any communication (written or oral) of the other party or its Affiliates as a recommendation or investment advice regarding this Transaction;

(vii) it has the capability to evaluate and understand (on its own behalf or through independent professional advice), and does understand, the terms, conditions and risks of this Transaction and is willing to accept those terms and conditions and to assume (financially and otherwise) those risks;

(viii) it understands that Citibank and its Affiliates may have interests with respect to the Transaction that are in conflict with those of Counterparty, and that neither Citibank nor its Affiliates shall be under any obligation to maximize the recovery of any investment by Counterparty;

(ix) it understands that Citibank and its Affiliates have provided, and in the future may continue to provide, services to the Issuer in return for fees, and that Citibank may, in connection with such services, take actions or positions that are contrary to the interests of Counterparty;

(x) it understands and acknowledges that Citibank and its Affiliates may from time to time effect transactions for their own account of the account of customers and hold positions in the Shares or CX ADSs or options or other derivative transactions related thereto and that Citibank and its Affiliates may continue to conduct such transactions;

(xi) it acknowledges and agrees that Citibank is acting as principal on an arm's-length basis and is not acting as a fiduciary or advisor to it in connection with this Transaction; and

(xii) it shall deliver to Citibank an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement.

6. **Other Provisions:**

(a) Netting of Obligations. In the event that on the Settlement Date for any Component of this Transaction an Option Cash Settlement Amount is payable under the corresponding Component of the Relevant Option Transaction (such Option Cash Settlement Amount for the purposes hereof determined without regard to the netting provisions set forth in Section 6(a) therein), the Number of Shares to be delivered by Seller for such Component hereunder on the applicable Settlement Date shall be reduced (and may be zero) by a number of Shares selected by the Calculation Agent having a value, together with any reduction in Shares to be delivered under the Other Forward Transaction as a result of the application of Section 6(a) therein, equal to such Option Cash Settlement Amount. The Calculation Agent shall determine the value of the Shares described in the previous sentence using the closing price per Share and the USD/MXN exchange rate as of the Valuation Time on the first Scheduled Trading Day following the relevant Reference Settlement Date that is not a Disrupted Day.

(b) Bankruptcy Code Acknowledgment. Each of Citibank and Counterparty agrees and acknowledges that Citibank is a "financial institution," "swap participant" and "financial participant" within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "Bankruptcy Code"). The parties hereto further agree and acknowledge (A) that this Confirmation is intended to be (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "settlement payment" within the meaning of Section 546 of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," a "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "transfer" within the meaning of Section 546 of the Bankruptcy Code, and (B) that Citibank is intended to be entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 548(d)(2), 555, 560 and 561 of the Bankruptcy Code.

(c) Indemnification. Counterparty agrees to indemnify and hold harmless Citibank, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Citibank and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any of the transactions contemplated by this Confirmation, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. Counterparty will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a nonappealable judgment by a court of competent jurisdiction to have resulted from Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Counterparty also agrees that no Indemnified Party shall have any liability to Counterparty or any person asserting claims on behalf of or in right of Counterparty in connection with or as a result of any matter referred to in this Confirmation or any other Confirmation except to the extent that any losses, claims, damages, liabilities or expenses incurred by Counterparty result from the breach of a material term of this Confirmation, or the Indemnified Party's gross negligence or willful misconduct. The provisions of this Section 6(c) shall survive completion of the Transactions contemplated by this Confirmation and any transfer pursuant to Section 6(d) and shall inure to the benefit of any permitted assignee of Citibank.

(d) Early Termination. At any time on or after the one year anniversary of the Trade Date of this Transaction and not more frequently than once every three months, Citibank agrees to provide good faith quotations to Counterparty for an early termination (in whole or in part) of this Transaction, such quotations to remain actionable for a period specified by Citibank at such time as such quotations are provided; provided, however that, if any such quotation results in Counterparty requesting an early termination of this Transaction (in whole or in part), any such termination shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such termination shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) any reasonable undertakings by Counterparty (including,

but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by Counterparty, as may be requested and reasonably satisfactory to Citibank with respect to clause (i) hereof or otherwise, (iii) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such termination, and (iv) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such termination.

(e) Transfer. Notwithstanding any provision of the Agreement to the contrary, Citibank may, without the consent of Counterparty, freely transfer and assign its rights and obligations under any Transaction (in whole only and together with the Relevant Option Transaction and the Other Forward Transaction) to (i) CGMI or Citigroup Global Markets Limited ("CGML"), in each case, if such entity has a long-term unsecured debt ratings of at least "A1" (if rated by Moody's Investors Service, Inc.) or "A+" (if rated by Standard & Poor's) and (ii) any of Citibank's Affiliates that have a long-term unsecured debt rating at least equal to that of Citibank; provided that such transfer or assignment shall not result in a Tax Event or violate applicable law. At any time on or after the one year anniversary of the Trade Date of this Transaction, Counterparty may transfer and assign its rights and obligations under this Transaction (in whole or in part) to any Approved Assignee; provided that such transfer or assignment shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such transfer or assignment shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) the existence at the time of such transfer or assignment of collateral undertakings, reasonably satisfactory to Citibank, between the Approved Assignee and Citibank with respect to any transferred portion of this Transaction, (iii) any reasonable undertakings by Counterparty and the Approved Assignee (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by the Approved Assignee, as may be requested and reasonably satisfactory to Citibank, (iv) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such transfer or assignment, and (v) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such transfer or assignment.

"Approved Assignee" means any nationally- recognized equity derivatives dealer that has a long-term unsecured debt rating at least equal to that of Citibank.

(f) Designation. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Citibank to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Citibank may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Citibank's obligations in respect of this Transaction and any such designee may assume such obligations. Citibank shall be discharged of its obligations to Counterparty to the extent of any such performance.

(g) Confidentiality. Notwithstanding any provision in this Confirmation, any Confirmation or the Agreement, in connection with Section 1.6011-4 of the Treasury Regulations, the parties hereby agree that each party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

(h) Evidence of Authority. On the date hereof, Counterparty will provide to Citibank evidence satisfactory to Citibank of its authority to enter into Transactions hereunder and the incumbency of the designated signatory of Counterparty.

(i) Consent to Recording. Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Confirmation and (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of it and its Affiliates.

(j) Severability; Illegality. If compliance by either party with any provision of a Transaction would be unenforceable or illegal, (i) the parties shall negotiate in good faith to resolve such unenforceability or illegality in a manner that preserves the economic benefits of the transactions contemplated hereby and (ii) the other provisions of the Transaction shall not be invalidated, but shall remain in full force and effect.

(k) Waiver of Trial by Jury. EACH OF COUNTERPARTY AND CITIBANK HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS OR BENFICIARIES, AS APPLICABLE) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS TRANSACTION OR THE ACTIONS OF CITIBANK OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(l) Governing law. This Confirmation shall be governed by the laws of the State of New York (without reference to choice of law doctrine, other than Section 5-1401 of the New York General Obligations Law).

11. **Additional Schedule Provisions:**

(a) Notices For the purpose of Section 12(a) of the Agreement:

Address for notices or communications to Citibank:

Address Citibank, N.A.

390 Greenwich Street
5th Floor
New York, New York 10013
Address for notices or communications to Citibank:

With a copy to:

Address
Legal Department
388 Greenwich Street
17th Floor
New York, New York 10013
Attention: Department Head

Address for notices or communications to Counterparty:

Banco Nacional de México, S.A.,
División Fiduciaria,
as trustee under trust No. 111339-7
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle

Código Postal 66220
San Pedro Garza García, Nuevo León
México

with a copy to:

Cemex, S.A.B. de C.V.
Address: Av. Ricardo Margain Zozaya
325 Col Valle del Campstre 66265
San Pedro Garza García, N.L.,
Mexico
Attn: Gustavo Calvo Irabien
Equity Trading & Derivatives – Capital Markets
Phone: +52(81)88884079
Fax: +52(81)88884524
E-Mail: Gustavo.calvo@cemex.com

(b) Process Agent. For the purpose of Section 13(c) of the Agreement:

Counterparty appoints as its Process Agent:

CT Corporation System
111 Eighth Avenue
New York, NY 10011

(c) Delivery of Tax Forms. For the purposes of Section 4(a)(i) and (ii), Counterparty agrees to deliver such documents as Citibank may request in order to allow Citibank to make a payment under this Transaction without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate including, without limitation, an executed United States Internal Revenue Service Form W-8BEN (or any successor thereto), (i) upon execution of this Transaction; (ii) promptly upon reasonable demand by Citibank; and (iii) promptly upon learning that any such document, including Form W-8BEN (or any successor thereto), previously provided by Counterparty has become obsolete or incorrect.

(d) Cross Default. The "Cross Default" provisions of Section 5(a)(vi) will apply to Counterparty and will apply to Citibank; provided that, the phrase ", or becoming capable at such time of being declared," shall be deleted form Section 5(a)(vi) of the Agreement.

For purposes of Section 5(a)(vi), the following provisions apply:

"Threshold Amount" means (i) with respect to Citibank, 2% of stockholders' equity of Citibank; (ii) with respect to Counterparty, zero; and (iii) with respect to Counterparty's Credit Support Provider, USD 75,000,000.

(e) Termination Currency. The Termination Currency will be USD.

If you have any questions regarding this letter agreement, please contact the Derivatives Operations Department at the telephone numbers indicated or the facsimile numbers indicated on this Confirmation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as agent for CITIBANK, N.A.

By: /s/ H. Hirsch
Authorized Signatory

Accepted and confirmed as
of the Trade Date:
BANCO NACIONAL DE MÉXICO, S.A.,
INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
DIVISIÓN FIDUCIARIA,
acting solely as trustee under trust No. 111339-7

By: /s/ M. de los Angeles Montemayor Garza
Name: M. de los Angeles Montemayor Garza
Title: Trust Delegate

By: /s/ E. N. Wing Treviño
Name: E. N. Wing Treviño
Title: Trust Delegate

For each Component of the Transaction, the Number of Shares are set forth below.

Component Number	Number of Shares	Reference Number
1.	1,430,526	NET5582119
2.	1,430,526	NET5582120
3.	1,430,526	NET5582121
4.	1,430,526	NET5582123
5.	1,430,526	NET5582122
6.	1,430,526	NET5583541
7.	1,430,526	NET5582124
8.	1,430,526	NET5582127
9.	1,430,526	NET5582128
10.	1,430,526	NET5582129

Execution Version

Date: April 23, 2008

To: Banco Nacional de México, S.A.,
Integrante del Grupo Financiero Banamex,
División Fiduciaria, acting solely as trustee
under trust No. 111339-7 ("Counterparty")
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

Attn: Trust No. 111339-7
Phone: (52 81) 12.26.19.84
Fax: (52 81) 12.26.20.97

From: Citibank, N.A. ("Citibank")
390 Greenwich Street
5th Floor
New York, NY 10013

Our Ref.: As set out in Annex A for each Component

FORWARD TRANSACTION (NAFTRAC SHARES)

The purpose of this letter agreement (this "Confirmation") is to set forth the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

Citibank is entering into this Transaction as principal and not as an agent for any other party.

CITIGROUP GLOBAL MARKETS INC. ("CGMI") WILL ACT AS AGENT IN CONNECTION WITH THIS TRANSACTION. CITIBANK HAS ACTED AS PRINCIPAL IN AND IS YOUR COUNTERPARTY TO THIS TRANSACTION. CGMI'S OBLIGATIONS AS AGENT ARE STRICTLY LIMITED TO THE DELIVERY OF ANY CASH AND SECURITIES THAT IT ACTUALLY RECEIVES FROM CITIBANK OR COUNTERPARTY, AS THE CASE MAY BE, TO THE OTHER PARTY. IN TRANSMISSION OF THE CONFIRMATION, CGMI DOES NOT GUARANTEE ANY PARTY'S OBLIGATIONS NOR IS IT PROVIDING INVESTMENT ADVICE OR OTHER SERVICES.

1. The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern. "USD", "MXN" and "Business Day" each have the meaning assigned in the 2006 ISDA Definitions, as published by ISDA.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation, together with all other documents referring to the ISDA 2002 Master Agreement, as published by ISDA (the "Agreement") (each a "Confirmation") confirming transactions (each a "Transaction") entered into between you and us,

including the Option Transaction (the "Relevant Option Transaction") and the Forward Transaction referencing shares of Nacional Financiera S.N.C. (NAFTRAC) (the "Other Forward Transaction"), in each case, dated as of the date hereof, shall supplement, form a part of, and be subject to an agreement in the form of the Agreement (excluding any Schedule but including the elections set forth in this Confirmation and in the Credit Support Annex specified below) on the Trade Date of the first such Transaction between us. All provisions contained or incorporated by reference in the Agreement will govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	April 4, 2008.
Seller:	Citibank.
Buyer:	Counterparty.
Shares:	Ordinary Participation Certificates (*Certificados de Participación Ordinarios*) of Nacional Financiera S.N.C. (NAFTRAC) (the "Issuer") (Bloomberg identifier: "NAFTRAC MM").
Components:	The Transaction will be divided into individual Components, each with the respective terms set forth in this Confirmation, and in particular with the Number of Shares specified in Annex A to this Confirmation. The deliveries to be made upon settlement of the Transaction shall be determined separately for each Component as if such Component were a separate Transaction under the Agreement.
Number of Shares:	For each Component, the Number of Shares provided in Annex A to this Confirmation.
Forward Price:	USD 2.8750.
Prepayment:	Applicable.
Prepayment Amount:	For all Components in the aggregate, an amount in USD equal to the Forward Price multiplied by the aggregate Number of Shares.
Prepayment Date:	The Trade Date.
Variable Obligation:	Not Applicable.
Exchange:	Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*).

Related Exchange(s): All Exchanges.

Calculation Agent: Citibank.

Business Days: New York and Mexico City.

Settlement Terms:

In respect of any Component:

Physical Settlement: Applicable.

Settlement Date: The Cash Settlement Payment Date for the corresponding Component under the Relevant Option Transaction.

Reference Settlement Date: The Valuation Date for the corresponding Component under the Relevant Option Transaction.

Market Disruption Event: The third and fourth lines of Section 6.3(a) of the Equity Definitions are hereby amended by deleting the words "at any time during the one hour period that ends at the relevant Valuation Time" and replacing them with "at any time prior to the relevant Valuation Time".

Section 6.3(b) of the Equity Definitions is hereby amended by inserting the words "or a suspension of or material limitation imposed on trading in Mexican Pesos." after the words "(ii) in futures or options contracts relating to the Shares on any relevant Related Exchange".

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Settlement Method Election: Not Applicable.

Dividends:

In respect of any Component:

Dividend Period: The period from and including the Trade Date to but excluding the Settlement Date.

Dividend Payment: With respect to any Dividend Amount paid or delivered by the Issuer to holders of record of a Share on or prior to the relevant Reference Settlement Date, on the first Scheduled Trading Day that is not a Disrupted Day immediately following the first Currency Business Day

such Dividend Amount is so paid or delivered, the Calculation Agent shall adjust the Number of Shares to be increased by a number equal to such Dividend Amount divided by the closing price per Share (after giving effect to any reinvestment discount then in effect) on such Scheduled Trading Day. The Calculation Agent shall have the discretion to make such an adjustment notwithstanding the fact that a Scheduled Trading Day is a Disrupted Day if it determines that the relevant Market Disruption Event does not have a material impact on the determination of the closing price per Share on such Scheduled Trading Day.

Dividend Amount: An amount in MXN equal to the Record Amount multiplied by the Number of Shares. To the extent that the Record Amount is not in the form of MXN (whether in another currency, securities or any other asset), the Calculation Agent shall determine the fair market value in MXN of such amount in a commercially reasonable manner.

Section 9.2(a)(iii) of the Equity Definitions is amended by deleting the words "the Excess Dividend Amount, if any, and".

The definition of "Record Amount" in Section 10.1 of the Equity Definitions is amended by replacing in the second line thereof the words "the gross cash dividend per Share" with "the cash dividend per Share, net of any withholding or deduction of taxes at the source by or on behalf of any applicable taxing authority," and adding thereafter the phrase "(including any Extraordinary Dividend) and any non-cash dividend or other distribution paid or delivered by the Issuer to holders of record of a Share (other than in the form of Shares)".

Adjustments:

Method of Adjustment: Calculation Agent Adjustment; provided, however, that the Equity Definitions shall be amended by replacing the words "diluting or concentrative" in Sections 11.2(a), 11.2(c) (in two instances) and 11.2(e)(vii) with the word "material" and by adding the words "or the Transaction" after the words "theoretical value of the relevant Shares" in Sections 11.2(a), 11.2(c) and 11.2(e)(vii); provided, further, that adjustments may be made to account for changes in volatility, expected dividends, stock loan rate and liquidity relative to the relevant Share or the Transaction.

Potential Adjustment Event: Section 11.2(e) of the Equity Definitions is amended by deleting clauses (iii) and (iv) thereof.

Extraordinary Events:

Consequences of Merger Events:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Tender Offer: Applicable.

Consequences of Tender Offers:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Composition of Combined

Composition of Combined Consideration: Not Applicable.

Nationalization, Insolvency or Delisting: Cancellation and Payment.

Determining Party: For all applicable Extraordinary Events, Citibank.

Additional Disruption Events:

Change in Law: Applicable.

Failure to Deliver: Applicable.

Hedging Disruption: Applicable.

Increased Cost of Hedging: Applicable.

Hedging Party: ***For all applicable Additional Disruption Events, Citibank.***

Determining Party: For all applicable Additional Disruption Events, Citibank.

Acknowledgments:

Non-Reliance: Applicable.

Agreements and Acknowledgments Regarding Hedging Activities: Applicable.

Additional Acknowledgments: Applicable.

3. **Account Details:**

Payments to Citibank: To be provided.

Payments to Counterparty: MXN:

BANCO NACIONAL DE MEXICO, S.A.

SUCURSAL. 870

ACCOUNT: 559220

CLABE: 002180087005592205

BENEFICIARY: BANCO NACIONAL DE MEXICO,

S.A. FIDUCIARIO

1 REFERENCIA: 110975672

2 REFERENCIA: F52986

USD:
CITIBANK, N.Y. USA
CUENTA: 36206844
ABA: 021000089
SWIFT CODE: CITIUS 33
BENEFICIARY: BANCO NACIONAL DE MEXICO, S.A. FIDUCIARIO
FFC: 1109756 CEMENTOS MEXICANOS

4. **Collateral Provisions:**

Credit Support Provider: In relation to Citibank, Not Applicable.

In relation to Counterparty, Cemex, S.A.B. de C.V. ("Cemex") the Issuer.

Credit Support Document: In the case of Citibank: The Credit Support Annex, dated as of the date hereof, between Citibank and Counterparty, which supplements, forms part of, and is subject to the Agreement (the "Credit Support Annex").

In the case of Counterparty:

(i) The Credit Support Annex; (ii) the *Contrato de Prenda Bursátil*, dated as of the date hereof among Citibank, Counterparty and Monex Casa de Bolsa, S.A. de C.V, Monex Grupo Financiero, as Administrator and Executor and (iii) the Guarantee with respect to this Transaction, the Relevant Option Transaction and the Other Forward Transaction, by the Issuer in favor of Citibank, dated as of the date hereof.

5. **Additional Representations, Warranties and Agreements:**

(a) In addition to the representations, warranties and covenants in the Agreement, each of Citibank and Counterparty represents, warrants and covenants to the other party that:

(xiii) it (i) is an "accredited investor" as defined in Section 2(a)(15)(ii) of the Securities Act of 1933, as amended (the "Securities Act") or (ii) is not a U.S. person and is entering into this Transaction in reliance on Regulation S under the Securities Act;

(xii) it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA"), and this Confirmation and each Transaction hereunder are subject to individual negotiation by the parties and have not been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA;

(xv) it is not entering into this Transaction on the basis of any material non-public information with respect to the Issuer or the Shares or the American depository receipts of the Issuer (the "CX ADSs") and it is not aware of any material non-public information with respect thereto;

(xvi) it has not and shall not directly or indirectly violate any applicable law (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in connection with any Transaction under this Confirmation; and

(xvii) it is not entering into any Transaction to create, and shall not engage in any other securities or derivatives transactions to create, actual or apparent trading activity in the Shares, shares of Cemex or CX ADSs (or any security convertible into or exchangeable for Shares, shares of Cemex or CX ADSs) or to raise or depress or to manipulate the price of the Shares, shares of Cemex or CX ADSs (or any security convertible into or exchangeable for Shares, shares of Cemex or CX ADSs).

(b) In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Citibank that:

(xviii) it understands that Citibank has no obligation or intention to register this Transaction under the Securities Act or any state securities law or other applicable federal or non-U.S. securities law;

(xix) it understands that no obligations of Citibank to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any Affiliate of Citibank or any governmental agency;

(xx) IT UNDERSTANDS THAT THIS TRANSACTION IS SUBJECT TO COMPLEX RISKS THAT MAYARISE WITHOUT WARNING, RELATED MARKETS AND PRICING MAY AT TIMES BEVOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDEAND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS;

(xxi) each of the representations and warranties made by it and each grantor (*fideicomitente – fideicomisario adherente*) (each, a "Grantor") pursuant to the Irrevocable Trust Agreement Number 111339-7 dated March 24, 2008, as amended, with Banco Nacional de Mexico, S.A., Institución de Banca Múltiple, a member of Grupo Financiero Banamex,

as Trustee and any agreement pursuant to which a Grantor becomes bound by the terms thereof (including any representation letter related thereto) (together, the "Trust Agreement") is true and accurate as of the date such representations were executed and delivered and, to the extent the truth and accuracy of any such representation or warrantyremains material to Citibank or its Affiliates and such representation or warranty was stated to remain true and accurate in the applicable document, shall remain true and accurate at all times during the term of the Transaction;

(xxii) it has sufficient knowledge and expertise to enter into this Transaction and it is entering into this Transaction in reliance upon such tax, accounting, regulatory, legal, and financial advice as its deems necessary and not upon any view expressed by the other party;

(xxiii) it has made its own independent decision to enter into this Transaction, is acting at arm's length and is not relying on any communication (written or oral) of the other party or its Affiliates as a recommendation or investment advice regarding this Transaction;

(xxiv) it has the capability to evaluate and understand (on its own behalf or through independent professional advice), and does understand, the terms, conditions and risks of this Transaction and is willing to accept those terms and conditions and to assume (financially and otherwise) those risks;

(xxv) it understands that Citibank and its Affiliates may have interests with respect to the Transaction that are in conflict with those of Counterparty, and that neither Citibank nor its Affiliates shall be under any obligation to maximize the recovery of any investment by Counterparty;

(xxvi) it understands that Citibank and its Affiliates have provided, and in the future may continue to provide, services to the Issuer in return for fees, and that Citibank may, in connection with such services, take actions or positions that are contrary to the interests of Counterparty;

(xxviii) it understands and acknowledges that Citibank and its Affiliates may from time to time effect transactions for their own account of the account of customers and hold positions in the Shares or CX ADSs or options or other derivative transactions related thereto and that Citibank and its Affiliates may continue to conduct such transactions;

(xxviii) it acknowledges and agrees that Citibank is acting as principal on an arm's-length basis and is not acting as a fiduciary or advisor to it in connection with this Transaction; and

(xxix) it shall deliver to Citibank an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement.

6. **Other Provisions:**

(m) Netting of Obligations. In the event that on the Settlement Date for any Component of this Transaction an Option Cash Settlement Amount is payable under the corresponding Component of the Relevant Option Transaction (such Option Cash Settlement Amount for the purposes hereof determined without regard to the netting provisions set forth in Section 6(a) therein), the Number of Shares to be delivered by Seller for such Component hereunder on the applicable Settlement Date shall be reduced (and may be zero) by a number of Shares selected by the Calculation Agent having a value, together with

any reduction in Shares to be delivered under the Other Forward Transaction as a result of the application of Section 6(a) therein, equal to such Option Cash Settlement Amount. The Calculation Agent shall determine the value of the Shares described in the previous sentence using the closing price per Share and the USD/MXN exchange rate as of the Valuation Time on the first Scheduled Trading Day following the relevant Reference Settlement Date that is not a Disrupted Day.

(n) Bankruptcy Code Acknowledgment. Each of Citibank and Counterparty agrees and acknowledges that Citibank is a "financial institution," "swap participant" and "financial participant" within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "Bankruptcy Code"). The parties hereto further agree and acknowledge (A) that this Confirmation is intended to be (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "settlement payment" within the meaning of Section 546 of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," a "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "transfer" within the meaning of Section 546 of the Bankruptcy Code, and (B) that Citibank is intended to be entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 548(d)(2), 555, 560 and 561 of the Bankruptcy Code.

(o) Indemnification. Counterparty agrees to indemnify and hold harmless Citibank, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Citibank and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any of the transactions contemplated by this Confirmation, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. Counterparty will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a nonappealable judgment by a court of competent jurisdiction to have resulted from Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Counterparty also agrees that no Indemnified Party shall have any liability to Counterparty or any person asserting claims on behalf of or in right of Counterparty in connection with or as a result of any matter referred to in this Confirmation or any other Confirmation except to the extent that any losses, claims, damages, liabilities or expenses incurred by Counterparty result from the breach of a material term of this Confirmation, or the Indemnified Party's gross negligence or willful misconduct. The provisions of this Section 6(c) shall survive completion of the Transactions contemplated by this Confirmation and any transfer pursuant to Section 6(d) and shall inure to the benefit of any permitted assignee of Citibank.

(p) Early Termination. At any time on or after the one year anniversary of the Trade Date of this Transaction and not more frequently than once every three months, Citibank agrees to provide good faith quotations to Counterparty for an early termination (in whole or in part) of this Transaction, such

quotations to remain actionable for a period specified by Citibank at such time as such quotations are provided; provided, however that, if any such quotation results in Counterparty requesting an early termination of this Transaction (in whole or in part), any such termination shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such termination shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) any reasonable undertakings by Counterparty (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by Counterparty, as may be requested and reasonably satisfactory to Citibank with respect to clause (i) hereof or otherwise, (iii) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such termination, and (iv) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such termination.

(q) Transfer. Notwithstanding any provision of the Agreement to the contrary, Citibank may, without the consent of Counterparty, freely transfer and assign its rights and obligations under any Transaction (in whole only and together with the Relevant Option Transaction and the Other Forward Transaction) to (i) CGMI or Citigroup Global Markets Limited ("CGML"), in each case, if such entity has a long-term unsecured debt ratings of at least "A1" (if rated by Moody's Investors Service, Inc.) or "A+" (if rated by Standard & Poor's) and (ii) any of Citibank's Affiliates that have a long-term unsecured debt rating at least equal to that of Citibank; provided that such transfer or assignment shall not result in a Tax Event or violate applicable law. At any time on or after the one year anniversary of the Trade Date of this Transaction, Counterparty may transfer and assign its rights and obligations under this Transaction (in whole or in part) to any Approved Assignee; provided that such transfer or assignment shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such transfer or assignment shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) the existence at the time of such transfer or assignment of collateral undertakings, reasonably satisfactory to Citibank, between the Approved Assignee and Citibank with respect to any transferred portion of this Transaction, (iii) any reasonable undertakings by Counterparty and the Approved Assignee (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by the Approved Assignee, as may be requested and reasonably satisfactory to Citibank, (iv) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such transfer or assignment, and (v) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such transfer or assignment.

"Approved Assignee" means any nationally- recognized equity derivatives dealer that has a long-term unsecured debt rating at least equal to that of Citibank.

(r) Designation. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Citibank to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Citibank may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Citibank's obligations in respect of this Transaction and any such designee may assume such obligations. Citibank shall be discharged of its obligations to Counterparty to the extent of any such performance.

(s) Confidentiality. Notwithstanding any provision in this Confirmation, any Confirmation or the Agreement, in connection with Section 1.6011-4 of the Treasury Regulations, the parties hereby agree that each party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party

relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

(t) Evidence of Authority. On the date hereof, Counterparty will provide to Citibank evidence satisfactory to Citibank of its authority to enter into Transactions hereunder and the incumbency of the designated signatory of Counterparty.

(u) Consent to Recording. Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Confirmation and (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of it and its Affiliates.

(v) Severability; Illegality. If compliance by either party with any provision of a Transaction would be unenforceable or illegal, (i) the parties shall negotiate in good faith to resolve such unenforceability or illegality in a manner that preserves the economic benefits of the transactions contemplated hereby and (ii) the other provisions of the Transaction shall not be invalidated, but shall remain in full force and effect.

(w) Waiver of Trial by Jury. EACH OF COUNTERPARTY AND CITIBANK HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS OR BENFICIARIES, AS APPLICABLE) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS TRANSACTION OR THE ACTIONS OF CITIBANK OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(x) Governing law. This Confirmation shall be governed by the laws of the State of New York (without reference to choice of law doctrine, other than Section 5-1401 of the New York General Obligations Law).

11. **Additional Schedule Provisions:**

(a) Notices. For the purpose of Section 12(a) of the Agreement:

Address for notices or communications to Citibank:

Address Citibank, N.A.

390 Greenwich Street
5th Floor
New York, New York 10013
Address for notices or communications to Citibank:

With a copy to:

Address
Legal Department
388 Greenwich Street
17th Floor
New York, New York 10013
Attention: Department Head

Address for notices or communications to Counterparty:

Banco Nacional de México, S.A.,
División Fiduciaria,
as trustee under trust No. 111339-7
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

with a copy to:

Cemex, S.A.B. de C.V.
Address: Av. Ricardo Margain Zozaya
325 Col Valle del Campstre 66265
San Pedro Garza García, N.L.,
Mexico
Attn: Gustavo Calvo Irabien
Equity Trading & Derivatives – Capital Markets
Phone: +52(81)88884079
Fax: +52(81)88884524
E-Mail: Gustavo.calvo@cemex.com

(b) Process Agent. For the purpose of Section 13(c) of the Agreement:

Counterparty appoints as its Process Agent:

CT Corporation System
111 Eighth Avenue
New York, NY 10011

(c) Delivery of Tax Forms. For the purposes of Section 4(a)(i) and (ii), Counterparty agrees to deliver such documents as Citibank may request in order to allow Citibank to make a payment under this Transaction without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate including, without limitation, an executed United States Internal Revenue Service Form W-8BEN (or any successor thereto), (i) upon execution of this Transaction; (ii) promptly upon reasonable demand by Citibank; and (iii) promptly upon learning that any such document, including Form W-8BEN (or any successor thereto), previously provided by Counterparty has become obsolete or incorrect.

(d) Cross Default. The "Cross Default" provisions of Section 5(a)(vi) will apply to Counterparty and will apply to Citibank; provided that, the phrase ", or becoming capable at such time of being declared," shall be deleted form Section 5(a)(vi) of the Agreement.

For purposes of Section 5(a)(vi), the following provisions apply:

"Threshold Amount" means (i) with respect to Citibank, 2% of stockholders' equity of Citibank; (ii) with respect to Counterparty, zero; and (iii) with respect to Counterparty's Credit Support Provider, USD 75,000,000.

(e) Termination Currency. The Termination Currency will be USD.

If you have any questions regarding this letter agreement, please contact the Derivatives Operations Department at the telephone numbers indicated or the facsimile numbers indicated on this Confirmation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as agent for CITIBANK, N.A.

By: /s/ H. Hirsch
Authorized Signatory

Accepted and confirmed as
of the Trade Date:
BANCO NACIONAL DE MÉXICO, S.A.,
INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
DIVISIÓN FIDUCIARIA,
acting solely as trustee under trust No. 111339-7

By: /s/ M. de los Angeles Montemayor Garza
Name: M. de los Angeles Montemayor Garza
Title: Trust Delegate

By: /s/ E. N. Wing Treviño
Name: E. N. Wing Treviño
Title: Trust Delegate

For each Component of the Transaction, the Number of Shares are set forth below.

Component Number	Number of Shares	Reference Number
1.	1,330,447	NET5582131
2.	1,330,447	NET5582132
3.	1,330,447	NET5582133
4.	1,330,447	NET5582134
5.	1,330,447	NET5582135
6.	1,330,447	NET5583536
7.	1,330,447	NET5582137
8.	1,330,447	NET5582138
9.	1,330,447	NET5582139
10.	1,330,447	NET5582140

Execution Version

Date: April 23, 2008

To: Banco Nacional de México, S.A.,
Integrante del Grupo Financiero Banamex,
División Fiduciaria, acting solely as trustee
under trust No. 111339-7 ("Counterparty")
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

Attn: Trust No. 111339-7
Phone: (52 81) 12.26.19.84
Fax: (52 81) 12.26.20.97

From: Citibank, N.A. ("Citibank")
390 Greenwich Street
5th Floor
New York, NY 10013

Our Ref.: As set out in Annex A for each Component

PUT OPTION TRANSACTION

The purpose of this letter agreement (this "Confirmation") is to set forth the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

Citibank is entering into this Transaction as principal and not as an agent for any other party.

CITIGROUP GLOBAL MARKETS INC. ("CGMI") WILL ACT AS AGENT IN CONNECTION WITH THIS TRANSACTION. CITIBANK HAS ACTED AS PRINCIPAL IN AND IS YOUR COUNTERPARTY TO THIS TRANSACTION. CGMI'S OBLIGATIONS AS AGENT ARE STRICTLY LIMITED TO THE DELIVERY OF ANY CASH AND SECURITIES THAT IT ACTUALLY RECEIVES FROM CITIBANK OR COUNTERPARTY, AS THE CASE MAY BE, TO THE OTHER PARTY. IN TRANSMISSION OF THE CONFIRMATION, CGMI DOES NOT GUARANTEE ANY PARTY'S OBLIGATIONS NOR IS IT PROVIDING INVESTMENT ADVICE OR OTHER SERVICES.

1. The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern. "USD", "MXN" and "Business Day" each have the meaning assigned in the 2006 ISDA Definitions, as published by ISDA.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation, together with all other documents referring to the ISDA 2002 Master Agreement, as published by ISDA (the "Agreement") (each a "Confirmation") confirming transactions (each a "Transaction") entered into between you and us, including the Forward Transaction (the "Relevant Forward Transaction"),

shall supplement, form a part of, and be subject to an agreement in the form of the Agreement (excluding any Schedule but including the elections set forth in this Confirmation and in the Credit Support Annex specified below) on the Trade Date of the first such Transaction between us. All provisions contained or incorporated by reference in the Agreement will govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	April 4, 2008.
Option Style:	European.
Option Type:	Put.
Seller:	Counterparty.
Buyer:	Citibank.
Shares:	Ordinary Participation Certificates (*Certificados de Participación Ordinarios*) of Cemex, S.A.B. de C.V. (the "Issuer") (Bloomberg identifier: "CEMEXCP MM").
Components:	The Transaction will be divided into individual Components, each with the respective terms set forth in this Confirmation, and in particular with the Number of Shares specified in Annex A to this Confirmation. The deliveries to be made upon settlement of the Transaction shall be determined separately for each Component as if such Component were a separate Transaction under the Agreement.
Number of Options:	For each Component, the Number of Shares provided in Annex A to this Confirmation.
Option Entitlement:	USD 2.6738.
Strike Price:	USD 3.2086.
Premium:	For all Components in the aggregate, an amount in USD equal to 25.5% multiplied by the Initial Reference Price multiplied by the aggregate Number of Options.
Prepayment Date:	The Trade Date.
Variable Obligation:	Not Applicable.
Exchange:	Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*).

Related Exchange(s):	All Exchanges.
Calculation Agent:	Citibank.
Business Days:	New York and Mexico City.

Settlement Terms:

In respect of any Component:

Expiration Time:	The Valuation Time.
Expiration Date:	As provided in Annex A to this Confirmation (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day that is not already an Expiration Date for another Component); provided that if that date is a Disrupted Day, the Expiration Date for such Component shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day and is not an Expiration Date in respect of any other Component of the Transaction hereunder; and provided further that if the Expiration Date has not occurred pursuant to the preceding proviso as of the Final Disruption Date, the Final Disruption Date shall be the Expiration Date (irrespective of whether such date is an Expiration Date in respect of any other Component for the Transaction) and the VWAP Price shall be reasonably determined by the Calculation Agent. Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date, the Calculation Agent may determine that such Expiration Date is a Disrupted Day only in part, in which case the Calculation Agent shall determine that such day shall be the Expiration Date for a portion of the Number of Options for the relevant Component and shall designate the Scheduled Trading Day determined in the manner described in the immediately preceding sentence as the Expiration Date for the remaining Options for such Component. Section 6.6 of the Equity Definitions shall not apply to any Valuation Date and the final sentence of Section 3.1(f) of the Equity Definitions shall not apply to any Expiration Date. "Final Disruption Date" means the fifth Scheduled Trading Day after April 23, 2013.
Market Disruption Event:	The third and fourth lines of Section 6.3(a) of the Equity Definitions are hereby amended by deleting the words "at any time during the one hour period that ends at the relevant Valuation Time" and replacing them with "at any time prior to the relevant Valuation Time".

Section 6.3(b) of the Equity Definitions is hereby amended by inserting the words "or a suspension of or material limitation imposed on trading in Mexican Pesos." after the words "(ii) in futures or options contracts relating to the Shares on any relevant Related Exchange".

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Automatic Exercise:	Applicable.

Valuation:

In respect of any Component:

Valuation Date:	The Exercise Date.

Settlement Terms:

In respect of any Component:

Cash Settlement:	Applicable.
Settlement Currency:	USD.
Settlement Price:	The VWAP Price multiplied by the Final Exchange Rate.
VWAP Price:	Notwithstanding Section 7.3 of the Equity Definitions, the Settlement Price will be equal to the volume-weighted average price per Share on the Valuation Date as displayed under the heading "Bloomberg VWAP" on Bloomberg page "CEMEXCP MM <equity> VAP" (or any successor thereto), or if such price is not so reported on such Valuation Date for any reason or is, in the Calculation Agent's reasonable discretion notified to the Counterparty in reasonable detail, erroneous, such VWAP Price shall be as reasonably determined by the Calculation Agent.
Cash Settlement Payment Date:	The fourth Business Day after the Valuation Date; provided that if such date is not a Clearance System Business Day, the first Clearance System Business Day after such date, subject to Section 6(a) below.
Strike Price Differential:	The amount equal to the greater of (a) the excess of (i) the Strike Price over (ii) the Settlement Price and (b) zero.

Final Exchange Rate:	The average USD/MXN exchange rate on the Valuation Date (expressed as a number of USD per MXN), as determined by the Calculation Agent, which determination may be made by reference to the notionally-weighted average of the rates of exchange at which Citibank actually exchanged MXN for USD for value during the course of the day on such Valuation Date.

Dividends:

Dividend Amount:	If at any time during the period from but excluding the Trade Date to and including the Expiration Date an ex-dividend date for a distribution of any stock dividend occurs with respect to the Shares, then the Calculation Agent shall adjust (i) the Number of Options to be increased by, and (ii) the Strike Price to be decreased by, the percentage increase in the number of outstanding Shares of the Issuer resulting from such distribution of any stock dividend (taking into account the shareholder participation rate in such distribution of any stock dividend).

Share Adjustments:

Method of Adjustment:	Calculation Agent Adjustment; provided, however, that the Equity Definitions shall be amended by replacing the words "diluting or concentrative" in Sections 11.2(a), 11.2(c) (in two instances) and 11.2(e)(vii) with the word "material" and by adding the words "or the Transaction" after the words "theoretical value of the relevant Shares" in Sections 11.2(a), 11.2(c) and 11.2(e)(vii); provided, further, that adjustments may be made to account for changes in volatility, expected dividends, stock loan rate and liquidity relative to the relevant Share or the Transaction.
Potential Adjustment Event:	Section 11.2(e) of the Equity Definitions is amended by deleting clause (iv) thereof.

Extraordinary Events:

Consequences of Merger Events:

Share-for-Share:	Modified Calculation Agent Adjustment.
Share-for-Other:	Modified Calculation Agent Adjustment.
Share-for-Combined:	Modified Calculation Agent Adjustment.

Tender Offer: Applicable.

Consequences of Tender Offers:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Composition of Combined

Composition of Combined Consideration: Not Applicable.

Nationalization, Insolvency or Delisting: Cancellation and Payment (Calculation Agent Determination).

Additional Disruption Events:

Change in Law: Applicable.

Failure to Deliver: Applicable.

Hedging Disruption: Applicable.

Increased Cost of Hedging: Applicable.

Hedging Party: For all applicable Additional Disruption Events, Citibank.

Determining Party: For all applicable Additional Disruption Events, Citibank.

Acknowledgments:

Non-Reliance: Applicable.

Agreements and Acknowledgments Regarding Hedging Activities: Applicable.

Additional Acknowledgments: Applicable.

3. **Account Details:**

Payments to Citibank: To be provided.

Payments to Counterparty: MXN:

BANCO NACIONAL DE MEXICO, S.A.

SUCURSAL. 870

ACCOUNT: 559220

CLABE: 002180087005592205

BENEFICIARY: BANCO NACIONAL DE MEXICO,

S.A. FIDUCIARIO

1 REFERENCIA: 110975672

2 REFERENCIA: F52986

USD:
CITIBANK, N.Y. USA
CUENTA: 36206844
ABA: 021000089
SWIFT CODE: CITIUS 33
BENEFICIARY: BANCO NACIONAL DE MEXICO, S.A. FIDUCIARIO
FFC: 1109756 CEMENTOS MEXICANOS

4. **Collateral Provisions:**

Credit Support Provider: In relation to Citibank, Not Applicable.

In relation to Counterparty, Cemex, S.A.B. de C.V. ("Cemex") the Issuer.

Credit Support Document: In the case of Citibank: The Credit Support Annex, dated as of the date hereof, between Citibank and Counterparty, which supplements, forms part of, and is subject to the Agreement (the "Credit Support Annex").

In the case of Counterparty:

(i) The Credit Support Annex; (ii) the *Contrato de Prenda Bursátil*, dated as of the date hereof among Citibank, Counterparty and Monex Casa de Bolsa, S.A. de C.V, Monex Grupo Financiero, as Administrator and Executor and (iii) the Guarantee with respect to this Transaction, the Relevant Option Transaction and the Other Forward Transaction, by the Issuer in favor of Citibank, dated as of the date hereof.

5. **Additional Representations, Warranties and Agreements:**

(a) In addition to the representations, warranties and covenants in the Agreement, each of Citibank and Counterparty represents, warrants and covenants to the other party that:

(xiii) it (i) is an "accredited investor" as defined in Section 2(a)(15)(ii) of the Securities Act of 1933, as amended (the "Securities Act") or (ii) is not a U.S. person and is entering into this Transaction in reliance on Regulation S under the Securities Act;

(xii) it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA"), and this Confirmation and each Transaction hereunder are subject to individual negotiation by the parties and have not been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA;

(xv) it is not entering into this Transaction on the basis of any material non-public information with respect to the Issuer or the Shares or the American depository receipts of the Issuer (the "CX ADSs") and it is not aware of any material non-public information with respect thereto;

(xvi) it has not and shall not directly or indirectly violate any applicable law (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in connection with any Transaction under this Confirmation; and

(xvii) it is not entering into any Transaction to create, and shall not engage in any other securities or derivatives transactions to create, actual or apparent trading activity in the Shares, shares of Cemex or CX ADSs (or any security convertible into or exchangeable for Shares, shares of Cemex or CX ADSs) or to raise or depress or to manipulate the price of the Shares, shares of Cemex or CX ADSs (or any security convertible into or exchangeable for Shares, shares of Cemex or CX ADSs).

(b) In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Citibank that:

(xviii) it understands that Citibank has no obligation or intention to register this Transaction under the Securities Act or any state securities law or other applicable federal or non-U.S. securities law;

(xix) it understands that no obligations of Citibank to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any Affiliate of Citibank or any governmental agency;

(xx) IT UNDERSTANDS THAT THIS TRANSACTION IS SUBJECT TO COMPLEX RISKS THAT MAYARISE WITHOUT WARNING, RELATED MARKETS AND PRICING MAY AT TIMES BEVOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDEAND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS;

(xxi) each of the representations and warranties made by it and each grantor (*fideicomitente – fideicomisario adherente*) (each, a "Grantor") pursuant to the Irrevocable Trust Agreement Number 111339-7 dated March 24, 2008, as amended, with Banco Nacional de Mexico, S.A., Institución de Banca Múltiple, a member of Grupo Financiero Banamex,

as Trustee and any agreement pursuant to which a Grantor becomes bound by the terms thereof (including any representation letter related thereto) (together, the "Trust Agreement") is true and accurate as of the date such representations were executed and delivered and, to the extent the truth and accuracy of any such representation or warrantyremains material to Citibank or its Affiliates and such representation or warranty was stated to remain true and accurate in the applicable document, shall remain true and accurate at all times during the term of the Transaction;

(xxii) it has sufficient knowledge and expertise to enter into this Transaction and it is entering into this Transaction in reliance upon such tax, accounting, regulatory, legal, and financial advice as its deems necessary and not upon any view expressed by the other party;

(xxiii) it has made its own independent decision to enter into this Transaction, is acting at arm's length and is not relying on any communication (written or oral) of the other party or its Affiliates as a recommendation or investment advice regarding this Transaction;

(xxiv) it has the capability to evaluate and understand (on its own behalf or through independent professional advice), and does understand, the terms, conditions and risks of this Transaction and is willing to accept those terms and conditions and to assume (financially and otherwise) those risks;

(xxv) it understands that Citibank and its Affiliates may have interests with respect to the Transaction that are in conflict with those of Counterparty, and that neither Citibank nor its Affiliates shall be under any obligation to maximize the recovery of any investment by Counterparty;

(xxvi) it understands that Citibank and its Affiliates have provided, and in the future may continue to provide, services to the Issuer in return for fees, and that Citibank may, in connection with such services, take actions or positions that are contrary to the interests of Counterparty;

(xxviii) it understands and acknowledges that Citibank and its Affiliates may from time to time effect transactions for their own account of the account of customers and hold positions in the Shares or CX ADSs or options or other derivative transactions related thereto and that Citibank and its Affiliates may continue to conduct such transactions;

(xxviii) it acknowledges and agrees that Citibank is acting as principal on an arm's-length basis and is not acting as a fiduciary or advisor to it in connection with this Transaction; and

(xxix) it shall deliver to Citibank an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement.

6. **Other Provisions:**

(m) Netting of Obligations. In the event that on the Settlement Date for any Component of this Transaction an Option Cash Settlement Amount is payable under the corresponding Component of the Relevant Option Transaction (such Option Cash Settlement Amount for the purposes hereof determined without regard to the netting provisions set forth in Section 6(a) therein), the Number of Shares to be delivered by Seller for such Component hereunder on the applicable Settlement Date shall be reduced (and may be zero) by a number of Shares selected by the Calculation Agent having a value, together with

any reduction in Shares to be delivered under the Other Forward Transaction as a result of the application of Section 6(a) therein, equal to such Option Cash Settlement Amount. The Calculation Agent shall determine the value of the Shares described in the previous sentence using the closing price per Share and the USD/MXN exchange rate as of the Valuation Time on the first Scheduled Trading Day following the relevant Reference Settlement Date that is not a Disrupted Day.

(n) Bankruptcy Code Acknowledgment. Each of Citibank and Counterparty agrees and acknowledges that Citibank is a "financial institution," "swap participant" and "financial participant" within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "Bankruptcy Code"). The parties hereto further agree and acknowledge (A) that this Confirmation is intended to be (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "settlement payment" within the meaning of Section 546 of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," a "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "transfer" within the meaning of Section 546 of the Bankruptcy Code, and (B) that Citibank is intended to be entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 548(d)(2), 555, 560 and 561 of the Bankruptcy Code.

(o) Indemnification. Counterparty agrees to indemnify and hold harmless Citibank, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Citibank and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any of the transactions contemplated by this Confirmation, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. Counterparty will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a nonappealable judgment by a court of competent jurisdiction to have resulted from Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Counterparty also agrees that no Indemnified Party shall have any liability to Counterparty or any person asserting claims on behalf of or in right of Counterparty in connection with or as a result of any matter referred to in this Confirmation or any other Confirmation except to the extent that any losses, claims, damages, liabilities or expenses incurred by Counterparty result from the breach of a material term of this Confirmation, or the Indemnified Party's gross negligence or willful misconduct. The provisions of this Section 6(c) shall survive completion of the Transactions contemplated by this Confirmation and any transfer pursuant to Section 6(d) and shall inure to the benefit of any permitted assignee of Citibank.

(p) Early Termination. At any time on or after the one year anniversary of the Trade Date of this Transaction and not more frequently than once every three months, Citibank agrees to provide good faith quotations to Counterparty for an early termination (in whole or in part) of this Transaction, such

quotations to remain actionable for a period specified by Citibank at such time as such quotations are provided; provided, however that, if any such quotation results in Counterparty requesting an early termination of this Transaction (in whole or in part), any such termination shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such termination shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) any reasonable undertakings by Counterparty (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by Counterparty, as may be requested and reasonably satisfactory to Citibank with respect to clause (i) hereof or otherwise, (iii) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such termination, and (iv) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such termination.

(q) Transfer. Notwithstanding any provision of the Agreement to the contrary, Citibank may, without the consent of Counterparty, freely transfer and assign its rights and obligations under any Transaction (in whole only and together with the Relevant Option Transaction and the Other Forward Transaction) to (i) CGMI or Citigroup Global Markets Limited ("CGML"), in each case, if such entity has a long-term unsecured debt ratings of at least "A1" (if rated by Moody's Investors Service, Inc.) or "A+" (if rated by Standard & Poor's) and (ii) any of Citibank's Affiliates that have a long-term unsecured debt rating at least equal to that of Citibank; provided that such transfer or assignment shall not result in a Tax Event or violate applicable law. At any time on or after the one year anniversary of the Trade Date of this Transaction, Counterparty may transfer and assign its rights and obligations under this Transaction (in whole or in part) to any Approved Assignee; provided that such transfer or assignment shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such transfer or assignment shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) the existence at the time of such transfer or assignment of collateral undertakings, reasonably satisfactory to Citibank, between the Approved Assignee and Citibank with respect to any transferred portion of this Transaction, (iii) any reasonable undertakings by Counterparty and the Approved Assignee (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by the Approved Assignee, as may be requested and reasonably satisfactory to Citibank, (iv) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such transfer or assignment, and (v) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such transfer or assignment.

"Approved Assignee" means any nationally- recognized equity derivatives dealer that has a long-term unsecured debt rating at least equal to that of Citibank.

(r) Designation. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Citibank to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Citibank may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Citibank's obligations in respect of this Transaction and any such designee may assume such obligations. Citibank shall be discharged of its obligations to Counterparty to the extent of any such performance.

(s) Confidentiality. Notwithstanding any provision in this Confirmation, any Confirmation or the Agreement, in connection with Section 1.6011-4 of the Treasury Regulations, the parties hereby agree that each party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party

relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

(t) Evidence of Authority. On the date hereof, Counterparty will provide to Citibank evidence satisfactory to Citibank of its authority to enter into Transactions hereunder and the incumbency of the designated signatory of Counterparty.

(u) Consent to Recording. Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Confirmation and (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of it and its Affiliates.

(v) Severability; Illegality. If compliance by either party with any provision of a Transaction would be unenforceable or illegal, (i) the parties shall negotiate in good faith to resolve such unenforceability or illegality in a manner that preserves the economic benefits of the transactions contemplated hereby and (ii) the other provisions of the Transaction shall not be invalidated, but shall remain in full force and effect.

(w) Waiver of Trial by Jury. EACH OF COUNTERPARTY AND CITIBANK HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS OR BENFICIARIES, AS APPLICABLE) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS TRANSACTION OR THE ACTIONS OF CITIBANK OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(x) Governing law. This Confirmation shall be governed by the laws of the State of New York (without reference to choice of law doctrine, other than Section 5-1401 of the New York General Obligations Law).

11. **Additional Schedule Provisions:**

(a) Notices. For the purpose of Section 12(a) of the Agreement:

Address for notices or communications to Citibank:

Address Citibank, N.A.

390 Greenwich Street
5th Floor
New York, New York 10013
Address for notices or communications to Citibank:

With a copy to:

Address
Legal Department
388 Greenwich Street
17th Floor
New York, New York 10013
Attention: Department Head

Address for notices or communications to Counterparty:

Banco Nacional de México, S.A.,
División Fiduciaria,
as trustee under trust No. 111339-7
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

with a copy to:

Cemex, S.A.B. de C.V.
Address: Av. Ricardo Margain Zozaya
325 Col Valle del Campstre 66265
San Pedro Garza García, N.L.,
Mexico
Attn: Gustavo Calvo Irabien
Equity Trading & Derivatives – Capital Markets
Phone: +52(81)88884079
Fax: +52(81)88884524
E-Mail: Gustavo.calvo@cemex.com

(b) Process Agent. For the purpose of Section 13(c) of the Agreement:

Counterparty appoints as its Process Agent:

CT Corporation System
111 Eighth Avenue
New York, NY 10011

(c) Delivery of Tax Forms. For the purposes of Section 4(a)(i) and (ii), Counterparty agrees to deliver such documents as Citibank may request in order to allow Citibank to make a payment under this Transaction without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate including, without limitation, an executed United States Internal Revenue Service Form W-8BEN (or any successor thereto), (i) upon execution of this Transaction; (ii) promptly upon reasonable demand by Citibank; and (iii) promptly upon learning that any such document, including Form W-8BEN (or any successor thereto), previously provided by Counterparty has become obsolete or incorrect.

(d) Cross Default. The "Cross Default" provisions of Section 5(a)(vi) will apply to Counterparty and will apply to Citibank; provided that, the phrase ", or becoming capable at such time of being declared," shall be deleted form Section 5(a)(vi) of the Agreement.

For purposes of Section 5(a)(vi), the following provisions apply:

"Threshold Amount" means (i) with respect to Citibank, 2% of stockholders' equity of Citibank; (ii) with respect to Counterparty, zero; and (iii) with respect to Counterparty's Credit Support Provider, USD 75,000,000.

(e) Termination Currency. The Termination Currency will be USD.

If you have any questions regarding this letter agreement, please contact the Derivatives Operations Department at the telephone numbers indicated or the facsimile numbers indicated on this Confirmation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as agent for CITIBANK, N.A.

By: /s/ H. Hirsch
Authorized Signatory

Accepted and confirmed as
of the Trade Date:
BANCO NACIONAL DE MÉXICO, S.A.,
INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
DIVISIÓN FIDUCIARIA,
acting solely as trustee under trust No. 111339-7

By: /s/ M. de los Angeles Montemayor Garza
Name: M. de los Angeles Montemayor Garza
Title: Trust Delegate

By: /s/ E. N. Wing Treviño
Name: E. N. Wing Treviño
Title: Trust Delegate

For each Component of the Transaction, the Number of Shares are set forth below.

Component Number	Number of Shares	Reference Number
1.	1,330,447	NET5582131
2.	1,330,447	NET5582132
3.	1,330,447	NET5582133
4.	1,330,447	NET5582134
5.	1,330,447	NET5582135
6.	1,330,447	NET5583536
7.	1,330,447	NET5582137
8.	1,330,447	NET5582138
9.	1,330,447	NET5582139
10.	1,330,447	NET5582140

Execution Version

Date: April 23, 2008

To: Banco Nacional de México, S.A.,
Integrante del Grupo Financiero Banamex,
División Fiduciaria, acting solely as trustee
under trust No. 111339-7 ("Counterparty")
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

Attn: Trust No. 111339-7
Phone: (52 81) 12.26.19.84
Fax: (52 81) 12.26.20.97

From: Citibank, N.A. ("Citibank")
390 Greenwich Street
5th Floor
New York, NY 10013

Our Ref.: As set out in Annex A for each Component

FORWARD TRANSACTION (NAFTRAC SHARES)

The purpose of this letter agreement (this "Confirmation") is to set forth the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

Citibank is entering into this Transaction as principal and not as an agent for any other party.

CITIGROUP GLOBAL MARKETS INC. ("CGMI") WILL ACT AS AGENT IN CONNECTION WITH THIS TRANSACTION. CITIBANK HAS ACTED AS PRINCIPAL IN AND IS YOUR COUNTERPARTY TO THIS TRANSACTION. CGMI'S OBLIGATIONS AS AGENT ARE STRICTLY LIMITED TO THE DELIVERY OF ANY CASH AND SECURITIES THAT IT ACTUALLY RECEIVES FROM CITIBANK OR COUNTERPARTY, AS THE CASE MAY BE, TO THE OTHER PARTY. IN TRANSMISSION OF THE CONFIRMATION, CGMI DOES NOT GUARANTEE ANY PARTY'S OBLIGATIONS NOR IS IT PROVIDING INVESTMENT ADVICE OR OTHER SERVICES.

1. The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern. "USD", "MXN" and "Business Day" each have the meaning assigned in the 2006 ISDA Definitions, as published by ISDA.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation, together with all other documents referring to the ISDA 2002 Master Agreement, as published by ISDA (the "Agreement") (each a "Confirmation") confirming transactions (each a "Transaction") entered into between you and us,

including the Option Transaction (the "Relevant Option Transaction") and the Forward Transaction referencing shares of Nacional Financiera S.N.C. (NAFTRAC) (the "Other Forward Transaction"), in each case, dated as of the date hereof, shall supplement, form a part of, and be subject to an agreement in the form of the Agreement (excluding any Schedule but including the elections set forth in this Confirmation and in the Credit Support Annex specified below) on the Trade Date of the first such Transaction between us. All provisions contained or incorporated by reference in the Agreement will govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	April 4, 2008.
Seller:	Citibank.
Buyer:	Counterparty.
Shares:	Ordinary Participation Certificates (*Certificados de Participación Ordinarios*) of Nacional Financiera S.N.C. (NAFTRAC) (the "Issuer") (Bloomberg identifier: "NAFTRAC MM").
Components:	The Transaction will be divided into individual Components, each with the respective terms set forth in this Confirmation, and in particular with the Number of Shares specified in Annex A to this Confirmation. The deliveries to be made upon settlement of the Transaction shall be determined separately for each Component as if such Component were a separate Transaction under the Agreement.
Number of Shares:	For each Component, the Number of Shares provided in Annex A to this Confirmation.
Forward Price:	USD 2.8750.
Prepayment:	Applicable.
Prepayment Amount:	For all Components in the aggregate, an amount in USD equal to the Forward Price multiplied by the aggregate Number of Shares.
Prepayment Date:	The Trade Date.
Variable Obligation:	Not Applicable.
Exchange:	Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*).

Related Exchange(s): All Exchanges.

Calculation Agent: Citibank.

Business Days: New York and Mexico City.

Settlement Terms:

In respect of any Component:

Physical Settlement: Applicable.

Settlement Date: The Cash Settlement Payment Date for the corresponding Component under the Relevant Option Transaction.

Reference Settlement Date: The Valuation Date for the corresponding Component under the Relevant Option Transaction.

Market Disruption Event: The third and fourth lines of Section 6.3(a) of the Equity Definitions are hereby amended by deleting the words "at any time during the one hour period that ends at the relevant Valuation Time" and replacing them with "at any time prior to the relevant Valuation Time".

Section 6.3(b) of the Equity Definitions is hereby amended by inserting the words "or a suspension of or material limitation imposed on trading in Mexican Pesos." after the words "(ii) in futures or options contracts relating to the Shares on any relevant Related Exchange".

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Settlement Method Election: Not Applicable.

Dividends:

In respect of any Component:

Dividend Period: The period from and including the Trade Date to but excluding the Settlement Date.

Dividend Payment: With respect to any Dividend Amount paid or delivered by the Issuer to holders of record of a Share on or prior to the relevant Reference Settlement Date, on the first Scheduled Trading Day that is not a Disrupted Day immediately following the first Currency Business Day

such Dividend Amount is so paid or delivered, the Calculation Agent shall adjust the Number of Shares to be increased by a number equal to such Dividend Amount divided by the closing price per Share (after giving effect to any reinvestment discount then in effect) on such Scheduled Trading Day. The Calculation Agent shall have the discretion to make such an adjustment notwithstanding the fact that a Scheduled Trading Day is a Disrupted Day if it determines that the relevant Market Disruption Event does not have a material impact on the determination of the closing price per Share on such Scheduled Trading Day.

Dividend Amount: An amount in MXN equal to the Record Amount multiplied by the Number of Shares. To the extent that the Record Amount is not in the form of MXN (whether in another currency, securities or any other asset), the Calculation Agent shall determine the fair market value in MXN of such amount in a commercially reasonable manner.

Section 9.2(a)(iii) of the Equity Definitions is amended by deleting the words "the Excess Dividend Amount, if any, and".

The definition of "Record Amount" in Section 10.1 of the Equity Definitions is amended by replacing in the second line thereof the words "the gross cash dividend per Share" with "the cash dividend per Share, net of any withholding or deduction of taxes at the source by or on behalf of any applicable taxing authority," and adding thereafter the phrase "(including any Extraordinary Dividend) and any non-cash dividend or other distribution paid or delivered by the Issuer to holders of record of a Share (other than in the form of Shares)".

Adjustments:

Method of Adjustment: Calculation Agent Adjustment; provided, however, that the Equity Definitions shall be amended by replacing the words "diluting or concentrative" in Sections 11.2(a), 11.2(c) (in two instances) and 11.2(e)(vii) with the word "material" and by adding the words "or the Transaction" after the words "theoretical value of the relevant Shares" in Sections 11.2(a), 11.2(c) and 11.2(e)(vii); provided, further, that adjustments may be made to account for changes in volatility, expected dividends, stock loan rate and liquidity relative to the relevant Share or the Transaction.

Potential Adjustment Event: Section 11.2(e) of the Equity Definitions is amended by deleting clauses (iii) and (iv) thereof.

Extraordinary Events:

Consequences of Merger Events:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Tender Offer: Applicable.

Consequences of Tender Offers:

Share-for-Share: Modified Calculation Agent Adjustment.

Share-for-Other: Modified Calculation Agent Adjustment.

Share-for-Combined: Modified Calculation Agent Adjustment.

Composition of Combined

Composition of Combined Consideration: Not Applicable.

Nationalization, Insolvency or Delisting: Cancellation and Payment.

Determining Party: For all applicable Extraordinary Events, Citibank.

Additional Disruption Events:

Change in Law: Applicable.

Failure to Deliver: Applicable.

Hedging Disruption: Applicable.

Increased Cost of Hedging: Applicable.

Hedging Party: ***For all applicable Additional Disruption Events, Citibank.***

Determining Party: For all applicable Additional Disruption Events, Citibank.

Acknowledgments:

Non-Reliance: Applicable.

Agreements and Acknowledgments Regarding Hedging Activities: Applicable.

Additional Acknowledgments: Applicable.

3. **Account Details:**

Payments to Citibank: To be provided.

Payments to Counterparty: MXN:

BANCO NACIONAL DE MEXICO, S.A.

SUCURSAL. 870

ACCOUNT: 559220

CLABE: 002180087005592205

BENEFICIARY: BANCO NACIONAL DE MEXICO,

S.A. FIDUCIARIO

1 REFERENCIA: 110975672

2 REFERENCIA: F52986

USD:
CITIBANK, N.Y. USA
CUENTA: 36206844
ABA: 021000089
SWIFT CODE: CITIUS 33
BENEFICIARY: BANCO NACIONAL DE MEXICO, S.A. FIDUCIARIO
FFC: 1109756 CEMENTOS MEXICANOS

4. **Collateral Provisions:**

Credit Support Provider: In relation to Citibank, Not Applicable.

In relation to Counterparty, Cemex, S.A.B. de C.V. ("Cemex") the Issuer.

Credit Support Document: In the case of Citibank: The Credit Support Annex, dated as of the date hereof, between Citibank and Counterparty, which supplements, forms part of, and is subject to the Agreement (the "Credit Support Annex").

In the case of Counterparty:

(i) The Credit Support Annex; (ii) the *Contrato de Prenda Bursátil*, dated as of the date hereof among Citibank, Counterparty and Monex Casa de Bolsa, S.A. de C.V, Monex Grupo Financiero, as Administrator and Executor and (iii) the Guarantee with respect to this Transaction, the Relevant Option Transaction and the Other Forward Transaction, by the Issuer in favor of Citibank, dated as of the date hereof.

5. **Additional Representations, Warranties and Agreements:**

(a) In addition to the representations, warranties and covenants in the Agreement, each of Citibank and Counterparty represents, warrants and covenants to the other party that:

(xiii) it (i) is an "accredited investor" as defined in Section 2(a)(15)(ii) of the Securities Act of 1933, as amended (the "Securities Act") or (ii) is not a U.S. person and is entering into this Transaction in reliance on Regulation S under the Securities Act;

(xii) it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA"), and this Confirmation and each Transaction hereunder are subject to individual negotiation by the parties and have not been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA;

(xv) it is not entering into this Transaction on the basis of any material non-public information with respect to the Issuer or the Shares or the American depository receipts of the Issuer (the "CX ADSs") and it is not aware of any material non-public information with respect thereto;

(xvi) it has not and shall not directly or indirectly violate any applicable law (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in connection with any Transaction under this Confirmation; and

(xvii) it is not entering into any Transaction to create, and shall not engage in any other securities or derivatives transactions to create, actual or apparent trading activity in the Shares, shares of Cemex or CX ADSs (or any security convertible into or exchangeable for Shares, shares of Cemex or CX ADSs) or to raise or depress or to manipulate the price of the Shares, shares of Cemex or CX ADSs (or any security convertible into or exchangeable for Shares, shares of Cemex or CX ADSs).

(b) In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Citibank that:

(xviii) it understands that Citibank has no obligation or intention to register this Transaction under the Securities Act or any state securities law or other applicable federal or non-U.S. securities law;

(xix) it understands that no obligations of Citibank to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any Affiliate of Citibank or any governmental agency;

(xx) IT UNDERSTANDS THAT THIS TRANSACTION IS SUBJECT TO COMPLEX RISKS THAT MAYARISE WITHOUT WARNING, RELATED MARKETS AND PRICING MAY AT TIMES BEVOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDEAND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS;

(xxi) each of the representations and warranties made by it and each grantor (*fideicomitente – fideicomisario adherente*) (each, a "Grantor") pursuant to the Irrevocable Trust Agreement Number 111339-7 dated March 24, 2008, as amended, with Banco Nacional de Mexico, S.A., Institución de Banca Múltiple, a member of Grupo Financiero Banamex,

as Trustee and any agreement pursuant to which a Grantor becomes bound by the terms thereof (including any representation letter related thereto) (together, the "Trust Agreement") is true and accurate as of the date such representations were executed and delivered and, to the extent the truth and accuracy of any such representation or warrantyremains material to Citibank or its Affiliates and such representation or warranty was stated to remain true and accurate in the applicable document, shall remain true and accurate at all times during the term of the Transaction;

(xxii) it has sufficient knowledge and expertise to enter into this Transaction and it is entering into this Transaction in reliance upon such tax, accounting, regulatory, legal, and financial advice as its deems necessary and not upon any view expressed by the other party;

(xxiii) it has made its own independent decision to enter into this Transaction, is acting at arm's length and is not relying on any communication (written or oral) of the other party or its Affiliates as a recommendation or investment advice regarding this Transaction;

(xxiv) it has the capability to evaluate and understand (on its own behalf or through independent professional advice), and does understand, the terms, conditions and risks of this Transaction and is willing to accept those terms and conditions and to assume (financially and otherwise) those risks;

(xxv) it understands that Citibank and its Affiliates may have interests with respect to the Transaction that are in conflict with those of Counterparty, and that neither Citibank nor its Affiliates shall be under any obligation to maximize the recovery of any investment by Counterparty;

(xxvi) it understands that Citibank and its Affiliates have provided, and in the future may continue to provide, services to the Issuer in return for fees, and that Citibank may, in connection with such services, take actions or positions that are contrary to the interests of Counterparty;

(xxviii) it understands and acknowledges that Citibank and its Affiliates may from time to time effect transactions for their own account of the account of customers and hold positions in the Shares or CX ADSs or options or other derivative transactions related thereto and that Citibank and its Affiliates may continue to conduct such transactions;

(xxviii) it acknowledges and agrees that Citibank is acting as principal on an arm's-length basis and is not acting as a fiduciary or advisor to it in connection with this Transaction; and

(xxix) it shall deliver to Citibank an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement.

6. **Other Provisions:**

(m) Netting of Obligations. In the event that on the Settlement Date for any Component of this Transaction an Option Cash Settlement Amount is payable under the corresponding Component of the Relevant Option Transaction (such Option Cash Settlement Amount for the purposes hereof determined without regard to the netting provisions set forth in Section 6(a) therein), the Number of Shares to be delivered by Seller for such Component hereunder on the applicable Settlement Date shall be reduced (and may be zero) by a number of Shares selected by the Calculation Agent having a value, together with

any reduction in Shares to be delivered under the Other Forward Transaction as a result of the application of Section 6(a) therein, equal to such Option Cash Settlement Amount. The Calculation Agent shall determine the value of the Shares described in the previous sentence using the closing price per Share and the USD/MXN exchange rate as of the Valuation Time on the first Scheduled Trading Day following the relevant Reference Settlement Date that is not a Disrupted Day.

(n) Bankruptcy Code Acknowledgment. Each of Citibank and Counterparty agrees and acknowledges that Citibank is a "financial institution," "swap participant" and "financial participant" within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "Bankruptcy Code"). The parties hereto further agree and acknowledge (A) that this Confirmation is intended to be (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "settlement payment" within the meaning of Section 546 of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," a "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "transfer" within the meaning of Section 546 of the Bankruptcy Code, and (B) that Citibank is intended to be entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 548(d)(2), 555, 560 and 561 of the Bankruptcy Code.

(o) Indemnification. Counterparty agrees to indemnify and hold harmless Citibank, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Citibank and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any of the transactions contemplated by this Confirmation, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. Counterparty will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a nonappealable judgment by a court of competent jurisdiction to have resulted from Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Counterparty also agrees that no Indemnified Party shall have any liability to Counterparty or any person asserting claims on behalf of or in right of Counterparty in connection with or as a result of any matter referred to in this Confirmation or any other Confirmation except to the extent that any losses, claims, damages, liabilities or expenses incurred by Counterparty result from the breach of a material term of this Confirmation, or the Indemnified Party's gross negligence or willful misconduct. The provisions of this Section 6(c) shall survive completion of the Transactions contemplated by this Confirmation and any transfer pursuant to Section 6(d) and shall inure to the benefit of any permitted assignee of Citibank.

(p) Early Termination. At any time on or after the one year anniversary of the Trade Date of this Transaction and not more frequently than once every three months, Citibank agrees to provide good faith quotations to Counterparty for an early termination (in whole or in part) of this Transaction, such

quotations to remain actionable for a period specified by Citibank at such time as such quotations are provided; provided, however that, if any such quotation results in Counterparty requesting an early termination of this Transaction (in whole or in part), any such termination shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such termination shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) any reasonable undertakings by Counterparty (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by Counterparty, as may be requested and reasonably satisfactory to Citibank with respect to clause (i) hereof or otherwise, (iii) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such termination, and (iv) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such termination.

(q) Transfer. Notwithstanding any provision of the Agreement to the contrary, Citibank may, without the consent of Counterparty, freely transfer and assign its rights and obligations under any Transaction (in whole only and together with the Relevant Option Transaction and the Other Forward Transaction) to (i) CGMI or Citigroup Global Markets Limited ("CGML"), in each case, if such entity has a long-term unsecured debt ratings of at least "A1" (if rated by Moody's Investors Service, Inc.) or "A+" (if rated by Standard & Poor's) and (ii) any of Citibank's Affiliates that have a long-term unsecured debt rating at least equal to that of Citibank; provided that such transfer or assignment shall not result in a Tax Event or violate applicable law. At any time on or after the one year anniversary of the Trade Date of this Transaction, Counterparty may transfer and assign its rights and obligations under this Transaction (in whole or in part) to any Approved Assignee; provided that such transfer or assignment shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such transfer or assignment shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) the existence at the time of such transfer or assignment of collateral undertakings, reasonably satisfactory to Citibank, between the Approved Assignee and Citibank with respect to any transferred portion of this Transaction, (iii) any reasonable undertakings by Counterparty and the Approved Assignee (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by the Approved Assignee, as may be requested and reasonably satisfactory to Citibank, (iv) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such transfer or assignment, and (v) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such transfer or assignment.

"Approved Assignee" means any nationally- recognized equity derivatives dealer that has a long-term unsecured debt rating at least equal to that of Citibank.

(r) Designation. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Citibank to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Citibank may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Citibank's obligations in respect of this Transaction and any such designee may assume such obligations. Citibank shall be discharged of its obligations to Counterparty to the extent of any such performance.

(s) Confidentiality. Notwithstanding any provision in this Confirmation, any Confirmation or the Agreement, in connection with Section 1.6011-4 of the Treasury Regulations, the parties hereby agree that each party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party

relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

(t) Evidence of Authority. On the date hereof, Counterparty will provide to Citibank evidence satisfactory to Citibank of its authority to enter into Transactions hereunder and the incumbency of the designated signatory of Counterparty.

(u) Consent to Recording. Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Confirmation and (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of it and its Affiliates.

(v) Severability; Illegality. If compliance by either party with any provision of a Transaction would be unenforceable or illegal, (i) the parties shall negotiate in good faith to resolve such unenforceability or illegality in a manner that preserves the economic benefits of the transactions contemplated hereby and (ii) the other provisions of the Transaction shall not be invalidated, but shall remain in full force and effect.

(w) Waiver of Trial by Jury. EACH OF COUNTERPARTY AND CITIBANK HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS OR BENFICIARIES, AS APPLICABLE) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS TRANSACTION OR THE ACTIONS OF CITIBANK OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(x) Governing law. This Confirmation shall be governed by the laws of the State of New York (without reference to choice of law doctrine, other than Section 5-1401 of the New York General Obligations Law).

11. **Additional Schedule Provisions:**

(a) Notices. For the purpose of Section 12(a) of the Agreement:

Address for notices or communications to Citibank:

Address Citibank, N.A.

390 Greenwich Street
5th Floor
New York, New York 10013
Address for notices or communications to Citibank:

With a copy to:

Address
Legal Department
388 Greenwich Street
17th Floor
New York, New York 10013
Attention: Department Head

Address for notices or communications to Counterparty:

Banco Nacional de México, S.A.,
División Fiduciaria,
as trustee under trust No. 111339-7
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

with a copy to:

Cemex, S.A.B. de C.V.
Address: Av. Ricardo Margain Zozaya
325 Col Valle del Campstre 66265
San Pedro Garza García, N.L.,
Mexico
Attn: Gustavo Calvo Irabien
Equity Trading & Derivatives – Capital Markets
Phone: +52(81)88884079
Fax: +52(81)88884524
E-Mail: Gustavo.calvo@cemex.com

(b) Process Agent. For the purpose of Section 13(c) of the Agreement:

Counterparty appoints as its Process Agent:

CT Corporation System
111 Eighth Avenue
New York, NY 10011

(c) Delivery of Tax Forms. For the purposes of Section 4(a)(i) and (ii), Counterparty agrees to deliver such documents as Citibank may request in order to allow Citibank to make a payment under this Transaction without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate including, without limitation, an executed United States Internal Revenue Service Form W-8BEN (or any successor thereto), (i) upon execution of this Transaction; (ii) promptly upon reasonable demand by Citibank; and (iii) promptly upon learning that any such document, including Form W-8BEN (or any successor thereto), previously provided by Counterparty has become obsolete or incorrect.

(d) Cross Default. The "Cross Default" provisions of Section 5(a)(vi) will apply to Counterparty and will apply to Citibank; provided that, the phrase ", or becoming capable at such time of being declared," shall be deleted form Section 5(a)(vi) of the Agreement.

For purposes of Section 5(a)(vi), the following provisions apply:

"Threshold Amount" means (i) with respect to Citibank, 2% of stockholders' equity of Citibank; (ii) with respect to Counterparty, zero; and (iii) with respect to Counterparty's Credit Support Provider, USD 75,000,000.

(e) Termination Currency. The Termination Currency will be USD.

If you have any questions regarding this letter agreement, please contact the Derivatives Operations Department at the telephone numbers indicated or the facsimile numbers indicated on this Confirmation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as agent for CITIBANK, N.A.

By: /s/ H. Hirsch
Authorized Signatory

Accepted and confirmed as
of the Trade Date:
BANCO NACIONAL DE MÉXICO, S.A.,
INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
DIVISIÓN FIDUCIARIA,
acting solely as trustee under trust No. 111339-7

By: /s/ M. de los Angeles Montemayor Garza
Name: M. de los Angeles Montemayor Garza
Title: Trust Delegate

By: /s/ E. N. Wing Treviño
Name: E. N. Wing Treviño
Title: Trust Delegate

For each Component of the Transaction, the Number of Shares are set forth below.

Component Number	Number of Shares	Reference Number
1.	1,330,447	NET5582131
2.	1,330,447	NET5582132
3.	1,330,447	NET5582133
4.	1,330,447	NET5582134
5.	1,330,447	NET5582135
6.	1,330,447	NET5583536
7.	1,330,447	NET5582137
8.	1,330,447	NET5582138
9.	1,330,447	NET5582139
10.	1,330,447	NET5582140

Date: April 23, 2008

To: Banco Nacional de México, S.A.,
Integrante del Grupo Financiero Banamex,
División Fiduciaria, acting solely as trustee
under trust No. 111339-7 ("Counterparty")
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

Attn: Trust No. 111339-7
Phone: (52 81) 12.26.19.84
Fax: (52 81) 12.26.20.97

From: Citibank, N.A. ("Citibank")
390 Greenwich Street
5th Floor
New York, NY 10013

Our Ref.: As set out in Annex A for each Component

PUT OPTION TRANSACTION

The purpose of this letter agreement (this "Confirmation") is to set forth the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

Citibank is entering into this Transaction as principal and not as an agent for any other party.

CITIGROUP GLOBAL MARKETS INC. ("CGMI") WILL ACT AS AGENT IN CONNECTION WITH THIS TRANSACTION. CITIBANK HAS ACTED AS PRINCIPAL IN AND IS YOUR COUNTERPARTY TO THIS TRANSACTION. CGMI'S OBLIGATIONS AS AGENT ARE STRICTLY LIMITED TO THE DELIVERY OF ANY CASH ANDSECURITIES THAT IT ACTUALLY RECEIVES FROM CITIBANK OR COUNTERPARTY, AS THE CASEMAY BE, TO THE OTHER PARTY. IN TRANSMISSION OF THE CONFIRMATION, CGMI DOES NOT GUARANTEE ANY PARTY'S OBLIGATIONS NOR IS IT PROVIDING INVESTMENT ADVICE OR OTHER SERVICES.

1. The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern. "USD", "MXN" and "Business Day" each have the meaning assigned in the 2006 ISDA Definitions, as published by ISDA.

This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. This Confirmation, together with all other documents referring to the ISDA 2002 Master Agreement, as published by ISDA (the "Agreement") (each a "Confirmation") confirming transactions (each a "Transaction") entered into between you and us, including each Forward Transaction dated as of the date hereof (each, a "Relevant Forward Transaction"), shall supplement, form a part of, and be subject to an agreement in the form of the Agreement (excluding any Schedule but including the elections set forth in this Confirmation and in the Credit Support Annex specified below) on the Trade Date of the first such Transaction between us. All provisions contained or incorporated by reference in the Agreement will govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

:

Trade Date	April 4, 2008.
Option Style:	European.
Option Type:	Put.
Seller:	Counterparty.
Buyer:	Citibank.

Shares:	Ordinary Participation Certificates (*Certificados de Participación Ordinarios*) of Cemex, S.A.B. de C.V. (the "Issuer") (Bloomberg identifier: "CEMEXCP MM").
Components:	The Transaction will be divided into individual Components, each with the respective terms set forth in this Confirmation, and in particular with the Number of Options and Expiration Date specified in Annex A to this Confirmation. The payments to be made upon settlement of the Transaction shall be determined separately for each Component as if such Component were a separate Transaction under the Agreement.
Number of Options:	For each Component, the Number of Options provided in Annex A to this Confirmation.
Option Entitlement:	One Share per Option.
Initial Reference Price:	USD 2.6738.
Strike Price:	USD 3.2086.
Premium:	For all Components in the aggregate, an amount in USD equal to 25.5% multiplied by the Initial Reference Price multiplied by the aggregate Number of Options.
Premium Payment Date:	The Trade Date.

Exchange:	Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*).
Related Exchange(s):	All Exchanges.
Calculation Agent:	Citibank
Business Days:	New York and Mexico City.

Procedures for Exercise:

In respect of any Component:

Expiration Time:	The Valuation Time.
Expiration Date:	As provided in Annex A to this Confirmation (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day that is not already an Expiration Date for another Component); provided that if that date is a Disrupted Day, the Expiration Date for such Component shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day and is not an Expiration Date in respect of any other Component of the Transaction hereunder; and provided further that if the Expiration Date has not occurred pursuant to the preceding proviso as of the Final Disruption Date, the Final Disruption Date shall be the Expiration Date (irrespective of whether such date is an Expiration Date in respect of any other Component for the Transaction) and the VWAP Price shall be reasonably determined by the Calculation Agent. Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date, the Calculation Agent may determine that such Expiration Date is a Disrupted Day only in part, in which case the Calculation Agent shall determine that such day shall be the Expiration Date for a portion of the Number of Options for the relevant Component and shall designate the Scheduled Trading Day determined in the manner described in the immediately preceding sentence as the Expiration Date for the remaining Options for such Component. Section 6.6 of the Equity Definitions shall not apply to any Valuation Date and the final sentence of Section 3.1(f) of the Equity Definitions shall not apply to any Expiration Date. "Final Disruption Date" means the fifth Scheduled Trading Day after April 23, 2013.
Market Disruption Event:	The third and fourth lines of Section 6.3(a) of the Equity Definitions are hereby amended by deleting the words "at any time during the one hour period that ends at the relevant Valuation Time" and replacing them with "at any time prior to the relevant Valuation Time".

Section 6.3(b) of the Equity Definitions is hereby amended by inserting the words "or a suspension of or material limitation imposed on trading in Mexican Pesos." after the words "(ii) in futures or options contracts relating to the Shares on any relevant Related Exchange".

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Automatic Exercise: Applicable.

Valuation:

In respect of any Component:

Valuation Date: The Exercise Date.

Settlement Terms:

In respect of any Component:

Cash Settlement: Applicable.

Settlement Currency: USD.

Settlement Price: The VWAP Price multiplied by the Final Exchange Rate.

VWAP Price: Notwithstanding Section 7.3 of the Equity Definitions, the Settlement Price will be equal to the volume-weighted average price per Share on the Valuation Date as displayed under the heading "Bloomberg VWAP" on Bloomberg page "CEMEXCP MM <equity> VAP" (or any successor thereto), or if such price is not so reported on such Valuation Date for any reason or is, in the Calculation Agent's reasonable discretion notified to the Counterparty in reasonable detail, erroneous, such VWAP Price shall be as reasonably determined by the Calculation Agent.

Cash Settlement Payment Date: The fourth Business Day after the Valuation Date; provided that if such date is not a Clearance System Business Day, the first Clearance System Business Day after such date, subject to Section 6(a) below.

Strike Price Differential: The amount equal to the greater of (a) the excess of (i) the Strike Price over (ii) the Settlement Price and (b) zero.

Final Exchange Rate:	The average USD/MXN exchange rate on the Valuation Date (expressed as a number of USD per MXN), as determined by the Calculation Agent, which determination may be made by reference to the notionally-weighted average of the rates of exchange at which Citibank actually exchanged MXN for USD for value during the course of the day on such Valuation Date.

Dividends:

Dividend Adjustments:	If at any time during the period from but excluding the Trade Date to and including the Expiration Date an ex-dividend date for a distribution of any stock dividend occurs with respect to the Shares, then the Calculation Agent shall adjust (i) the Number of Options to be increased by, and (ii) the Strike Price to be decreased by, the percentage increase in the number of outstanding Shares of the Issuer resulting from such distribution of any stock dividend (taking into account the shareholder participation rate in such distribution of any stock dividend).

Share Adjustments:

Method of Adjustment:	Calculation Agent Adjustment; provided, however, that the Equity Definitions shall be amended by replacing the words "diluting or concentrative" in Sections 11.2(a), 11.2(c) (in two instances) and 11.2(e)(vii) with the word "material" and by adding the words "or the Transaction" after the words "theoretical value of the relevant Shares" in Sections 11.2(a), 11.2(c) and 11.2(e)(vii); provided, further, that adjustments may be made to account for changes in volatility, expected dividends, stock loan rate and liquidity relative to the relevant Share or the Transaction.
Potential Adjustment Event:	Section 11.2(e) of the Equity Definitions is amended by deleting clause (iv) thereof.

Extraordinary Events:

Consequences of Merger Events:

Share-for-Share:	Modified Calculation Agent Adjustment.
Share-for-Other:	Modified Calculation Agent Adjustment.
Share-for-Combined:	Modified Calculation Agent Adjustment.
Tender Offer:	Applicable.

Consequences of Tender Offers:

Share-for-Share:	Modified Calculation Agent Adjustment.
Share-for-Other:	Modified Calculation Agent Adjustment.
Share-for-Combined:	Modified Calculation Agent Adjustment.

Composition of Combined Consideration: Not Applicable.

Nationalization, Insolvency or Delisting: Cancellation and Payment (Calculation Agent Determination).

Additional Disruption Events:

Change in Law:	Applicable.
Hedging Disruption:	Applicable.
Increased Cost of Hedging:	Applicable.
Hedging Party:	For all applicable Additional Disruption Events, Citibank.
Determining Party:	For all applicable Additional Disruption Events, Citibank.

Acknowledgments:

Non-Reliance:	Applicable.
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable.
Additional Acknowledgments:	Applicable.

3. **Account Details:**

Payments to Citibank:	To be provided.
Payments to Counterparty:	MXN: BANCO NACIONAL DE MEXICO, S.A. SUCURSAL. 870 ACCOUNT: 559220 CLABE: 002180087005592205 BENEFICIARY: BANCO NACIONAL DE MEXICO, S.A. FIDUCIARIO 1 REFERENCIA: 110975672 2 REFERENCIA: F52986

USD:
CITIBANK, N.Y. USA
CUENTA: 36206844
ABA: 021000089
SWIFT CODE: CITIUS 33
BENEFICIARY: BANCO NACIONAL DE MEXICO, S.A. FIDUCIARIO
FFC: 1109756 CEMENTOS MEXICANOS

4. **Collateral Provisions:**

Credit Support Provider:	In relation to Citibank, Not Applicable. In relation to Counterparty, the Issuer.
Credit Support Document:	In the case of Citibank: The Credit Support Annex, dated as of the date hereof, between Citibank and Counterparty, which supplements, forms part of, and is subject to the Agreement (the "Credit Support Annex"). In the case of Counterparty: (i) The Credit Support Annex; (ii) the *Contrato de Prenda Bursátil*, dated as of the date hereof among Citibank, Counterparty and Monex Casa de Bolsa, S.A. de C.V, Monex Grupo Financiero, as Administrator and Executor and (iii) the Guarantee with respect to this Transaction and the Relevant Forward Transactions, by the Issuer in favor of Citibank, dated as of the date hereof.

5. **Additional Representations, Warranties and Agreements:**

(a) In addition to the representations, warranties and covenants in the Agreement, each of Citibank and Counterparty represents, warrants and covenants to the other party that:

(i) it (i) is an "accredited investor" as defined in Section 2(a)(15)(ii) of the Securities Act of 1933, as amended (the "Securities Act") or (ii) is not a U.S. person and is entering into this Transaction in reliance on Regulation S under the Securities Act;

(ii) it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA"), and this Confirmation and each Transaction hereunder are subject to individual negotiation by the parties and have not been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA;

(iii) it is not entering into this Transaction on the basis of any material non-public information with respect to the Issuer or the Shares or the American depository receipts of the Issuer (the "CX ADSs") and it is not aware of any material non-public information with respect thereto;

(iv) it has not and shall not directly or indirectly violate any applicable law (including, without limitation, the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in connection with any Transaction under this Confirmation; and

(v) it is not entering into any Transaction to create, and shall not engage in any other securities or derivatives transactions to create, actual or apparent trading activity in the Shares or CX ADSs (or any security convertible into or exchangeable for Shares or CX ADSs) or to raise or depress or to manipulate the price of the Shares or CX ADSs (or any security convertible into or exchangeable for Shares or CX ADSs).

(b) In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Citibank that:

(i) it understands that Citibank has no obligation or intention to register this Transaction under the Securities Act or any state securities law or other applicable federal or non-U.S. securities law;

(ii) it understands that no obligations of Citibank to it hereunder shall be entitled to the benefit of deposit insurance and that such obligations shall not be guaranteed by any Affiliate of Citibank or any governmental agency;

(iii) IT UNDERSTANDS THAT THIS TRANSACTION IS SUBJECT TO COMPLEX RISKS THAT MAYARISE WITHOUT WARNING, RELATED MARKETS AND PRICING MAY AT TIMES BEVOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDEAND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS;

(iv) each of the representations and warranties made by it and each grantor (*fideicomitente – fideicomisario adherente*) (each, a "Grantor") pursuant to the Irrevocable Trust Agreement Number 111339-7 dated March 24, 2008, as amended, with Banco Nacional de Mexico, S.A., Institución de Banca Múltiple, a member of Grupo Financiero Banamex, as Trustee and any agreement pursuant to which a Grantor becomes bound by the terms thereof (including any representation letter related thereto) (together, the "Trust Agreement") is true and accurate as of the date such representations were executed and delivered and, to the extent the truth and accuracy of any such representation or warranty remains material to Citibank or its Affiliates and such representation or warranty was stated to remain true and accurate in the applicable document, shall remain true and accurate at all times during the term of the Transaction;

(v) it has sufficient knowledge and expertise to enter into this Transaction and it is entering into this Transaction in reliance upon such tax, accounting, regulatory, legal, and financial advice as its deems necessary and not upon any view expressed by the other party;

(vi) it has made its own independent decision to enter into this Transaction, is acting at arm's length and is not relying on any communication (written or oral) of the other party or its Affiliates as a recommendation or investment advice regarding this Transaction;

(vii) it has the capability to evaluate and understand (on its own behalf or through independent professional advice), and does understand, the terms, conditions and risks of this Transaction and is willing to accept those terms and conditions and to assume (financially and otherwise) those risks;

(viii) it understands that Citibank and its Affiliates may have interests with respect to the Transaction that are in conflict with those of Counterparty, and that neither Citibank nor its Affiliates shall be under any obligation to maximize the recovery of any investment by Counterparty;

(ix) it understands that Citibank and its Affiliates have provided, and in the future may continue to provide, services to the Issuer in return for fees, and that Citibank may, in connection with such services, take actions or positions that are contrary to the interests of Counterparty;

(x) it understands and acknowledges that Citibank and its Affiliates may from time to time effect transactions for their own account of the account of customers and hold positions in the Shares or CX ADSs or options or other derivative transactions related thereto and that Citibank and its Affiliates may continue to conduct such transactions;

(xi) it acknowledges and agrees that Citibank is acting as principal on an arm's-length basis and is not acting as a fiduciary or advisor to it in connection with this Transaction; and

(xii) it shall deliver to Citibank an opinion of counsel, dated as of the Trade Date, with respect to the matters set forth in Section 3(a) of the Agreement.

6. **Other Provisions:**

(a) Netting of Obligations. In the event that on the Cash Settlement Payment Date for any Component of this Transaction a Number of Shares is due to be delivered in respect of the corresponding Component of one or both of the Relevant Forward Transactions, the Option Cash Settlement Amount payable by Seller hereunder shall be reduced by an amount determined by the Calculation Agent equal to (i) any reduction in the Number of Shares to be delivered under such Component of the Relevant Forward Transactions as a result of the application of Section 6(a) therein, in each case multiplied by (ii) (A) the applicable closing price per Share on the first Scheduled Trading Day following the related Valuation Date that is not a Disrupted Day multiplied by (B) the USD/MXN exchange rate as of the Valuation Time on the date referred to in clause (ii)(A). If the first Scheduled Trading Day following the related Valuation Date is a Disrupted Day, the Cash Settlement Payment Date for any Component of this Transaction shall be the third Business Day following the first succeeding Scheduled Trading Day that is not a Disrupted Day.

(b) Bankruptcy Code Acknowledgment. Each of Citibank and Counterparty agrees and acknowledges that Citibank is a "financial institution," "swap participant" and "financial participant" within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "Bankruptcy Code"). The parties hereto further agree and acknowledge (A) that this Confirmation is intended to be (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "settlement payment" within the meaning of Section 546 of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is intended to be a "termination value," a "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "transfer" within the meaning of Section 546 of the Bankruptcy Code, and (B) that Citibank is intended to be entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 548(d)(2), 555, 560 and 561 of the Bankruptcy Code.

(c) Indemnification. Counterparty agrees to indemnify and hold harmless Citibank, its Affiliates and its assignees and their respective directors, officers, employees, agents and controlling persons (Citibank and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which such Indemnified Party may become subject, and relating to or arising out of any of the transactions contemplated by this Confirmation, and will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. Counterparty will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability or expense is found in a nonappealable judgment by a court of competent jurisdiction to have resulted from Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law (but only to the extent that such harm was not caused by Citibank's breach of a material term of this Confirmation, willful misconduct or gross negligence), to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. Counterparty also agrees that no Indemnified Party shall have any liability to Counterparty or any person asserting claims on behalf of or in right of Counterparty in connection with or as a result of any matter referred to in this Confirmation or any other Confirmation except to the extent that any losses, claims, damages, liabilities or expenses incurred by Counterparty result from the breach of a material term of this Confirmation, or the Indemnified Party's gross negligence or willful misconduct. The provisions of this Section 6(c) shall survive completion of the Transactions contemplated by this Confirmation and any transfer pursuant to Section 6(d) and shall inure to the benefit of any permitted assignee of Citibank.

(d) Early Termination. At any time on or after the one year anniversary of the Trade Date of this Transaction and not more frequently than once every three months, Citibank agrees to provide good faith quotations to Counterparty for an early termination (in whole or in part) of this Transaction, such quotations to remain actionable for a period specified by Citibank at such time as such quotations are provided; provided, however that, if any such quotation results in Counterparty requesting an early termination of this Transaction (in whole or in part), any such termination shall be subject to reasonable conditions that Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such termination shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) any reasonable undertakings by Counterparty (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by Counterparty, as may be requested and reasonably satisfactory to Citibank with respect to clause (i) hereof or otherwise, (iii) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such termination, and (iv) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such termination.

(e) Transfer. Notwithstanding any provision of the Agreement to the contrary, Citibank may, without the consent of Counterparty, freely transfer and assign its rights and obligations under any Transaction (in whole only and together with each Relevant Forward Transaction) to (i) CGMI or Citigroup Global Markets Limited ("CGML"), in each case, if such entity has a long-term unsecured debt ratings of at least "A1" (if rated by Moody's Investors Service, Inc.) or "A+" (if rated by Standard & Poor's) and (ii) any of Citibank's Affiliates that have a long-term unsecured debt rating at least equal to that of Citibank; provided that such transfer or assignment shall not result in a Tax Event or violate applicable law. At any time on or after the one year anniversary of the Trade Date of this Transaction, Counterparty may transfer and assign its rights and obligations under this Transaction (in whole or in part) to any Approved Assignee; provided that such transfer or assignment shall be subject to reasonable conditions that

Citibank may impose, including, but not limited to (i) Counterparty's and Citibank's agreement that such transfer or assignment shall be conducted in compliance with the terms of the Trust Agreement and shall not adversely effect any Grantor, (ii) the existence at the time of such transfer or assignment of collateral undertakings, reasonably satisfactory to Citibank, between the Approved Assignee and Citibank with respect to any transferred portion of this Transaction, (iii) any reasonable undertakings by Counterparty and the Approved Assignee (including, but not limited to, any undertaking with respect to compliance with applicable securities laws) and execution of any documentation by the Approved Assignee, as may be requested and reasonably satisfactory to Citibank, (iv) the condition that an Event of Default, Potential Event of Default or Termination Event will not occur as a result of such transfer or assignment, and (v) Counterparty reimbursing Citibank for all reasonable costs and expenses incurred by Citibank in connection with such transfer or assignment.

"Approved Assignee" means any nationally- recognized equity derivatives dealer that has a long-term unsecured debt rating at least equal to that of Citibank.

(f) Designation. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Citibank to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Citibank may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Citibank's obligations in respect of this Transaction and any such designee may assume such obligations. Citibank shall be discharged of its obligations to Counterparty to the extent of any such performance.

(g) Confidentiality. Notwithstanding any provision in this Confirmation, any Confirmation or the Agreement, in connection with Section 1.6011-4 of the Treasury Regulations, the parties hereby agree that each party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

(h) Evidence of Authority. On the date hereof, Counterparty will provide to Citibank evidence satisfactory to Citibank of its authority to enter into Transactions hereunder and the incumbency of the designated signatory of Counterparty.

(i) Consent to Recording. Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Confirmation and (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of it and its Affiliates.

(j) Severability; Illegality. If compliance by either party with any provision of a Transaction would be unenforceable or illegal, (i) the parties shall negotiate in good faith to resolve such unenforceability or illegality in a manner that preserves the economic benefits of the transactions contemplated hereby and (ii) the other provisions of the Transaction shall not be invalidated, but shall remain in full force and effect.

(k) Waiver of Trial by Jury. EACH OF COUNTERPARTY AND CITIBANK HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS OR BENFICIARIES, AS APPLICABLE) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS TRANSACTION OR THE ACTIONS OF CITIBANK OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(l) Governing law. This Confirmation shall be governed by the laws of the State of New York (without reference to choice of law doctrine, other than Section 5-1401 of the New York General Obligations Law).

11. **Additional Schedule Provisions:**

(a) Notices. For the purpose of Section 12(a) of the Agreement:

Address for notices or communications to Citibank:

Address: Citibank, N.A.

390 Greenwich Street
5th Floor
New York, New York 10013
Attention: Corporate Equity Derivatives

With a
copy to:

Address: Legal Department
388 Greenwich Street
17th Floor
New York, New York 10013
Attention: Department Head

Address for notices or communications to Counterparty:

Banco Nacional de México, S.A.,
División Fiduciaria,
as trustee under trust No. 111339-7
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México

with a copy to:

Cemex, S.A.B. de C.V.
Address: Av. Ricardo Margain Zozaya
325 Col Valle del Campstre 66265
San Pedro Garza García, N.L.,
Mexico

Attn: Gustavo Calvo Irabien
Equity Trading & Derivatives – Capital Markets
Phone: +52(81)88884079
Fax: +52(81)88884524
E-Mail: Gustavo.calvo@cemex.com

(b) Process Agent. For the purpose of Section 13(c) of the Agreement:

Counterparty appoints as its Process Agent:

CT Corporation System
111 Eighth Avenue
New York, NY 10011

(c) Delivery of Tax Forms. For the purposes of Section 4(a)(i) and (ii), Counterparty agrees to deliver such documents as Citibank may request in order to allow Citibank to make a payment under this Transaction without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate including, without limitation, an executed United States Internal Revenue Service Form W-8BEN (or any successor thereto), (i) upon execution of this Transaction; (ii) promptly upon reasonable demand by Citibank; and (iii) promptly upon learning that any such document, including Form W-8BEN (or any successor thereto), previously provided by Counterparty has become obsolete or incorrect.

(d) Cross Default. The "Cross Default" provisions of Section 5(a)(vi) will apply to Counterparty and will apply to Citibank; provided that, the phrase ", or becoming capable at such time of being declared," shall be deleted form Section 5(a)(vi) of the Agreement.

For purposes of Section 5(a)(vi), the following provisions apply:

"Threshold Amount" means (i) with respect to Citibank, 2% of stockholders' equity of Citibank; (ii) with respect to Counterparty, zero; and (iii) with respect to Counterparty's Credit Support Provider, USD 75,000,000.

(e) Termination Currency. The Termination Currency will be USD.

If you have any questions regarding this letter agreement, please contact the Derivatives Operations Department at the telephone numbers indicated or the facsimile numbers indicated on this Confirmation.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as agent for CITIBANK, N.A.

By: /s/ H. Hirsch
Authorized Signatory

Accepted and confirmed as
of the Trade Date:
BANCO NACIONAL DE MÉXICO, S.A.,
INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
DIVISIÓN FIDUCIARIA,
acting solely as trustee under trust No. 111339-7

By: /s/ M. de los Angeles Montemayor Garza
Name: M. de los Angeles Montemayor Garza
Title: Trust Delegate

By: /s/ E. N. Wing Treviño
Name: E. N. Wing Treviño
Title: Trust Delegate

ANNEX A

For each Component of the Transaction, the Number of Options and Expiration Date are set forth below.

Component Number	Number of Options	Expiration Date	Reference Number
1.	11,219,813	4/4/2013	NET5582101
2.	11,219,813	4/5/2013	NET5582102
3.	11,219,813	4/8/2013	NET5582103
4.	11,219,813	4/9/2013	NET5582107
5.	11,219,813	4/10/2013	NET5582108
6.	11,219,813	4/11/2013	NET5582109
7.	11,219,813	4/12/2013	NET5582110
8.	11,219,813	4/15/2013	NET5582111
9.	11,219,813	4/16/2013	NET5582112
10.	11,219,813	4/17/2013	NET5582113

(Bilateral Form)

(ISDA Agreements Subject to New York Law Only)

ISDA®

International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

to the Schedule to the

dated as of April 23, 2008

between BANCO NACIONAL DE MÉXICO, S.A.,
INTEGRANTE DEL GRUPO FINANCIERO BANAMEX,
DIVISIÓN FIDUCIARIA,
acting solely as trustee under trust No. 111339-7
("Party A")

and CITIGROUP GLOBAL MARKETS INC.,
as agent for CITIBANK, N.A.
("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:—

Paragraph 1. Interpretation

(a) ***Definitions and Inconsistency.*** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) ***Secured Party and Pledgor.*** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; *provided, however,* that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) ***Delivery Amount***. Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the ***"Delivery Amount"*** applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) ***Return Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the ***"Return Amount"*** applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party exceeds

(ii) the Credit Support Amount.

"Credit Support Amount" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however,* that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) ***Conditions Precedent.*** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) ***Transfer Timing.*** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) ***Calculations.*** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent willnotify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

Substitutions.

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent isnot the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) ***Care of Posted Collateral.*** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) ***Eligibility to Hold Posted Collateral; Custodians.***

(i) ***General.*** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) ***Failure to Satisfy Conditions.*** If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) ***Liability.*** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) ***Use of Posted Collateral.*** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) ***Distributions and Interest Amount.***

(i) ***Distributions.*** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) ***Interest Amount.*** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

(i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;

(ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or

(iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) ***Secured Party's Rights and Remedies.*** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;

(iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) ***Pledgor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) ***Deficiencies and Excess Proceeds.*** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) ***Final Returns.*** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2,

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

(iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

(a) ***General.*** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) ***Posted Credit Support.*** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) ***Liquidation/Application of Posted Credit Support.*** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

(a) ***Default Interest.*** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) ***Further Assurances.*** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) ***Further Protection.*** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) ***Good Faith and Commercially Reasonable Manner.*** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) ***Demands and Notices***. All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) ***Specifications of Certain Matters.*** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:—

"Cash" means the lawful currency of the United States of America.

"Credit Support Amount" has the meaning specified in Paragraph 3

"Custodian" has the meaning specified in Paragraphs 6(b)(i) and 13.

"Delivery Amount" has the meaning specified in Paragraph 3(a).

"Disputing Party" has the meaning specified in Paragraph 5.

"Distributions" means with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"Eligible Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Eligible Credit Support" means Eligible Collateral and Other Eligible Support.

"Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

(x) the amount of that Cash on that day; multiplied by

(y) the Interest Rate in effect for that day; divided by

(z) 360.

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Local Business Day", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Other Posted Support" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"Pledgor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"Posted Credit Support" means Posted Collateral and Other Posted Support.

"Recalculation Date" means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however,* that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"Resolution Time" has the meaning specified in Paragraph 13.

"Return Amount" has the meaning specified in Paragraph 3(b).

"Secured Party" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"Specified Condition" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"Substitute Credit Support" has the meaning specified in Paragraph 4(d)(i).

"Substitution Date" has the meaning specified in Paragraph 4(d)(ii).

"Threshold" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

"Valuation Agent" has the meaning specified in Paragraph 13.

"Valuation Date" means each date specified in or otherwise determined pursuant to Paragraph 13.

"Valuation Percentage" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"Valuation time" has the meaning specified in Paragraph 13.

"Value" means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof, and

(B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;

(ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and

(iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

Paragraph 13. Elections and Variables

(a) **Security Interest for "Obligations"**. The term "Obligations" shall have the meaning set forth in Paragraph 12, except that, with respect to Counterparty, the term "Obligations" shall also include Counterparty's obligations under the *Contrato de Prenda Bursátil*, dated as of the date hereof among Citibank, Counterparty and Monex Casa de Bolsa, S.A. de C.V, Monex Grupo Financiero, as Administrator and Executor (the "Administrator", and such agreement, the "Mexican Security Agreement").

(b) **Credit Support Obligations**.

(i) **Delivery Amount, Return Amount and Credit Support Amount; Addition to Paragraph 3**.

(A) "**Delivery Amount**" has the meaning set forth in Paragraph 3(a).

(B) "**Return Amount**" has the meaning set forth in Paragraph 3(b).

(C) "**Credit Support Amount**" means for any Valuation Date (i) with respect to Citibank, not applicable and (ii) with respect to Counterparty, the greater of (a) the aggregate of all Independent Amounts applicable to Counterparty and (b) 110% of Citibank's Exposure minus the Threshold applicable to Counterparty, but not less than zero.

(D) **Delivery of Independent Amounts**. Notwithstanding anything herein to the contrary (including without limitation the provisions of Paragraph 3), the Transfer of the Independent Amount shall be made in full by the close of business on the fifth Local Business Day following the execution of the Put Option Confirmation, dated as of the date hereof between Citibank and Counterparty (the "Put Option").

(ii) "**Eligible Collateral**" means (i) with respect to Citibank, not applicable and (ii) with respect to Counterparty, (a) Cash, (b) Counterparty's rights under the Forward Confirmation (Cemex CPOs) (such Transaction, the "Forward Transaction Cemex CPOs" and Counterparty's interest thereunder, the "Forward Receivable"), dated as of the date hereof between Citibank and Counterparty, (c) 14,305,260 Ordinary Participation Certificates (Certificados de Participación Ordinarios) (the "Cemex CPOs) of Cemex S.A.B. de C.V. forming a portion of the Independent Amount delivered pursuant to Paragraph 13(b)(i)(D) above and up to 7,000,000 additional Cemex CPOs (together, the "Issuer Acceptable Shares") and (d) (i) non-redeemable ordinary participation certificates issued by Nacional Financiera, S.N.C. as settlor and trustee under Trust Agreement No. 80166 dated April 10, 2002 and (ii) common shares representing capital stock (or ordinary participation certificates having as underlying securities such common shares) of any of the following entities listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) (including all cash distributions thereon), collectively in the case of clauses (d)(i) and (ii) subject to an aggregate maximum Value, exclusive of the related cash distributions, if any, of USD 30,000,000 (the "Other Acceptable Shares" and together with the Issuer Acceptable Shares, the " Share Collateral"):

(A) Telefonos de Mexico, S.A.B. de C.V.;

(B) America Movil, S.A.B. de C.V.;

(C) Walmart de Mexico, S.A.B. de C.V.; and

(D) Grupo Televisa, S.A.B.

For the avoidance of doubt, the limitations in this provision on eligible Share Collateral shall not be construed to limit the aggregate amount of Eligible Collateral or Posted Collateral that Counterparty is required to Transfer or maintain, as applicable, hereunder; any Share Collateral in excess of these limitations shall have a Value of zero.

(iii) **Other Eligible Support**. There shall be no "Other Eligible Support" for either party for purposes of this Annex.

(iv) **Thresholds**.

(A) "**Independent Amount**" means, for any Valuation Date (i) with respect to Citibank, not applicable and (ii) with respect to Counterparty, an amount in USD equal to the Value, as determined by the Valuation Agent of the Permanent Collateral (as defined in Paragraph 13(m)(xiii)).

(B) "**Threshold**" means (i) with respect to Citibank, not applicable and (ii) with respect to Counterparty, USD 20,000,000, provided, that, if an Event of Default has occurred and is continuing with respect to Counterparty as the Defaulting Party, the Threshold with respect to Counterparty shall be zero.

(C) "**Minimum Transfer Amount**" means, with respect to Citibank and Counterparty, USD 5,000,000, provided, that, if an Event of Default has occurred and is continuing with respect to Counterparty as the Defaulting Party, the Minimum Transfer Amount with respect to Counterparty shall be zero.

(D) **Rounding**. The Delivery Amount and the Return Amount shall not be rounded.

(c) **Valuation and Timing**.

(i) "**Valuation Agent**" means Citibank.

(ii) "**Valuation Date**" means each Local Business Day.

(iii) "**Valuation Time"** means, with respect to the determination of Exposure, Value of Eligible Credit Support and Posted Credit Support, the close of business on the Local Business Day immediately before the Valuation Date or date of calculation, as applicable.

(iv) "**Notification Time**" means 10:00 a.m., New York time on a Valuation Date provided, however, that, notwithstanding Paragraph 4(b), if a request for Transfer is made by the Notification Time, then the relevant Transfer shall be made not later than the close of business on such day and, if such request is received after the Notification Time, not later than the close of business on the next Local Business Day following such request; *provided, that,* for the purposes of this provision only, the Transfer of Eligible Credit Support or Posted Credit Support that is Share Collateral shall be deemed to be made when the party making such Transfer initiates the transfer of the Share Collateral, and all further steps required to be taken according to the definition of "Transfer" in Paragraph 12 shall be completed as promptly as practicable thereafter, but in any case not later than by the close of business on the second Local Business Day following the Local Business Day on which such demand is received; *provided* that if such demand is received after the close of business on a Local Business Day or on a day that is not a Local Business Day, such demand will be deemed to be received on the following Local Business Day.

(d) **Conditions Precedent and Secured Party's Rights and Remedies**. The provisions of Paragraph 4(a) shall apply except that "***Specified Condition***" shall not apply.

(e) **Substitution.** "**Substitution Date**" has the meaning specified in Paragraph 4(d)(ii).

(f) **Dispute Resolution.**

(i) **"Resolution Time"** means 1:00 p.m., New York time, on the Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 5.

(ii) **Value**. For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support or the Value of any Transfer of Eligible Credit Support or Posted Credit Support, as applicable, will be calculated as the sum of the arithmetic mean of the mid market quotations on the relevant date of four nationally recognized principal market makers or dealers, as applicable, for such security or derivative transaction, as chosen by the Valuation Agent *provided* that if four quotations are not available for such security or derivative transaction, then fewer than four quotations may be used for that security or derivative transaction, and if no quotations are available for a security or derivative transaction, then the Valuation Agent's original calculations will be used for that security or derivative transaction.

(iii) **Alternative**. The provisions of Paragraph 5 will apply.

(g) **Holding and Using Posted Collateral**.

(i) **Eligibility to Hold Posted Collateral; Custodians**. Citibank and its Custodian shall each be entitled to hold Posted Collateral pursuant to Paragraph 6(b).

(ii) **Use of Posted Collateral**. The provisions of Paragraph 6(c) shall apply to Citibank, except that, for the purposes of Paragraph 6(c), the term "Posted Collateral" shall be deemed to not include the Share Collateral. Any use of Posted Collateral that is Share Collateral shall comply with the terms of the Mexican Security Agreement.

(h) **Distributions and Interest Amount.**

(i) **Interest Rate**. The "Interest Rate" shall be a variable interest rate per annum equal, for each day during any period, to the rate set forth for such day as displayed on the page "FEDSOPEN <Index>" on the BLOOMBERG Professional Service, or any successor page; provided that if no rate appears for any day on such page, the rate for the immediately preceding day for which a rate does so appear shall be used for such day.

(ii) **Transfer of Interest Amount.** Transfers of the Interest Amount shall be made in arrears on the last Local Business Day of each calendar month.

(iii) **Alternative to Interest Amount.** The provisions of Paragraph 6(d)(ii) shall apply, provided, however, that the Interest Amount shall compound daily.

(iv) **Distributions**. For the purposes of Paragraph 6(d), the term "Distributions" shall not include Distributions with respect to Posted Collateral that is Share Collateral. Distributions with respect to Posted Collateral that is Share Collateral shall be governed by the terms of the Mexican Security Agreement and Paragraph 13(m)(xiv) below.

(i) **Additional Representations.**

(i) Notwithstanding anything to the contrary contained herein, the Pledgor ("X"), or its direct or indirect owners, shall be the beneficial owners, within the meaning of the U.S. tax laws, of any securities it shall Transfer as collateral to the Secured Party ("Y") pursuant to the terms hereof.

(ii) X shall promptly provide to Y, upon written request, any tax documentation reasonably requested by Y to allow Y to make gross interest payments to X in respect of any Posted Credit Support Transferred to Y pursuant hereto.

(j) **Other Eligible Support and Other Posted Support**.

(i) "**Value**" with respect to Other Eligible Support and Other Posted Support shall be not applicable.

(ii) "**Transfer**" with respect to Other Eligible Support and Other Posted Support shall be not applicable.

(k) **Demands and Notices.**

All demands, specifications and notices under this Annex shall be made pursuant to the Notices Section of this Annex, provided, that the address for Citibank for such purposes shall be:

Citigroup Equity Derivatives
390 Greenwich St.
5th Floor
New York, NY 10013
Telephone: (212) 723-7357

and the address for Counterparty for such purposes shall be:

Banco Nacional de México, S.A.,
Integrante del Grupo Financiero Banamex,
División Fiduciaria, acting solely as trustee
under trust No. 111339-7 ("Counterparty")
Calzada del Valle No. 350 ote. 1er. Piso
Colonia Del Valle
Código Postal 66220
San Pedro Garza García, Nuevo León
México
Attn: Trust No. 111339-7
Phone: (52 81) 12.26.19.84
Fax: (52 81) 12.26.20.97

with a copy to:

Cemex, S.A.B. de C.V.
Address: Av. Ricardo Margain Zozaya
325 Col Valle del Campestre 66265 San Pedro Garza Garcia N.L. Mexico
Attn: Gustavo Calvo Irabien
Equity Trading & Derivatives - Capital Markets
Phone: +52(81)88884079
Fax: +52(81)88884524
E-Mail: gustavo.calvo@cemex.com

(l) **Addresses for Transfers**. As agreed between the parties from time to time.

(m) **Other Provisions**.

(i) **Form of Agreement**. For the avoidance of doubt, this Paragraph 13 is intended to be Paragraph 13 of the printed form of 1994 ISDA Credit Support Annex (Bilateral Form – New York Law) as published by ISDA, which is hereby incorporated herein.

(ii) **Swap Transactions**. The reference in Paragraph 8(b) to "(or Swap Transactions)" is hereby deleted.

(iii) **Rights and Remedies under Paragraph 8(a)**. The Secured Party shall be entitled to exercise the rights and remedies provided for in Paragraph 8(a) if the Pledgor fails to pay when due any amount payable by it under Section 6 of this Agreement in connection with a Termination Event, even if the Pledgor is not the Affected Party.

(iv) **Exposure**. The following definition replaces the definition of "Exposure" in Paragraph 12:

> ""Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(1) (but without reference to clause (3) of Section 6(e)(ii)) of this Agreement if all Transactions were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) United States Dollars is the Termination Currency; provided that the Close-out Amount will be determined by the Valuation Agent on behalf of that party using the Valuation Agent's estimates at mid-market of the amounts that would be paid for transactions providing the economic equivalent of (x) the material terms of the Transactions, including the payments and deliveries by the parties under Section 2(a)(i) in respect of the Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date (assuming satisfaction of the conditions precedent in Section 2(a)(iii) of this Agreement); and (y) the option rights of the parties in respect of the Transactions. For the purposes of this definition only, the term "Transactions" shall not include the Forward Transaction Cemex CPOs (as defined in Paragraph 13(b)(ii))."

(v) **Set-off**. The following definition is added to Paragraph 12:

> ""Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement (whether arising under this Agreement, another contract, applicable law or otherwise) and, when used as a verb, the exercise of any such right or the imposition of any such requirement."

(vi) **One-Way Credit Support Agreement**. Notwithstanding anything in this Agreement to the contrary, "Pledgor" shall mean Counterparty and "Secured Party" shall mean Citibank in all instances in this Annex. This Annex provides for one-way Credit Support from Counterparty to Citibank.

(vii) **Actions Hereunder**. Either party may take any actions hereunder, including liquidation rights, through its agent.

(viii) **Events of Default.** Paragraph 7(i) is hereby deleted in its entirety and restated as follows: "(i) that party fails to make, when due any Transfer of Eligible Credit Support, Posted Credit Support or the Interest Amount as applicable, required to be made by it and that failure continues for one Local Business Day after notice of that failure is given to that party;".

(ix) **Transfer**. The definition of "Transfer" in Paragraph 12 is hereby amended by deleting clauses (ii), (iii) and (iv) thereof and adding the following:

"(ii) in the case of the Forward Receivable, the filing of an appropriate UCC financing statement in the District of Columbia referencing the Forward Receivable, naming Counterparty as debtor and Citibank as secured party and, the taking of such steps under Mexican law as Citibank determines are necessary or appropriate to effect the perfection of Citibank's security interest in the Forward Receivable under Mexican law or, if requiring further action by Counterparty, written notice of such action has been given to Counterparty within a reasonable time of such steps and such steps have occurred (or, in the case of a return of such Posted Collateral to the Pledgor (which shall not be earlier than the time of final return pursuant to Paragraph 8(d), except in the case of assignment, as discussed in Paragraph 13(m)(xiii)) the release of such security interest in accordance with Paragraph 8(d)); and

(iii) in the case of the Share Collateral, the execution by Counterparty of the Mexican Security Agreement, the transfer of such Share Collateral by Counterparty to the collateral account maintained at S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V. ("Indeval") by the Administrator, the receipt of notice by the Administrator from Indeval as to the crediting of such Share Collateral to such account, the notation on the books and records of the Administrator that such Share Collateral is held for the benefit of Citibank, and the continued effectiveness of the Mexican Security Agreement (or, in the case of a return of such Share Collateral to the Pledgor, the release and return of the Share Collateral in accordance with the Mexican Security Agreement)."

(x) **Value**. The definition of "Value" in Paragraph 12 is hereby amended by deleting clause (i) thereof and replacing it with the following:

"(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof;

(B) the Forward Receivable, an amount determined by the Valuation Agent as of the Valuation Time as if Exposure were being calculated with respect to the relevant Transaction; and

(C) the Share Collateral, the bid price on the Mexican Stock Exchange at the Valuation Time obtained by the Valuation Agent;"

(xi) **Security Interest in the Forward Receivable**. Paragraph 2 shall be amended by adding after the phrase "to or received by the Secured Party hereunder" in the third line thereof, but before the period, the parenthetical "(which, for the avoidance of doubt, shall include the Forward Receivable (as defined in Paragraph 13(b)(ii)))".

(xii) **Certain Rights and Remedies**.

(A) Paragraph 8(a) shall be amended by adding the following sentence at the end of clause (iv):

"*Provided, however*, that with respect to the Share Collateral (as defined in Paragraph 13(b)(ii)), any liquidation by the Secured Party shall be conducted in a manner consistent with the terms of the Mexican Security Agreement (as defined in Paragraph 13(a))."

(B) For the purposes of Paragraph 8(c), any Transfer thereunder of any Posted Credit Support that is Share Collateral shall occur in accordance with the terms of the Mexican Security Agreement.

(C) For the purposes of Paragraph 8(d), any return thereunder of any Posted Credit Support that is Share Collateral shall occur in accordance with the terms of the Mexican Security Agreement.

(xiii) **Permanent Collateral**. The initial Transfer of the Independent Amount pursuant to Paragraph 13(b)(i)(D) above shall consist of (a) 14,305,260 Cemex CPOs (subject to reduction in accordance with the penultimate sentence of this paragraph) (the "Initial Cemex CPOs") and (b) the Forward Receivable (together with the Initial Cemex CPOs, the " Initial Collateral"). The Initial Collateral, together with all Dividend Cemex CPOs (as defined in Paragraph 13(m)(xvii) below) (collectively, with respect to any date, the "Permanent Collateral"), shall be held as Posted Collateral at all times during the period from and including the date of its Transfer pursuant to Paragraph 13(b)(i)(D) above, or the date on which it is obtained by the Administrator pursuant to Paragraph 13(m)(xiv) below, as applicable, to and including the date on which no amounts are or thereafter may become payable by Counterparty with respect to the Obligations (except for any potential liability under Section 2(d) of this Agreement), *provided, that*, subject to the due performance by Counterparty of its obligations under each Transaction and Paragraph 4(a), the portion of the Permanent Collateral consisting of Cemex CPOs shall be reduced on each Cash Settlement Payment Date, as defined in the Put Option, by a number of Cemex CPOs equal to the product of (A) 1/10 multiplied by (B) the number of Cemex CPOs comprising the Initial Cemex CPOs. In addition, in connection with any assignment in accordance with the terms of the relevant Confirmation or mutually agreed early unwind (in either case, in part or in whole) of the Put Option, the Permanent Collateral shall be reduced, as of the date of such assignment or the date of settlement of such early unwind, as applicable, by an amount proportional to the portion of the Put Option to be assigned or unwound, as applicable, on such date. For the avoidance of doubt, the Permanent Collateral, or any portion thereof, may not constitute any portion of any Return Amount and shall not be eligible for substitution under Paragraph 4(d).

(xiv) **Dividend Reinvestment**. All Distributions with respect to the portion of the Permanent Collateral consisting of Cemex CPOs, to the extent such Distributions are not in the form of Cemex CPOs, shall be reinvested in Cemex CPOs in accordance with the terms of the Mexican Security Agreement. All Cemex CPOs resulting from such Distributions (subject to reduction in accordance with Paragraph 13(m)(xiii), the "Dividend Cemex CPOs") shall constitute Posted Collateral and shall be deemed to be "Posted Collateral Transferred to or received by the Secured Party" for the purposes of Paragraph 2.

(xv) **Transfer of Undisputed Amount**. Paragraph 5 is hereby amended by adding the following after the phrase "of (II) above" in the eighth line thereof:

"(provided that such Transfer need not be made prior to the time that such Transfer need otherwise be made pursuant to the demand made under Paragraph 3)".

(xvi) The following provision replaces Paragraph 5(i)(B):

"(B) calculating the Exposure for the Transactions in dispute by seeking four actual quotations at mid-market from third parties for purposes of calculating the relevant Close-out Amount, and taking the arithmetic mean of those obtained; provided that if four quotations are not available for a particular Transaction, then fewer than four quotations may be used for that Transaction, and if no quotations are available for a particular Transaction, then the Valuation Agent's original calculations will be used for that Transaction; and"

(xvii) **Calculations**. Paragraph 4(c) shall be amended by adding, after the phrase "All calculations of Value and Exposure" in the first line thereof, the parenthetical "(including, without limitation, any calculation of any currency exchange rate)".

IN WITNESS WHEREOF, the parties hereto have executed this Credit Support Annex as of the date first above written.

CITIGROUP GLOBAL MARKETS INC., as agent for CITIBANK, N.A.

By: /s/ H. Hirsch
Name: H. Hirsch
Title: Managing Director

BANCO NACIONAL DE MÉXICO, S.A., INTEGRANTE DEL GRUPO FINANCIERO BANAMEX, DIVISIÓN FIDUCIARIA, acting solely as trustee under trust No. 111339-7

By: /s/ M. de los Angeles Montemayor Garza
Name: M. de los Angeles Montemayor Garza
Title: Trust Delegate

By: /s/ E. N. Wing Treviño
Name: E. N. Wing Treviño
Title: Trust Delegate

EXECUTION VERSION

CREDIT AGREEMENT

among

CEMEX, S.A.B. de C.V.,
as Borrower

and

CEMEX MÉXICO, S.A. de C.V.,
as Guarantor

and

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH,
as Lender

US$500,000,000

Dated as of June 25, 2008

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EXHIBITS

Exhibit A	--	Form of Note
Exhibit B	--	Notice of Borrowing
Exhibit C	--	Form of Assignment and Assumption Agreement
Exhibit D	--	Form of Opinion of Special New York Counsel to the Borrower and the Guarantor
Exhibit E	--	Form of Opinion of Mexican Counsel to the Borrower and the Guarantor

CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of June 25, 2008 among **CEMEX, S.A.B de C.V.,** a *sociedad anónima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States (the "Borrower"), **CEMEX MÉXICO, S.A. de C.V.,** a *sociedad anónima de capital variable* organized and existing pursuant to the laws of the United Mexican States (the "Guarantor") and **BANCO BILBAO VIZCAYA ARGENTARIA, S.A.** acting through its **NEW YORK BRANCH** (the "Lender").

RECITALS

WHEREAS, the Borrower entered into a bridge facility in the amount of US$1.2 billion, dated as of October 24, 2006 (as modified, amended or supplemented the "Bridge Facility"), among the Borrower, the Guarantor, Empresas Tolteca de México, S.A. de C.V. and BBVABancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer as lender;

WHEREAS, the Borrower proposes to partially refinance the Bridge Facility and enter into a new term loan credit agreement; and

WHEREAS, the Guarantor is willing to guaranty all of the Obligations of the Borrower.

NOW, THEREFORE, each of the Parties hereto hereby agrees as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Subsidiary" means any Subsidiary acquired by the Borrower or any other Subsidiary after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary of the Borrower or any one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, the Borrower or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Adjusted Consolidated Net Tangible Assets" means, with respect to any Person, the total assets of such Person and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), including any write-ups or restatements required under Mexican FRS (other than with respect to items referred to in clause (ii) below), after deducting therefrom (i) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licenses, concessions, patents, unamortized debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Mexican FRS.

"Affected Lender" has the meaning specified in Section 3.07(a).

"Affiliate" means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company.

"Agreement" means this Credit Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable Margin" means, at any date, 1.325%.

"Assignee" has the meaning specified in Section 11.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit C.

"Base Rate" means, for any day, the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 1/2% per annum, in each case as in effect for such day. Any change in the Prime Rate announced by the Reference Banks shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means any Loan made with, converted to or maintained at a rate of interest calculated with reference to the Base Rate.

"Borrower" has the meaning specified in the preamble hereto.

"Borrowing" means the amount of the Loan hereunder to be made to the Borrower pursuant to ARTICLE II on the Disbursement Date by the Lender.

"Borrowing Request" means a Notice of Borrowing.

"Business Day" means any day that is also a day for trading by and between banks in Dollar deposits in the London interbank market, excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York, USA or Mexico City, Mexico, or is a day on which banking institutions located in New York or Mexico are authorized or required by law or other governmental action to close.

"Capital Lease" means, as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under Mexican FRS and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Mexican FRS.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Commitment" means the aggregate principal Dollar amount set forth opposite the name of the Lender in Schedule 1.01(a).

"Commitment Letter" means the commitment letter, dated as of June 12, 2008, entered into between the Borrower and the Lender.

"Confidential Information" means information that the Borrower or the Guarantor furnishes to the Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Lender from a source other than the Borrower or the Guarantor that is not, to the best of the Lender's knowledge, acting in violation of a confidentiality agreement with the Borrower or Guarantor or any other Person.

"Consolidated" refers to the consolidation of accounts in accordance with Mexican FRS.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period and (b) to the extent not included in (a) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps.

"Consolidated Fixed Charge Coverage Ratio" means, for any period of four consecutive fiscal quarters, the ratio of (a) EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Interest Expense" means, for any period, the total gross interest expense of the Borrower and its consolidated Subsidiaries allocable to such period in accordance with Mexican FRS.

"Consolidated Net Debt" means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Borrower and its Subsidiaries at such date, plus (b) to the extent not included in Debt, the aggregate amount of all derivative financing in the form of equity swaps outstanding at such date (save to the extent cash collateralized) minus (c) all Temporary Investments of the Borrower and its Subsidiaries at such date.

"Consolidated Net Debt / EBITDA Ratio" means, the ratio of (a) Consolidated Net Debt to (b) EBITDA for the period of four consecutive fiscal quarters immediately preceding, which shall be calculated based on the most recently available consolidated financial statements of the Borrower and its Subsidiaries as of such date.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any indenture, mortgage, deed of trust, loan agreement or other agreement to which such Person is a party or by which it or any of its property or assets is bound.

"Credit Party" means either the Borrower or the Guarantor.

"Debt" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing, and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person. For the avoidance of doubt, Debt does not include Derivatives. With respect to the Borrower and its subsidiaries, the aggregate amount of Debt outstanding shall be adjusted by the Value of Debt Currency Derivatives solely for the purposes of calculating the Consolidated Net Debt / EBITDA Ratio. If the Value of Debt Currency Derivatives is a positive mark-to-market valuation for the Borrower and its subsidiaries, then Debt shall decrease accordingly, and if the Value of Debt Currency Derivatives is a negative mark-to-market valuation for the Borrower and its subsidiaries, then Debt shall increase by the absolute value thereof.

"Debt Currency Derivatives" means derivatives of the Borrower and its subsidiaries related to currency entered into for the purposes of hedging exposures under outstanding Debt of the Borrower and its subsidiaries, including but not limited to cross-currency swaps and currency forwards.

"Default" means any condition, event or circumstance which, with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default.

"Derivatives" means any type of derivative obligations, including but not limited to equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swaptions.

"Disbursement Date" means the date on which the Loan is made by the Lender.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars", "$" and "U.S.$" each means the lawful currency of the United States.

"EBITDA" means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (a) operating income (*utilidad de operación)*, (b) cash interest income and (c) depreciation and amortization expense, in each case determined in accordance with Mexican FRS consistently applied for such period. For the purposes of calculating EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Net Debt / EBITDA Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if at any time during such Reference Period the Borrower or any of its Subsidiaries shall have made any Material Disposition, the EBITDA for such Reference Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period (but when the Material Disposition is by way of a lease, income received by the Borrower or any of its Subsidiaries under such lease shall be included in EBITDA) and (ii) if at any time during such Reference Period the Borrower or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto (including the incurrence or assumption of any Debt) as if such Material Acquisition had occurred on the first day of such Reference Period. Additionally, if since the beginning of such Reference Period any Person that subsequently shall have become a Subsidiary or was merged or consolidated with the Borrower or any of its Subsidiaries as a result of a Material Acquisition occurring during such Reference Period shall have made any Disposition or Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Borrower or any of its Subsidiaries during such Reference Period, EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Disposition or Acquisition had occurred on the first day of such Reference Period.

"Effective Date" has the meaning specified in Section 4.01.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (*norma técnica* or *norma oficial Mexicana*), code, order, judgment, decree or judicial agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group that includes the Borrower and that is treated as a single employer under Sections 414(b) or (c) of the U.S. Internal Revenue Code.

"Event of Default" has the meaning specified in Section 10.01.

"Federal Funds Rate" means, for any relevant day, the overnight Federal funds rate as published for such day in the Federal Reserve Statistical Release H.15 (519) or any successor publication, or, if such rate is not published for any day, the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotation for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotation" for such day under the caption "Federal Funds Effective Rate"). If on any relevant day the appropriate rate for such previous day is not yet published in either H.15 (519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Lender of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of recognized standing of Federal funds transactions in New York City selected by the Lender.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Foreign Financial Institution" means an institution registered as a foreign financial institution with the Ministry of Finance in the Mexican Banking and Financial Institutions, Pensions, Retirement and Foreign Investment Funds Registry for purposes of Article 195, Section I of the Mexican Income Tax Law.

"Funding Losses" has the meaning specified in Section 3.03.

"Governmental Authority" means any branch of power or government or any state, department or other political subdivision thereof, or any governmental body, agency, authority (including any central bank or taxing or environmental authority), any entity or instrumentality (including any court or tribunal) exercising executive, legislative, judicial, regulatory, administrative or investigative functions of or pertaining to government.

"Guarantor" has the meaning specified in the preamble hereto.

"Hazardous Materials" means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

"Holding Company" means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

"Indemnified Party" has the meaning specified in Section 11.05.

"Interest Payment Date" means June 30 and December 30 of each year, beginning on December 30, 2008, and ending on the Maturity Date. If such payment date falls on a date that is not a Business Day, such date shall be deemed to be the immediately preceding Business Day.

"Interest Period" means (i) initially, the period commencing on the date of such Borrowing and ending on December 30, 2008 and (ii) thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending six (6) months thereafter; provided, however, that:

(1) any Interest Period which would otherwise end on a day which is not a Business Day shall, subject to paragraph (3) below, be extended to the next succeeding Business Day, unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;

(2) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month;

(3) any Interest Period which would otherwise end after the Maturity Date shall end on the Maturity Date.

"Lender" means BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH, each Assignee which becomes a Lender pursuant to Section 11.06(b), and each of their respective successors or assigns.

"Lending Office" means, with respect to the Lender, (a) the office or offices specified as its "Lending Office" or "Lending Offices" in Schedule 1.01(b) or (b) such other office or offices of the Lender as it may designate as its Lending Office by notice to the Borrower.

"LIBOR" means for any Interest Period, the offered rate for deposits in Dollars for such corresponding period which appears on Telerate Page 3750 as of approximately 11:00 a.m. (London time) on the second London Business Day prior to the first day of such Interest Period; provided that (i) if such rate does not appear on Telerate Page 3750, "LIBOR" shall mean, for such Interest Period, the average of the rates for deposits in Dollars for such corresponding period which appear on the Reuters Screen LIBOR Page as of approximately 11:00 a.m. (London time) on the second London Business Day prior to the first day of such Interest Period, (ii) if such rate or rates do not appear on either Telerate Page 3750 or the Reuters Screen LIBOR Page, the Lender will request the principal London offices of each of four major banks in the London interbank market, as selected by the Lender and approved by the Borrower, to provide the Lender with its offered quotations for deposits in Dollars for such corresponding period in an amount not less than one million Dollars ($1,000,000) to prime banks in the London interbank market at approximately 11:00 a.m. (London time) on the second London Business Day prior to the beginning of such Interest Period for delivery on the first day of such Interest Period and if at least two such quotations are so provided, "LIBOR" for such Interest Period shall mean the arithmetic mean (rounded upwards, if necessary, to the nearest 1/16 of 1%) of such quotations and (iii) less than two offered rates are quoted to the Lender, "LIBOR" shall mean, for such Interest Period, the arithmetic mean (rounded upwards, if necessary, as aforesaid) of the respective rates at which deposits in Dollars in an amount not less than one million Dollars ($1,000,000) for such corresponding period are offered by each of three major banks in the City of New York selected by the Lender and approved by the Borrower to leading European banks at approximately 11:00 a.m. (New York time) on the second Business Day prior to the beginning of such Interest Period for delivery on the first day of such Interest Period.

"LIBOR Loan" means any Loan made or maintained at a rate of interest calculated with reference to LIBOR.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Borrower or any Subsidiary of the Borrower shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Loan" has the meaning specified in Section 2.01(a) hereof.

"Material Acquisition" any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any Person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any of the Notes or the rights and remedies of the Lender under this Agreement or any of the Notes or (c) the ability of the Borrower and/or the Guarantor to perform their Obligations under this Agreement, the Notes, the Notice of Borrowings, any certificates, waivers, or any other agreement delivered pursuant to this Agreement.

"Material Debt" means Debt (other than the Loans) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount outstanding exceeding U.S.$50,000,000 (or the equivalent thereof in other currencies).

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Subsidiary" means, at any date, (a) each Subsidiary of the Borrower (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute 5% or more of the consolidated assets of the Borrower and its Subsidiaries as of the end of the then most recently ended fiscal quarter for which quarterly financial statements have been prepared or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis, without duplication, constitutes 5% or more of the consolidated operating profit of the Borrower and its Subsidiaries for the then most recently ended fiscal quarter for which quarterly financial statements have been prepared and (b) the Guarantor.

"Maturity Date" means April 29, 2011.

"Measurement Date" means any of the dates specified in Section 7.13.

"Mexican FRS" means, Mexican Financial Reporting Standards (*normas de información financiero*) as in effect from time to time and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 7.01, except that for purposes of Section 8.01, Mexican FRS means Mexican Financial Reporting Standards as in effect on December 31, 2007. In the event that any change in Mexican FRS shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Lender agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such change in Mexican FRS with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such change as if such change had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower and the Lender, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such change in Mexican FRS had not occurred.

"Mexico" means the United Mexican States.

"Ministry of Finance" means the Ministry of Finance and Public Credit of Mexico.

"Notice of Borrowing" means a notice substantially in the form of Exhibit B annexed hereto.

"Note" means a Mexican *pagaré* (promissory note) of the Borrower in substantially the form of Exhibit A, evidencing the obligation of the Borrower to repay the Loan made by the Lender.

"Obligations" means, (a) with respect to the Borrower, all of its indebtedness, obligations and liabilities to the Lender, now or in the future existing under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, due or to become due, and (b) with respect to the Guarantor, all of its indebtedness, obligations and liabilities to the Lender, now or in the future existing under or in connection with the Transaction Documents, in each case whether direct or indirect, absolute or contingent, due or to become due.

"Obligors" means the Borrower and the Guarantor.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges, imposts, duties, fees, or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery, registration, performance or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document and which are imposed, levied, collected or withheld by any Governmental Authority.

"Participant" has the meaning specified in Section 11.06(d).

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which any Credit Party or any of its ERISA Affiliates has any liability.

"Permitted Liens" has the meaning specified in Section 8.02.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Prime Rate" means the average of the rate of interest publicly announced by each of the Reference Banks from time to time as its Prime Rate in New York City, the Prime Rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Lender in connection with extensions of credit to debtors of any class, or generally.

"Process Agent" has the meaning specified in Section 11.12(a).

"Qualified Receivables Transaction" means a sale, transfer, or securitization of receivables and related assets by the Borrower or its Subsidiaries, including a sale at a discount, provided that (i) such receivables have been sold, transferred or otherwise conveyed, directly or indirectly, by the originator thereof in a manner that satisfies the requirements for a sale, transfer or other conveyance under the laws and regulations of the jurisdiction in which such originator is organized; (ii) at the time the sale, transfer or securitization of receivables is put in place, the receivables are derecognized from the balance sheet of the Borrower or its Subsidiary in accordance with the generally accepted accounting principles applicable to such Person in effect as at the date of such sale, transfer or securitization; and (iii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or securitization is carried out on a non-recourse basis or on a basis where recovery is limited to the collection of receivables.

"Reference Banks" means three banks in the London interbank market, initially Barclays Bank PLC, Citibank, N.A. and Banco Bilbao Vizcaya Argentaria, S.A.

"Regulation T, U, or X" means Regulation T, U, or X, respectively, of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Requirement of Law" means, as to any Person, any law, ordinance, rule, regulation or requirement of any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any Person means the Chief Financial Officer, the Corporate Planning and Finance Director, the Finance Director or the Comptroller of such Person.

"Subsidiary" means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than 50% of (a) in the case of a corporation, the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the beneficial interest in such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person's other Subsidiaries.

"Syndicated Loan" means that syndicated revolving loan facility in the amount of US$ 1.2 billion, dated as of May 31, 2005 (as modified, amended or supplemented) among the Borrower, the Guarantor, Empresas Tolteca de México, S.A. de C.V., Barclays Bank plc, New York Branch, as administrative agent, and the several other lenders and agents party thereto.

"Taxes" means any and all present or future income, stamp, sales or other taxes, levies, imposts, duties, deductions, fees, charges or withholdings, and all liabilities with respect thereto collected, withheld or assessed by any Governmental Authority, excluding, (a) in the case of the Lender and any Tax Related Persons, such taxes (including income taxes or franchise taxes) as are imposed on or measured by its net income or capital by the jurisdiction (or any political subdivision thereof) under the laws of which it is organized or maintains a Lending Office or its principal office or as are imposed on the Lender or any of their Tax Related Persons (as the case may be) as a result of a present or former connection between the Lender or such Tax Related Person and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Lender having executed, delivered or performed its obligations or received a payment under, or enforced, the Transaction Documents) and (b) any taxes, levies, imposts, deductions, charges or withholdings to the extent imposed by reason of the Lender's failure to (i) register as a Foreign Financial Institution with the Ministry of Finance and (ii) be a resident (or have a principal office which is a resident, if the Lender lends through a branch or agency) for tax purposes of a jurisdiction with which Mexico has in effect a treaty for the avoidance of double taxation (but only in respect of those taxes payable in excess of taxes that would have been payable had the Lender complied with those conditions).

"Tax Related Person" means any Person whose income is realized through, or determined by reference to, the Lender.

"Temporary Investments" means, at any date, all amounts that would, in conformity with Mexican FRS consistently applied, be set forth opposite the caption "cash and cash equivalent" ("*efectivo y equivalentes de efectivo*") or "temporary investments" ("*inversiones temporales*") on a consolidated balance sheet of the Borrower at such date.

"Tender Offer" means any offer made by the Borrower or any of its Subsidiaries to acquire at least 50.1% of the issued and outstanding shares of a target company or a controlling interest in such target company.

"Transaction Documents" means a collective reference to this Credit Agreement, the Notes, any Assignment and Assumption Agreement, the Commitment Letter and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"Value of Debt Currency Derivatives" means, on any given date, the aggregate mark-to-market value of Debt Currency Derivatives, expressed as a positive number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed to the Borrower and its subsidiaries) or as a negative number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed by the Borrower and its subsidiaries).

"Welfare Plan" means a "welfare plan", as such term is defined in Section 3(1) of ERISA.

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to".

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with Mexican FRS.

ARTICLE II
THE LOAN

2.01 The Loan.

(a) Commitment. The Lender agrees on the terms and conditions hereinafter set forth to make a loan ("Loan") to the Borrower on the Disbursement Date hereof in an aggregate amount not to exceed its Commitment. The Lender's Commitment shall expire immediately and without further action ten (10) Business Days after the date of this Agreement if the Loan is not made on or before that date. Amounts borrowed under this subsection 2.1(a) and subsequently repaid may not be reborrowed.

(b) Borrowing Mechanism. The Loan made on the Disbursement Date shall not exceed the aggregate amount of the Lender's Commitment. The Borrower shall deliver to the Lender a duly executed Notice of Borrowing prior to 12:00 P.M. (noon), New York City time on the second Business Day prior to the Disbursement Date specifying the amount of the proposed borrowing. Upon satisfaction or waiver of the applicable conditions set forth in ARTICLE IV, the Lender will make available the proceeds of the Loan to the Borrower in Dollars and in immediately available funds at the bank account to be designated by the Borrower to the Lender.

(c) Repayment. The aggregate principal amount of the Loan shall be due and payable in full on the Maturity Date.

(d) Voluntary Prepayment. The Borrower may not voluntarily prepay the Loan, except in the circumstances set forth in Section 3.05.

(e) Notes. The Loan made by the Lender pursuant hereto shall be evidenced by a Mexican *pagaré* of the Borrower (the "Note"), payable to the order of the Lender, representing the obligation of the Borrower to pay the unpaid principal amount of the Loan made by the Lender, with interest thereon as prescribed in Section 2.02 and qualifying as a *título ejecutivo* in México. The Lender is hereby authorized to record in its books and records and on any schedule annexed to its Note, the date and amount of the Loan made by the Lender and the date and amount of each payment of principal thereof, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided that failure by the Lender to effect such recordation shall not affect the obligations of the Borrower hereunder. Prior to the transfer of a Note, the Lender shall record such information on any schedule annexed to and forming a part of such Note. Any transfer or assignment of the Note shall satisfy the requirements of Section 11.06(b).

2.02 Interest

(a) LIBOR Loans. The Loan shall bear interest through maturity at a rate per annum equal to the sum of LIBOR plus the Applicable Margin.

(b) Default Interest. Notwithstanding the foregoing, if any principal of, or interest on, the Loan or any other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount, 2% plus LIBOR.

(c) Payment of Interest. Accrued interest on the Loan shall be payable in arrears on each Interest Payment Date for the Loan, on the Maturity Date and upon acceleration of the Loan; provided that in the event of any prepayment of the Loan pursuant to Section 3.05, accrued interest on the principal amount prepaid shall be payable on the date of such prepayment.

(d) Computation. All interest hereunder shall be computed on the basis of a year of 360 days. Applicable LIBOR shall be determined by the Lender, and such determination shall be conclusive absent manifest error.

ARTICLE III
TAXES, PAYMENT PROVISIONS

3.01 Taxes.

(a) Any and all payments by the Borrower or the Guarantor, as the case may be, to the Lender under this Agreement and the other Transaction Documents shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes unless required by law. In addition, the Borrower shall promptly pay all Other Taxes.

(b) Except as otherwise provided in Section 3.01(c), the Borrower and the Guarantor jointly and severally agree to indemnify and hold harmless the Lender for the full amount of Taxes or Other Taxes (without duplication) excluding in each case United States backup withholding Taxes imposed because of payee underreporting (including any Taxes or Other Taxes (without duplication) imposed by any jurisdiction on amounts payable under this Section 3.01) paid by or assessed against the Lender in respect of any sum payable hereunder and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, except to the extent that such penalties, interest, additions to tax or expenses are incurred solely as a result of any gross negligence or willful misconduct of the Lender. Payment under this indemnification shall be made within thirty (30) days after the date the Lender makes written demand therefor, setting forth in reasonable detail the basis and calculation of such amounts (such written demand shall be presumed correct, absent significant error).

(c) If the Borrower or the Guarantor, as the case may be, shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder or under the Note to the Lender, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 3.01, but excluding in each case United States backup withholding Taxes imposed because of payee underreporting) the Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made; provided, that, the Borrower shall not be required to increase any amounts payable to the Lender to the extent such increased amounts would be in excess of the amounts that would have been payable to the Lender had the Lender complied with the requirements of Section 3.01(f) or to the extent provided in Section 3.01(g);

(ii) the Borrower or the Guarantor, as the case may be, shall make such deductions and withholdings; and

(iii) the Borrower or the Guarantor, as the case may be, shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law.

(d) Within thirty (30) days after the date of any payment by the Borrower or the Guarantor, as the case may be, of Taxes or Other Taxes, the Borrower or the Guarantor, as the case may be, shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to the Lender.

(e) If the Borrower or the Guarantor, as the case may be, is required to pay additional amounts to the Lender pursuant to Section 3.01(c) other than amounts related to the withholding of Mexican tax at the rate applicable to interest payments received by foreign financial institutions registered with the *Secretaría de Hacienda y Crédito Público* as a Foreign Financial Institution for the purposes of Article 195, Section I of the Mexican Income Tax law, then the Lender shall, upon reasonable request by the Borrower or the Guarantor, use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office, issuing office, or office for receipt of payments by the Borrower and the Guarantor hereunder, as the case may be, so as to eliminate or reduce the obligation of the Borrower or the Guarantor, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify the Lender in the future, if such change in the reasonable judgment of the Lender is not otherwise disadvantageous to the Lender.

(f) The Lender shall, from time to time at the request of the Borrower, promptly furnish to the Borrower such forms, documents or other information (which shall be accurate and complete) as may be reasonably required to establish any available exemption from, or reduction in the amount of, applicable Taxes (including, but not limited to, evidence of tax residence of the Lender given by the applicable tax authority within one year from the date of the deduction or withholding by the Borrower of any Taxes or Other Taxes); provided, however, that the Lender shall not be obliged to disclose information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f), it being understood that the identity of any Person shall not be considered for these purposes as information regarding its tax affairs or computations. The Borrower shall be entitled to rely on the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have became payable by such Person had such documentation been accurate.

(g) In the case of an assignment, transfer, grant of a participation or designation of a new Lending Office, the Borrower and the Guarantor shall not be required to pay or increase any amounts, pursuant to this Section 3.01 following such event, in excess of the amounts the Borrower and the Guarantor were required to pay or increase immediately prior to such an event, except to the extent of increases in such amounts resulting from a change in applicable law occurring after such event.

(h) If the Lender receives a refund or credit in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower or the Guarantor, as the case may be, pursuant to Section 3.01(b) and such refund or credit is directly and clearly attributable to this Agreement, it shall notify the Borrower or the Guarantor, as the case may be, of the amount of such refund or credit and shall return to the Borrower or the Guarantor, as the case may be, such refund or the benefit of such credit; provided, however, that (A) the Lender shall not be obligated to make any effort to obtain such refund or credit or to provide the Borrower or the Guarantor with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Borrower, the Guarantor or any other Person any information that it considers to be proprietary or confidential, and (B) the Borrower or the Guarantor, as the case may be, upon the request of Lender shall return the amount of such refund or the benefit of such credit to the Lender, if the Lender is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six (6) years of the date the Borrower or the Guarantor, as the case may be, is paid such amount by the Lender.

(i) The agreements in this Section 3.01 shall survive the termination of this Credit Agreement and the payment of the Borrower's Obligations.

3.02 General Provisions as to Payments.

(a) All payments to be made by the Borrower or the Guarantor, as the case may be, shall be made without set-off, counterclaim or other defense. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Lender at the Lender's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 3:30 p.m. (New York City time) on the dates specified herein. Any payment received by the Lender later than 3:30 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(b) Except and to the extent otherwise specifically provided herein, whenever any payment to be made hereunder is due on a day which is not a Business Day, the date for payment thereof shall be extended to the immediately following Business Day and, if interest is stated to be payable in respect thereof, interest shall continue to accrue to such immediately following Business Day.

3.03 Funding Losses. If the Borrower makes any payment of principal with respect to the Loan on any day other than the last day of the Interest Period applicable thereto, or if the Borrower fails to borrow the Loan after notice has been given to the Lender in accordance with Section 2.01(b), the Borrower shall reimburse the Lender within fifteen (15) days after demand for any resulting loss or expense incurred by it, including any loss incurred in obtaining, liquidating or reemploying deposits bearing interest by reference to LIBOR from third parties ("Funding Losses"), provided the Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the computations for the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

3.04 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period:

(a) the Lender determines that by reason of circumstances affecting the London interbank market, reasonably adequate means do not exist for ascertaining LIBOR applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market for such Interest Period,

(b) then the Lender shall forthwith give notice thereof to the Borrower. In the event of any such determination or advice, the Loan shall be converted to a Base Rate Loan as of the date of such notice. Each determination by the Lender hereunder shall be conclusive absent manifest error.

3.05 Capital Adequacy. If the Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule, or regulation regarding capital adequacy, or compliance by the Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of increasing the Lender's cost of maintaining its Commitment or making or maintaining the Loan or reducing the rate of return on the Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which the Lender could have achieved but for such adoption, effectiveness, change, or compliance (taking into consideration the Lender's policies with respect to capital adequacy), then, upon notice from the Lender to the Borrower, the Borrower shall be obligated to pay to the Lender such additional amount or amounts as will compensate the Lender for such increased cost or reduction in amount received. Each determination by the Lender of amounts owing under this Section shall, absent manifest error, be conclusive and binding on the parties hereto. The Lender will, upon request, provide a certificate in reasonable detail as to the amount of such increased cost or reduction in amount received and method of calculation.

Upon the Lender's making a claim for compensation under this Section 3.05, (i) the Lender shall use commercially reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office or assign its rights and obligations hereunder to another of its offices, branches or affiliates so as to eliminate or reduce any such additional payment by the Borrower which may thereafter accrue, if such change is not otherwise disadvantageous to the Lender, and (ii) the Borrower shall have the right (but not the obligation) to prepay such Lender's Loan in whole or in part without premium or penalty, but including all accrued interest on the principal amount prepaid.

3.06 Illegality.

(a) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Effective Date shall make it unlawful for the Lender to make or maintain the Commitment or the Loan as contemplated by this Agreement, then the Lender shall be an "Affected Lender" and by written notice to the Borrower:

(i) the Affected Lender may require that the outstanding LIBOR Loan, made by it be converted to a Base Rate Loan, in which event such LIBOR Loan shall be automatically converted to a Base Rate Loan as of the effective date of such notice as provided in paragraph (b) below; and

(ii) if it is also illegal for the Affected Lender to make Base Rate Loans, Lender may declare all amounts owed to it by the Borrower to the extent of such illegality to be due and payable; provided, however, the Borrower has the right, with the consent of the Affected Lender to find an additional Lender to purchase the Affected Lender's rights and obligations.

In the event Lender shall exercise its rights under (i) or (ii) above with respect to the Loan, all payments and prepayments of principal that would otherwise have been applied to repay the LIBOR Loan shall instead be applied to repay the Base Rate Loan.

(b) For purposes of this Section 3.06, a notice to the Borrower by the Affected Lender shall be effective as to the Loan, if lawful, on the last day of the Interest Period currently applicable to the Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

3.07 Requirements of Law.

If, after the date hereof, the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to the Lender, or compliance by the Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Effective Date (or, if later, the date on which such Lender becomes a Lender):

(a) shall impose, modify, or hold applicable any reserve, special deposit, compulsory loan, or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans, or other extensions of credit by, or any other acquisition of funds by, any office of the Lender that is not otherwise included in the determination of LIBOR hereunder; or

(b) shall impose on the Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to the Lender, by an amount that the Lender reasonably deems to be material, of making, converting into, continuing, or maintaining the LIBOR Loan or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice delivered to the Borrower from the Lender, in accordance herewith, the Borrower shall be obligated to promptly pay the Lender, upon its demand, any additional amounts necessary to compensate the Lender for such increased cost or reduced amount receivable; provided that, in any such case, the Borrower may elect to convert the LIBOR Loans made by the Lender hereunder to a Base Rate Loan by giving the Lender at least one (1) Business Day's notice of such election. If the Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall provide notice thereof to the Borrower, promptly upon occurrence of such event, but in any case within three (3) days from the date of such event, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by the Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by the Lender to the Borrower shall be conclusive and binding on the parties hereto in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loan and all other amounts payable hereunder. If the Lender becomes aware of a proposed change in any Requirement of Law that would entitle it to claim any additional amounts pursuant to this Section it shall promptly, upon the Lender becoming aware of such event, provide notice to the Borrower.

ARTICLE IV
CONDITIONS PRECEDENT

4.01 Conditions to Effectiveness. The obligations of the Lender under this Agreement are subject to the satisfaction or waiver of the following conditions precedent (the date on which all such conditions precedent are satisfied or waived being the "Effective Date"):

(a) Agreement. The Lender shall have received counterparts of the Commitment Letter and this Agreement duly executed by each party hereto and there shall have been delivered to the Lender the Note executed by the Borrower.

(b) Opinions of Borrower's and Guarantor's Counsel. The Lender shall have received (i) the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Borrower and the Guarantor, in substantially the form of Exhibit D, and (ii) the opinion of Lic. Ramiro G. Villarreal Morales, General Counsel of the Borrower, in substantially the form of Exhibit E.

(c) Governmental Approvals. The Lender shall have received certified copies of any and all necessary approvals, authorizations, or consents of, or notices to, or registrations with any Governmental Authority required for the Borrower and the Guarantor to enter into, or perform its obligations under, the Transaction Documents.

(d) Organizational Documents of the Borrower and the Guarantor. The Lender shall have received certified copies of (i) the *acta constitutiva* and *estatutos sociales* in effect on the Effective Date of the Borrower and the Guarantor, (ii) the powers-of-attorney of each Person executing any Transaction Document on behalf of the Borrower and the Guarantor, together with specimen signatures of such Person and (iii) all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the authorization for the execution, delivery and performance of each such Transaction Document and the transactions contemplated hereby and thereby. All certificates shall state that the resolutions or other information referred to in such certificates have not been amended, modified, revoked or rescinded as of the date of such certificates (which shall not be earlier than five (5) Business Days before the Effective Date).

(e) Agent for Service of Process. The Lender shall have received a power of attorney, notarized under Mexican law, granted by the Borrower and the Guarantor to the Process Agent in respect of the Transaction Documents together with evidence that the Process Agent has accepted its appointment as Process Agent pursuant to Section 11.12.

(f) Expenses. The Borrower shall have paid all reasonable expenses owing to the Lender to the extent of and payable on or before the Effective Date of the Agreement, and all other reasonable expenses owing hereunder and under this Agreement and the other Transaction Documents to the extent due and payable on or before the Effective Date of the Agreement.

(g) No Default. No Default or Event of Default shall have occurred and be continuing either prior to or after giving effect to the transactions contemplated on the Effective Date, and the Borrower and the Guarantor shall have provided a certificate from a Responsible Officer of the Borrower to such effect to the Lender.

(h) Representations and Warranties. The representations and warranties of the Borrower and of the Guarantor contained in this Agreement and each other Transaction Document shall be true on and as of the Effective Date, and the Borrower and the Guarantor shall have provided a certificate to such effect to the Lender.

(i) No Material Adverse Effect. No Material Adverse Effect shall have occurred since December 31, 2007 and there shall have occurred no circumstance and/or event of a financial, political or economic nature in Mexico, that has a reasonable likelihood of having a material adverse effect on the ability of the Borrower, or the Guarantor to perform their obligations under this Agreement and the other Transaction Documents.

(j) Other Documents. The Lender shall have received such other certificates, powers of attorney and other documents and undertakings relating to the authority for, and the execution, delivery and validity of, the Transaction Documents, as may be reasonably requested by the Lender.

(k) Fees, Costs and Expenses under the Bridge Facility. The Borrower shall have paid all accrued and unpaid fees due and payable under the Bridge Facility to the extent due and payable on or before the Effective Date of this Agreement.

(l) Moratorium. No moratorium shall have been agreed or declared in respect of any indebtedness of the Borrower and no restriction or requirement not in effect as of the date of this Agreement shall have been imposed, whether by legislative enactment, decree, regulation or otherwise, which limits the ability or the transfer of Dollars or any other foreign currency by the Borrower.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

5.01 Corporate Existence and Power.

(a) The Borrower is a corporation (*sociedad anónima bursátil de capital variable*) duly incorporated, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Borrower has been validly issued and is fully paid and non-assessable.

5.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Borrower of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action pursuant to the *estatutos sociales* of the Borrower.

(b) This Agreement and the other Transaction Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforceability may be limited by applicable *concurso mercantil*, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

5.03 Compliance with Law and Other Instruments. The execution, delivery of and performance under this Agreement and each of the other Transaction Documents to which the Borrower is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Borrower pursuant to, any Contractual Obligation of the Borrower or (b) result in any violation of the *estatutos sociales* of the Borrower or any provision of any Requirement of Law applicable to the Borrower.

5.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Borrower of this Agreement and the other Transaction Documents to which the Borrower is a party or the taking of any action contemplated hereby or by any other Transaction Document.

5.05 Financial Information. The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2007, and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, and the consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2008, and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the three (3) months then ended, duly certified by the Responsible Officer of the Borrower, copies of which have been furnished to the Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2008, and said statements of income and cash flows for the three (3) months then ended, to year-end audit adjustments, the consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with Mexican FRS, consistently applied.

5.06 Litigation. Except as set forth in Schedule 5.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the litigation described in Schedule 5.06.

5.07 No Immunity. The Borrower is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by the Borrower constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither the Borrower nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

5.08 Governmental Regulations. (a) The Borrower is not, and is not controlled by, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) the Borrower is not subject to regulation under the Public Utility Holding Company Act of 2005, as amended that would adversely affect the execution and performance, or the enforceability, of its obligations under each Transaction Document to which it is a party.

5.09 Direct Obligations; Pari Passu; Liens.

(a) (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Borrower, and (ii) the Loan, when made, will constitute direct, unconditional unsubordinated and unsecured obligations of the Borrower.

(b) The obligations of the Borrower under this Agreement and the Loan rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of the Borrower.

(c) There are no Liens on the property of the Borrower or any of its Subsidiaries other than Permitted Liens.

5.10 Subsidiaries. As of March 31, 2008, all Material Subsidiaries of the Borrower are listed on Schedule 5.10.

5.11 Ownership of Property. (a) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except Permitted Liens and (b) each Credit Party maintains insurance as required by Section 7.05.

5.12 No Recordation Necessary.

(a) This Agreement and the Notes are in proper legal form under the law of Mexico for the enforcement thereof against the Borrower under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement, unless such stamp or similar taxes have been paid by the Borrower; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(b) It is not necessary (i) in order for the Lender to enforce any rights or remedies under the Transaction Documents or (ii) solely by reason of the execution, delivery and performance of this Agreement by the Lender, that the Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

5.13 Taxes.

(a) Each Obligor has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by the Borrower, except where the same may be contested in good faith by appropriate proceedings and as to which such Obligor maintains reserves to the extent it is required to do so by law or pursuant to Mexican FRS. The charges, accruals and reserves on the books of each Obligor in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

(b) Except for tax imposed by way of withholding on interest, fees and commissions remitted from Mexico, there is no tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by or in Mexico or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or any of the other Transaction Documents or (ii) on any payment to be made by the Borrower pursuant to this Agreement or any of the other Transaction Documents. The Borrower and the Guarantor are permitted to pay any additional amounts payable pursuant to Section 3.01.

5.14 Compliance with Laws. The Borrower and its Subsidiaries are in compliance in all material respects with all applicable Requirements of Law (including with respect to the licenses, certificates, permits, franchises, and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, antitrust laws or Environmental Laws and the rules and regulations and laws with respect to social security, workers' housing funds, and pension funds obligations), except where the failure to so comply would not have a Material Adverse Effect.

5.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

5.16 Full Disclosure. All information heretofore furnished by the Borrower to the Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by the Borrower) is, and all such information hereafter furnished by the Borrower to the Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Borrower has disclosed to the Lender in writing any and all facts which may have a Material Adverse Effect.

5.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Borrower arising out of or relating to this Agreement in any Mexican court or tribunal, the Lender would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 11.10, 11.11 and 11.13.

5.18 Pension and Welfare Plans. During the consecutive twelve-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Borrowing hereunder, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section Section 303(k) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan which would reasonably be expected to result in the incurrence by any Credit Party, any of its Subsidiaries, or any its ERISA Affiliates of any material liability (other than liabilities incurred in the ordinary course of maintaining the Pension Plan), fine or penalty. No Credit Party, nor any of its Subsidiaries, has any contingent liability with respect to any post-retirement benefit under a Welfare Plan subject to ERISA which would reasonably be expected to have a Material Adverse Effect, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

5.19 Environmental Matters.

Except as would not have or be reasonably expected to have a Material Adverse Effect:

(a) Each of the properties owned or leased by a Credit Party or any of its Subsidiaries (the "Real Properties") and all operations at the Real Properties are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Real Properties or the businesses operated by the Credit Parties or any of their Subsidiaries (the "Businesses"), and there are no conditions relating to the Businesses or Real Properties that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) No Credit Party has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance or liability regarding Hazardous Materials or compliance with Environmental Laws with regard to any of the Real Properties or the Businesses, nor, to the knowledge of a Credit Party or any of its Subsidiaries, is any such notice being threatened.

(c) Hazardous Materials have not been transported or disposed of from the Real Properties, or generated, treated, stored or disposed of at, on or under any of the Real Properties or any other location, in each case by, or on behalf or with the permission of, a Credit Party or any of its Subsidiaries in a manner that would give rise to liability under any applicable Environmental Laws.

(d) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of a Credit Party or any of its Subsidiaries, threatened, under any Environmental Law to which a Credit Party or any of its Subsidiaries is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to a Credit Party or any of its Subsidiaries, the Real Properties or the Businesses.

(e) There has been no release (including disposal) or to the Borrower's knowledge, threat of release of Hazardous Materials at or from the Real Properties, or arising from or related to the operations of a Credit Party or any of its Subsidiaries in connection with the Real Properties or otherwise in connection with the Businesses where such release constituted a violation of, or would give rise to liability under, any applicable Environmental Laws.

(f) None of the Real Properties contains any Hazardous Materials at, on or under the Real Properties in amounts or concentrations that, if released, constitute a violation of, or could give rise to liability under, Environmental Laws.

(g) No Credit Party, nor any of its Subsidiaries, has assumed any liability of any Person (other than another Credit Party or one of its Subsidiaries) under any Environmental Law.

(h) This Section 5.19 constitutes the only representations and warranties of the Credit Parties with respect to any Environmental Law or Hazardous Substance.

5.20 Margin Regulations. No part of the proceeds of the Loan hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulation U, or for the purpose of purchasing or carrying or trading in any securities. If requested by the Lender, the Borrower will furnish to the Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U. No indebtedness being reduced or retired out of the proceeds of the Loan hereunder was or will be incurred for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U except in compliance with Regulation U or any "margin security" within the meaning of Regulation T, except in compliance with Regulation T. Neither the execution and delivery hereof by the Borrower, nor the performance by it of any of the transactions contemplated by this Agreement (including the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or regulations issued pursuant thereto, or Regulation T, U, or X.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

The Guarantor represents and warrants that:

6.01 Corporate Existence and Power.

(a) The Guarantor is a corporation (*sociedad anónima de capital variable*) duly incorporated, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Guarantor has been validly issued and is fully paid and non-accessible.

6.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Guarantor of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Guarantor's corporate powers and have been duly authorized by all necessary corporate action pursuant to the *estatutos sociales* of the Guarantor.

(b) This Agreement and the other Transaction Documents to which the Guarantor is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding obligations of the Guarantor enforceable in accordance with their respective terms, except as enforceability may be limited by applicable *concurso mercantil*, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principals.

6.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which the Guarantor is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Guarantor pursuant to, any Contractual Obligation of the Guarantor or (b) result in any violation of the *estatutos sociales* of the Guarantor or any provision of any Requirement of Law applicable to the Guarantor.

6.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Guarantor of this Agreement and the other Transaction Documents to which the Guarantor is a party or the taking of any action contemplated hereby or by any other Transaction Document.

6.05 Litigation; Material Adverse Effect. Except as set forth in Schedule 6.05, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Guarantor or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Guarantor or any of its Subsidiaries, of the litigation described in Schedule 6.05.

6.06 No Immunity. The Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by the Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither the Guarantor nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

6.07 Governmental Regulations. (a) The Guarantor is not, and is not controlled by an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) the Guarantor is not subject to regulation under the Public Utility Holding Company Act of 2005, as amended that would adversely affect the execution and performance, or the enforceability, of its obligations under each Transaction Document to which it is a party.

6.08 Direct Obligations; Pari Passu.

(a) This Agreement constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Guarantor.

(b) The obligations of the Guarantor under this Agreement rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of the Guarantor.

6.09 No Recordation Necessary. This Agreement is in proper legal form under the law of Mexico for the enforcement thereof against the Guarantor under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by the Borrower or the Guarantor; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

6.10 Financial Information. The consolidated balance sheet of the Guarantor as at December 31, 2007, and the related consolidated statements of income and cash flows of the Borrower for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, and the consolidated balance sheet of the Guarantor as at March 31, 2008, and the related consolidated statements of income and cash flows of the Guarantor for the three (3) months then ended, duly certified by the Responsible Officer of the Guarantor, copies of which have been furnished to the Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2008, and said statements of income and cash flows for the three (3) months then ended, to year-end audit adjustments, the consolidated financial condition of the Guarantor as at such dates and the consolidated results of the operations of the Guarantor for the periods ended on such dates, all in accordance with Mexican FRS, consistently applied.

6.11 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Guarantor arising out of or relating to this Agreement in any Mexican court or tribunal, the Lender would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 11.10, 11.11 and 11.13.

ARTICLE VII
AFFIRMATIVE COVENANTS

The Borrower or Guarantor, as applicable, covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid:

7.01 Financial Reports and Other Information. The Borrower or Guarantor, as applicable, will deliver to the Lender:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing consolidated and consolidating balance sheets of the Borrower and its Subsidiaries, as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Lender by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognized standing acceptable to the Lender, together with (i) a certificate of such accounting firm to the Lender stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Mexican FRS, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and (ii) a certificate of a Responsible Officer of the Borrower stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; provided that in the event of any change in the Mexican FRS used in the preparation of such financial statements, the Borrower shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Mexican FRS consistent with those applied in the preparation of the financial statements referred to in Section 5.05; and provided further that all such documents will be prepared in English;

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, consolidated balance sheets of the Borrower and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by any Responsible Officer of the Borrower as having been prepared in accordance with Mexican FRS and together with a certificate of a Responsible Officer of the Borrower, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; provided that in the event of any change in the Mexican FRS used in the preparation of such financial statements, the Borrower shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Mexican FRS consistent with those applied in the preparation of the financial statements referred to in Section 5.05 and provided further that all such documents will be prepared in English;

(c) (i) as soon as available and in any event within 183 days after the end of each fiscal year of the Guarantor, individual balance sheets of the Guarantor, as of the end of such fiscal year and individual statements of income and cash flows of the Guarantor for such fiscal year; and (ii) as soon as they become available, a copy of the annual audit report for such year for the Guarantor, containing individual balance sheets of the Guarantor as of the end of such fiscal year and individual statements of income and cash flows of the Guarantor for such fiscal year, in each case accompanied by an opinion acceptable to the Lender by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognized standing acceptable to the Lender, together with a certificate of such accounting firm to the Lender stating that in the course of the regular audit of the business of the Guarantor, which audit was conducted by such accounting firm in accordance with Mexican FRS, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof; and

(d) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Guarantor, individual balance sheets of the Guarantor, as of the end of such quarter and individual statements of income and cash flows of the Guarantor for the period commencing at the end of the previous fiscal year and ending with the end of such quarter.

7.02 Notice of Default and Litigation. The Borrower will furnish to the Lender:

(a) as soon as practicable and in any event within five (5) days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the Responsible Officer of the Borrower setting forth details of such Default or Event of Default and the action that the Borrower has taken and proposes to take with respect thereto; and

(b) promptly after the commencement thereof, notice of all litigation, actions, investigations and proceedings before any court, Governmental Authority or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 5.06 or the receipt of written notice by the Borrower or any of its subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation (including Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

7.03 Compliance with Laws and Contractual Obligations, Etc. The Borrower will comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable Requirements of Law (including with respect to the licenses, approvals, certificates, permits, franchises, notices, registrations and other governmental authorizations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all material Contractual Obligations, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

7.04 Payment of Obligations. The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Lien upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

7.05 Maintenance of Insurance. The Borrower will maintain, and cause each of its Subsidiaries to maintain, insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

7.06 Conduct of Business and Preservation of Corporate Existence. The Borrower will continue to engage in business of the same general type as now conducted by the Borrower and will preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that neither the Borrower nor any of its Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 8.03; and provided, further that neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise if the Borrower or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of the Borrower or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

7.07 Books and Records. The Borrower will keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with Mexican FRS, consistently applied.

7.08 Maintenance of Properties, Etc. The Borrower will:

(a) maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and

(b) maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of the Borrower or its Subsidiaries, provided neither paragraph (a) nor this paragraph (b) shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.09 Use of Proceeds. The Borrower will use the proceeds of the Loan made hereunder to partially refinance the Bridge Facility.

7.10 Pari Passu Ranking. The Borrower will ensure that at all times the Obligations of the Borrower and the Guarantor under the Transaction Documents constitute unconditional general obligations of such Obligor ranking in priority of payment at least pari passu with all other senior unsecured, unsubordinated Debt of such Obligor.

7.11 Transactions with Affiliates. The Borrower will conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of its Affiliates on terms that are commercially reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

7.12 Maintenance of Governmental Approvals. The Borrower will maintain in full force and effect at all times all approvals of and filings with any Governmental Authority or third Party required under applicable law for the conduct of its business (including, without limitation, antitrust laws or Environmental Laws) and the performance of the Obligors' obligations hereunder and under the other Transaction Documents by the Borrower and/or the Guarantor, as applicable, and for the validity or enforceability hereof and thereof, except where failure to maintain any such approvals or filings could not reasonably be expected to have a Material Adverse Effect.

7.13 Measurement Date. The Borrower shall provide to the Lender a certificate of a Responsible Officer detailing the latest twelve (12) month total Consolidated Net Debt/EBITDA Ratio as soon as practicable, but in no event later than five (5) Business Days after the consolidated financial statements of the Borrower and its Subsidiaries are delivered pursuant to Section 7.01 (each such date a "Measurement Date"); provided, however, that the Borrower will not be required to deliver the certificate determining compliance with Section 8.01(a) prior to the release of the September 30, 2008 financial statements of the Borrower.

7.14 Inspection of Property. At any reasonable time during normal business hours and from time to time with at least ten (10) Business Days prior notice, or at any time if a Default or Event of Default shall have occurred and be continuing, permit the Lender or any agents or representatives thereof to examine and make abstracts from the records and books of account of, and visit the properties of, each of the Borrower or the Guarantor, and to discuss the affairs, finances and accounts of the Borrower or the Guarantor with any of its officers or directors and with its independent certified public accountants. All expenses associated with such inspection shall be borne by the Lender; provided that if a Default or an Event of Default shall have occurred and be continuing, any expenses associated with such inspection shall be borne jointly and severally by the Borrower and the Guarantor.

7.15 Payment of Bridge Facility. The Borrower shall pay, when due, all amounts owing under the Bridge Facility.

ARTICLE VIII
NEGATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid:

8.01 Financial Conditions.

(a) From September 30, 2008 onward, the Borrower shall not permit the Consolidated Net Debt / EBITDA Ratio at any time to exceed 3.5 to 1.

(b) The Borrower shall not permit the Consolidated Fixed Charge Coverage Ratio for any period of four (4) consecutive fiscal quarters to be less than 2.5 to 1.

(c) Concurrently with the delivery by the Borrower of any financial statements pursuant to Section 7.01, the Borrower shall deliver to the Lender a certificate from a Responsible Officer containing all information and calculations necessary for determining compliance by the Borrower with Sections 8.01 (a) and (b) above provided, however, that the Borrower will not be required to deliver the certificate determining compliance with Section 8.01(a) prior to the release of the September 30, 2008 financial statements of the Borrower.

(d) For the purposes of calculating the Consolidated Net Debt to EBITDA Ratio in Section 8.01(a) above only, "Consolidated Net Debt" shall not include any Debt which, notwithstanding falling within the definition of Debt, is not required to be recorded as a liability by the Borrower on its consolidated balance sheet in accordance with Mexican FRS.

8.02 Liens. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of the Borrower or any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which adequate reserves or other appropriate provision, if any, as shall be required by Mexican FRS shall have been made;

(b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Mexican FRS shall have been made;

(c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(d) any attachment or judgment Lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;

(e) Liens existing on the date of this Agreement that are described in Schedule 8.02(e)(i) hereto;

(f) any Lien on property acquired by the Borrower after the date hereof that was existing on the date of acquisition of such property; provided that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price, of property acquired by the Borrower or any of its Subsidiaries after the date hereof; provided, further, that (A) any such Lien permitted pursuant to this clause (f) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the voting stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine (9) months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

(g) any Lien renewing, extending or refunding any Lien permitted by clause (f) above; provided that the principal amount of Debt secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced and such Lien is not extended to other property;

(h) any Liens created on shares of capital stock of any of the Borrower's Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares constitute the sole assets; provided that (A) any shares of Subsidiary stock held in such trust, corporation or entity could be sold by the Borrower; and (B) proceeds from the deposit or transfer of such shares into such trust, corporation or entity and from any transfer of or distributions in respect of the Borrower's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Section 8.04; and provided, further that such Liens may not secure Debt of the Borrower or any Subsidiary (unless permitted under another clause of this Section 8.02);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any Qualified Receivables Transaction;

(k) in addition to the Liens permitted by the foregoing clauses (a) through (j), Liens securing Debt of the Borrower and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of the Borrower and its Subsidiaries; and

(l) any Liens on "margin stock" purchased with the proceeds of the Bridge Loan or Syndicated Loan within the meaning of Regulation U, if and to the extent the value of all "margin stock" of the Borrower and its Subsidiaries exceeds 25% of the value of the total assets of the Borrower and its Subsidiaries;

unless, in each case, the Borrower has made or caused to be made effective provision whereby the Obligations hereunder are secured equally and ratably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

8.03 Consolidations and Mergers. Neither the Guarantor nor the Borrower shall, in one or more related transactions, (x) consolidate with or merge into any other Person or permit any other Person to merge into it or (y), directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its properties or assets to any Person, unless, with respect to any transaction described in clause (x) or (y), immediately after giving effect to such transaction:

(a) the Person formed by any such consolidation or merger, if it is not the Borrower or the Guarantor, or the Person that acquires by transfer, conveyance, sale, lease or other disposition all or substantially all of the properties and assets of the Borrower or the Guarantor (any such Person, a "Successor") (i) shall be a corporation organized and validly existing under the laws of its place of incorporation, which in the case of a Successor to the Borrower shall be Mexico, the United States, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof, (ii) in the case of a Successor to the Borrower, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Lender, the Obligations of the Borrower pursuant to this Agreement and the performance of every covenant on part of the Borrower to be performed and observed and (iii) in the case of a Successor to any Guarantor, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Lender, the performance of every covenant of this Agreement on part of such Guarantor to be performed and observed;

(b) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower or the Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify the Lender against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on the Lender solely as a consequence of such transaction with respect to payments under the Transaction Documents;

(c) immediately after giving effect to such transaction, including for purposes of this clause (c) the substitution of any Successor to the Borrower for the Borrower or the substitution of any Successor to the Guarantor for the Guarantor and treating any Debt or Lien incurred by the Borrower or any Successor to the Borrower, or by the Guarantor of the Borrower or any Successor to the Guarantor, as a result of such transactions as having been incurred at the time of such transaction, no Default or Event of Default shall have occurred and be continuing; and

(d) the Borrower shall have delivered to the Lender an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a written agreement is required in connection with such transaction, such written agreement comply with the relevant provisions of this ARTICLE VIII and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

8.04 Sales of Assets, Etc. The Borrower will not, and will not permit any of its Material Subsidiaries to, sell, lease or otherwise dispose of any of its assets (including the capital stock of any Subsidiary), other than (a) inventory, trade receivables and assets surplus to the needs of the business of the Borrower or any Subsidiary sold in the ordinary course of business and (b) assets not used, usable or held for use in connection with cement operations and related operations and (c) any "margin stock" within the meaning of Regulation U acquired by the Borrower through a Tender Offer, unless the proceeds of the sale of such assets are retained by the Borrower or such Subsidiary, as the case may be, and, as promptly as practicable after such sale (but in any event within 180 days of such sale), the proceeds are applied to (i) expenditures for property, plant and equipment usable in the cement industry or related industries; (ii) the repayment of senior Debt of the Borrower or any of its Subsidiaries, whether secured or unsecured; or (iii) investments in companies engaged in the cement industry or related industries.

8.05 Change in Nature of Business. The Borrower shall not make, or permit any of its Material Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

8.06 Margin Regulations. The Borrower shall not use any part of the proceeds of the Loans for any purpose which would result in any violation (whether by the Borrower or the Lender) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. The Borrower shall not engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

ARTICLE IX
OBLIGATIONS OF GUARANTOR

9.01 The Guaranty. The Guarantor hereby unconditionally and irrevocably guarantees (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Borrower to the Lender under this Agreement and the other Transaction Documents, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

9.02 Nature of Liability. The obligations of the Guarantor hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full and all Commitments have been terminated, and shall not be affected in any way by the absence of any action to obtain such amounts from the Borrower or by any variation, extension, waiver, compromise or release of any or all Obligations from time to time therefor. The Guarantor waives all requirements as to promptness, diligence, presentment, demand for payment, protest and notice of any kind with respect to this Agreement and the other Transaction Documents.

9.03 Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction other than the State of New York, the obligations of the Guarantor hereunder shall be unconditional, irrevocable and absolute and, without limiting the generality of the foregoing, shall not be impaired, terminated, released, discharged or otherwise affected by the following:

(a) the existence of any claim, set-off or other right which the Guarantor may have at any time against the Borrower, the Lender or any other Person, whether in connection with this transaction or with any unrelated transaction;

(b) any invalidity or unenforceability of this Agreement or any other Transaction Document relating to or against the Borrower or the Guarantor for any reason;

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the Borrower under this Agreement or any of the other Transaction Documents or the payment, observance, fulfillment or performance of any other Obligations;

(d) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of the Borrower;

(e) any amendment, waiver or modification of any Transaction Document in accordance with the terms hereof and thereof; or

(f) any other act or omission to act or delay of any kind by the Borrower, the Lender or any other Person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to the Guarantor's obligations hereunder.

9.04 Independent Obligation. The obligations of the Guarantor hereunder are independent of the Borrower's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Lender may neglect or forbear to enforce payment hereunder, under any Transaction Document or under any guaranty or security, without in any way affecting or impairing the liability of the Guarantor hereunder. The Lender shall not be obligated to exhaust recourse or take any other action against the Borrower or under any agreement to purchase or security which the Lender may hold before being entitled to payment from the Guarantor of the obligations hereunder or proceed against or have resort to any balance of any deposit account or credit on the books of the Lender in favor of the Borrower or the Guarantor. Without limiting the generality of the foregoing, the Lender shall have the right to bring suit directly against the Guarantor, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower.

9.05 Waiver of Notices. The Guarantor hereby waives notice of acceptance of this ARTICLE IX and notice of any liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any such liability, suit or the taking of other action by the Lender against, and any other notice, to the Guarantor.

9.06 Waiver of Defenses. To the extent permitted by New York law and notwithstanding any contrary principles under the laws of any other jurisdiction, the Guarantor hereby waives any and all defenses to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this ARTICLE IX, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Borrower, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, the Guarantor consents that, without notice to the Guarantor and without the necessity for any additional endorsement or consent by the Guarantor, and without impairing or affecting in any way the liability of the Guarantor hereunder, the Lender may at any time and from time to time, upon or without any terms or conditions and in whole or in part, (a) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this ARTICLE IX shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Borrower or others (including the Guarantor) or otherwise act or refrain from acting, (c) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of the Borrower to creditors of the Borrower other than the Lender and the Guarantor, (d) apply any sums by whomsoever paid or howsoever realized, other than payments of the Guarantor of the Obligations, to any liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Lender regardless of which of such liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantor under this ARTICLE IX, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof. Furthermore, the Guarantor hereby waives to the extent permitted by law any right to which it may be entitled to under Articles 2830, 2836, 2842, 2845, 2846, 2848 and 2849 of the Mexican Federal Civil Code and related Articles contained in the Civil Codes of the States in Mexico. The Guarantor further expressly waive the benefits of order, *excusión y división* contained in Articles 2814, 2815, 2817, 2818, 2820, 2821, 2822, 2823, 2837, 2838, 2840, 2841 and other related Articles of the Mexican Federal Civil Code and related Articles contained in other Civil Codes of the States of Mexico. The Guarantor hereby represent that the terms of each such provision of each such civil code are known in form and substance to the Guarantor.

9.07 Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, the Guarantor shall not, without the prior written consent of the Lender) commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization, *concurso mercantil* or insolvency proceedings of, or against, the Borrower.

(b) If acceleration of the time for payment of any amount payable by the Borrower under this Agreement or the Notes is stayed upon the insolvency, bankruptcy, reorganization, *concurso mercantil* or any similar event of the Borrower or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the Lender.

(c) The obligations of the Guarantor under this ARTICLE IX shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, *concurso mercantil*, receivership, reorganization, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of the Borrower or similar proceedings or actions or by any defense which the Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantor's liability shall extend to all amounts and obligations that constitute the Obligations and would be owed by the Borrower but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

(d) The Guarantor acknowledges and agrees that any interest on any portion of the Obligations which accrues after the commencement of any proceeding or action referred to above in Section 9.07(c) (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of the Obligations if said proceedings or actions had not been commenced) shall be included in the Obligations, it being the intention of the Guarantor and the Lender that the Obligations which are to be guaranteed by the Guarantor pursuant to this ARTICLE IX shall be determined without regard to any rule of law or order which may relieve the Borrower of any portion of such Obligations. The Guarantor will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Lender, or allowing the claim of the Lender, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantor.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the Obligations are paid by or on behalf of the Borrower, the obligations of the Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Lender as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this ARTICLE IX, to the extent permitted by applicable law.

9.08 No Subrogation. Notwithstanding any payment or payments made by the Guarantor hereunder or any set-off or application of funds of the Guarantor by the Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Lender against the Borrower or any collateral security or guarantee or right of offset held by the Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower in respect of payments made by the Guarantor hereunder, until all amounts owing to the Lender by the Borrower on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by the Guarantor in trust for the Lender, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Lender in the exact form received by the Guarantor (duly indorsed by the Guarantor to the Lender, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Lender may determine.

9.09 General Limitation on Guaranty. In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganization, *concurso mercantil* or other law affecting the rights of creditors generally, if the obligations of the Guarantor under this Section 9.09 would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 9.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by the Guarantor, the Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

9.10 Covenants of the Guarantor. The Guarantor hereby covenants and agrees that, so long as any Obligations under this Agreement and any other Transaction Document remains unpaid or the Lender has any Commitment hereunder, it shall comply with the covenants contained or incorporated by reference in this Agreement to the extent applicable to it as a Subsidiary of the Borrower.

ARTICLE X
EVENTS OF DEFAULT

10.01 Events of Default. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Borrower shall (i) fail to pay any principal of the Loan when due in accordance with the terms hereof or (ii) fail to pay any interest on the Loan or any other amount payable under this Agreement or the Note (without duplication) within three (3) Business Days after the same becomes due and payable; or

(b) Representation and Warranties. Any representation or warranty made by the Borrower herein or in any other Transaction Document or made by the Guarantor herein or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Transaction Document, as applicable, shall prove to have been incorrect in any material respect on or as of the date made if such failure shall remain unremedied for thirty (30) days after the earlier of the date on which (i) the Responsible Officer of the Borrower or the Guarantor, as the case may be, becomes aware of such incorrectness or (ii) written notice thereof shall have been given to the Borrower by the Lender; or

(c) Specific Defaults. The Borrower or the Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in Section 7.01, 7.02(a), 7.06 (with respect to the Borrower's and the Guarantor's existence only), 7.09, 7.10, 7.15 or ARTICLE VIII; or

(d) Other Defaults. The Borrower or the Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in this Agreement, the Notes, the Notice of Borrowing, any certificates, waivers, or any other agreement delivered pursuant to this Agreement (other than as provided in paragraphs (a) and (c) above) and such failure shall continue unremedied for a period of thirty (30) days after the earlier of the date on which (i) the Responsible Officer of the Borrower becomes aware of such failure or (ii) written notice thereof shall have been given to the Borrower by the Lender; or

(e) Defaults under Other Agreements. The occurrence of a default or event of default under any indenture, agreement or instrument relating to any Material Debt of the Borrower or any of its Subsidiaries, and (unless any principal amount of such Material Debt is otherwise due and payable) such default or event of default results in the acceleration of the maturity of any principal amount of such Material Debt prior to the date on which it would otherwise become due and payable; or

(f) Voluntary Bankruptcy. The Borrower or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization, *concurso mercantil* or other relief with respect to itself or its debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing or the equivalent thereof under Mexican law (including the *Ley de Concursos Mercantiles*); or

(g) Involuntary Bankruptcy. An involuntary case or other proceeding shall be commenced against the Borrower or any Material Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, *concurso mercantil* or other similar law now or hereafter in effect (including but not limited to the *Ley de Concursos Mercantiles*) or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days; or an order for relief shall be entered against the Borrower or any Material Subsidiaries under any bankruptcy, insolvency *suspensión de pagos* or other similar law as now or hereafter in effect; or

(h) Monetary Judgment. A final judgment or judgments or order or orders not subject to further appeal for the payment of money in an aggregate amount in excess of U.S.$50,000,000 shall be rendered against the Borrower and/or any of its one or more Subsidiaries of the Borrower that are neither discharged nor bonded in full within thirty (30) days thereafter; or

(i) Pari Passu. The Obligations of the Borrower under this Agreement or of the Guarantor under this Agreement shall fail to rank at least pari passu with all other senior unsecured Debt of the Borrower or the Guarantor, as the case may be; or

(j) Validity of Agreement. The Borrower shall contest the validity or enforceability of any Transaction Document or shall deny generally the liability of the Borrower under any Transaction Documents or the Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of the Guarantor under ARTICLE IX hereof shall not be (or is claimed by the Guarantor not to be) in full force and effect;

(k) Governmental Authority. Any governmental or other consent, license, approval, permit or authorization which is now or may in the future be necessary or appropriate under any applicable Requirement of Law for the execution, delivery, or performance by the Borrower or the Guarantor of any Transaction Document to which it is a party or to make such Transaction Document legal, valid, enforceable and admissible in evidence shall not be obtained or shall be withdrawn, revoked or modified or shall cease to be in full force and effect or shall be modified in any manner that would have an adverse effect on the rights or remedies of the Lender; or

(l) Expropriation, Etc. Any Governmental Authority shall condemn, nationalize, seize or otherwise expropriate all or any substantial portion of the property of, or capital stock issued or owned by, the Borrower or the Guarantor or take any action that would prevent the Borrower or the Guarantor from performing its obligations under this Agreement, the Notes, the Notice of Borrowing, any certificates, waivers, or any other agreement delivered pursuant to this Agreement; or

(m) Moratorium; Availability of Foreign Exchange. A moratorium shall be agreed or declared in respect of any Debt of the Borrower or the Guarantor or any restriction or requirement not in effect on the date hereof shall be imposed, whether by legislative enactment, decree, regulation, order or otherwise, which limits the availability or the transfer of foreign exchange by the Borrower or the Guarantor for the purpose of performing any material obligation under this Agreement, the Notes, the Notice of Borrowing, any certificates, waivers, or any other agreement delivered pursuant to this Agreement; or

(n) Change of Ownership or Control. The beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities Exchange Commission under the Securities Exchange Act of 1934, as amended) of 20% or more in voting power of the outstanding voting stock of the Borrower or the Guarantor is acquired by any Person; provided that the acquisition of beneficial ownership of capital stock of the Borrower or the Guarantor by Lorenzo H. Zambrano or any member of his immediate family shall not constitute an Event of Default.

10.02 Remedies. If any Event of Default has occurred and is continuing, the Lender may declare by notice to the Borrower the principal amount of all outstanding Loans to be forthwith due and payable, whereupon such principal amount, together with accrued interest thereon and all other payment Obligations accrued hereunder, shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

10.03 Default Interest

. In the event of default by the Borrower in the payment on the due date of any sum due under this Agreement, the Borrower shall pay interest on demand on such sum from the date of such default to the day of actual receipt of such sum by the Lender (as well after as before judgment) at the rate specified in Section 2.02(b). So long as the default continues, the default interest rate shall be recalculated on the same basis at intervals of such duration as the Lender may select, provided that the amount of unpaid interest at the above rate accruing during the preceding period (or such longer period as may be the shortest period permitted by applicable law for the capitalization of interest) shall be added to the amount in respect of which the Borrower is in default.

ARTICLE XI
MISCELLANEOUS

11.01 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder shall be in writing (including facsimile transmission) and shall be sent by an overnight courier service, transmitted by facsimile or delivered by hand to such party at its address or facsimile number set forth on Schedule 1.01(c) or at such other address or facsimile number as such party may designate by notice to the other parties hereto.

(b) Unless otherwise expressly provided for herein, each such notice, request, demand or other communication shall be effective (i) if sent by overnight courier service or delivered by hand, upon delivery, (ii) if given by facsimile, when transmitted to the facsimile number specified pursuant to paragraph (a) above and confirmation of receipt of a legible copy thereof is received, or (iii) if given by any other means, when delivered at the address specified pursuant to paragraph (a) above; provided, however, that notices to the Lender under ARTICLE II, III, IV or XI shall not be effective until received.

11.02 Amendments and Waivers. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower or the Guarantor from the terms of this Agreement, shall in any event be effective unless the same shall be in writing, consented to by the Borrower or the Guarantor, as the case may be, and signed and consented to by the Lender, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

11.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising on the part of the Lender, any right, remedy, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

11.04 Payment of Expenses, Etc. The Borrower agrees to pay on demand

(a) all reasonable and documented out-of-pocket costs and expenses (including reasonable legal fees and disbursements of New York counsel to the Lender), travel, telephone and duplication expenses and other reasonable and documented costs and out of- pocket expenses in connection with the arrangement, documentation, negotiation and closing of the Transactions Documents;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Lender in connection with any amendment to, waiver of, or consent to any Transaction Document or the transactions contemplated hereby, including the reasonable fees and reasonable and documented out-of-pocket expenses of New York counsel to the Lender; and

(c) all reasonable and documented, out-of-pocket costs and expenses incurred by the Lender in connection with the enforcement of and/or preservation of any rights under this Agreement or any other Transaction Document (whether through negotiations, legal proceedings or otherwise), including the reasonable fees and reasonable and documented out-of-pocket expenses of New York counsel to the Lender.

11.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Lender and each of its Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel and the allocated cost of in-house counsel), but excluding taxes that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (a) the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Loans or (b) or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 11.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower and the Guarantor also agrees not to assert any claim against the Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. The Lender shall not be deemed to have any fiduciary relationship with the Borrower or the Guarantor.

11.06 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon the Borrower, the Guarantor, their successors and assigns and shall inure to the benefit of the Lender and their respective successors and assigns, except that the Borrower and the Guarantor may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of the Lender except pursuant to the terms of this Agreement.

(b) The Lender may at any time after the Disbursement Date assign to one or more commercial banks either (i) registered as a Foreign Financial Institution and a resident (or having its principal office as a resident, if lending through a branch or agency) for tax purposes in a jurisdiction that is a party to an income tax treaty to avoid double taxation with Mexico on the date of such assignment, qualified to receive the benefits of said treaty or (ii) organized and existing under the laws of Mexico on the date of such assignment (each an "Assignee") all, or a proportionate part of all of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement executed by such Assignee and the transferor Lender, with (and subject to) the subscribed consent of the Borrower (which consent shall not be unreasonably withheld or delayed, and if a Default or Event of Default has occurred and is continuing, such consent shall not be required); provided, however, that if an Assignee is an Affiliate of the transferor Lender, which Affiliate is registered as a Foreign Financial Institution and meets the tax residence and qualification requirements of clause (ii) above and, at the time of such assignment, the additional amounts payable with respect to Taxes to such Assignee will not exceed such amounts payable to the transferor Lender, no such consent shall be required; and provided further that, in the case of an assignment of only part of such rights and obligations, the Assignee shall acquire a portion of the Loan of not less than U.S.$3,000,000 and integral multiples of U.S.$1,000,000 in excess thereof; and provided further that, prior to such assignment, the parties hereto shall amend this Agreement to add provisions substantially similar to the provisions contained in the Syndicated Loan which, in the reasonable judgment of the Lender and the Borrower, are necessary or desirable in connection with the addition of a new Lender(s), including if the parties agree (x) the appointment of an Administrative Agent and (y) revised amendment and waiver provisions. Upon execution and delivery of an Assignment and Assumption Agreement and payment by the Assignee to the transferor Lender of an amount equal to the purchase price agreed between the transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent (except to the extent the same arose prior to the assignment), and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this paragraph (b), the transferor Lender and the Borrower shall make appropriate arrangements so that a new Note is issued to the Assignee at the expense of the Assignee.

(c) Nothing herein shall prohibit the Lender from pledging or assigning any Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 11.06; provided, however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

(d) The Lender may, without any consent of the Borrower or any other third party at any time grant to one or more banks or other institutions (i) registered as a Foreign Financial Institution and (ii) resident (or having its principal office as a resident, if lending through a branch or agency) for tax purposes in a jurisdiction that is a party to an income tax treaty to avoid double taxation with Mexico on the date of such assignment and qualified to receive the benefits of said treaty and having (at the time the Lender or financial institution becomes a Participant) a withholding tax rate under such treaty applicable to payments hereunder no higher than that applicable to payments to such Lender (each a "Participant") participating interests in its Loan. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement. Any agreement pursuant to which the Lender may grant such a participating interest shall provide that the Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder, including the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such participation agreement may provide that the Lender will not agree to any modification, amendment or waiver of this Agreement extending the maturity of any Obligation in respect of which the participation was granted, or reducing the rate or extending the time for payment of interest thereon or reducing the principal thereof, or reducing the amount or basis of calculation of any fees to accrue in respect of the participation, without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 3.01, 3.03 and 3.07 with respect to its participating interest as if it were the Lender named herein; provided, however, that the Borrower shall not be required to pay any greater amounts pursuant to such Sections than it would have been required to pay but for the sale to such Participant of such Participant's participation interest. An assignment or other transfer which is not permitted by paragraph (b) or (c) above shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this paragraph (d).

(e) The Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 11.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Borrower furnished to the Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the Assignee or Participant or proposed Assignee or Participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from the Lender.

11.07 Right of Set-off. In addition to any rights and remedies of the Lender provided by law, the Lender shall have the right, without prior notice to the Borrower or the Guarantor, any such notice being expressly waived by the Borrower and the Guarantor to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower or the Guarantor hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Lender, or any branch or agency thereof to or for the credit or the account of the Borrower or the Guarantor. The Lender agrees promptly to notify the Borrower, or the Guarantor, as the case may be, after any such set-off and application made by the Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

11.08 Confidentiality. The Lender shall not disclose any Confidential Information to any other Person without the prior written consent of the Borrower, other than (a) to the Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 11.06(e), to actual or prospective Assignees and Participants, and then only on a confidential basis, (b) as required by any law, rule or regulation (including as may be required in connection with an audit by the Lender's independent auditors, and as may be required by any self-regulating organizations) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking.

11.09 Use of English Language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language (other than the documents required to be provided pursuant to Section 7.01 and Section 7.02 which shall be in the English language or in the Spanish language accompanied by an English translation or summary). Except in the case of the laws of, or official communications of, Mexico, the English language version of any such document shall control the meaning of the matters set forth therein.

11.10 **GOVERNING LAW. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.**

11.11 Submission to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court located in the Borough of Manhattan in New York City and any appellate court thereof for purposes of any suit, legal action or proceeding arising out of or relating to this Agreement, any other Transaction Document or the transactions contemplated hereby, and each of the parties hereto hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such federal or New York State court and, with respect to the Borrower and the Guarantor, as well as in the competent court of their own corporate domicile.

(b) Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such federal or New York State court and irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding.

(c) Each of the parties hereto irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over it.

(d) Each of the parties hereto agrees, to the fullest extent it may effectively do so under applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in paragraph (a) above brought in any such court shall be conclusive and binding upon such party and may be enforced in other jurisdictions by suit on the judgment or in any manner provided by law.

(e) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION ORPROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE ACTIONS OF THE LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

11.12 Appointment of Agent for Service of Process.

(a) The Borrower and the Guarantor hereby irrevocably appoints CT Corporation System, with an office on the date hereof at 111 Eighth Avenue, 13th Floor, New York,New York 10011, as its agent (the "Process Agent") to receive on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding brought in any New York State or federal court sitting in New York City. Such service may be made by delivering a copy of such process to the Borrower or the Guarantor, as the case may be, in care of the Process Agent at its address specified above, and the Borrower and the Guarantor, as the case may be, hereby authorizes and directs the Process Agent to accept such service on its behalf. The appointment of the Process Agent shall be irrevocable until the appointment of a successor Process Agent. The Borrower and the Guarantor, further agrees to promptly appoint a successor Process Agent in New York City prior to the termination for any reason of the appointment of the initial Process Agent.

(b) Nothing in Section 11.11 or in this Section 11.12 shall affect the right of any party hereto to serve process in any manner permitted by law or limit any right that any party hereto may have to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

11.13 Waiver of Sovereign Immunity. To the extent that the Borrower or the Guarantor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or its property, the Borrower or the Guarantor, as the case may be, hereby irrevocably waives such immunity in respect of its obligations hereunder to the extent permitted by applicable law. Without limiting the generality of the foregoing, the Borrower and the Guarantor agrees that the waivers set forth in this Section 11.13 shall have force and effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

11.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower in one currency (" Currency X") into another currency ("Currency Y"), the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Lender could purchase Currency X with Currency Y at or about 11:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given.

(b) The Obligations in respect of any sum due to the Lender hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than the applicable Currency X, be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in Currency Y the Lender may in accordance with normal banking procedures purchase Currency X with Currency Y. If the amount of Currency X so purchased is less than the sum originally due to the Lender, the Borrower and the Guarantor agree, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such resulting loss.

11.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

11.16 USA PATRIOT Act. The Lender, to the extent that it may be subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Act.

11.17 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

11.18 Survival of Agreements and Representations.

(a) All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) The covenants and agreements contained in Sections 3.01, 3.02, 3.03, 3.04, 3.05, 11.04, 11.05, 11.08, 11.09, 11.11, 11.12, 11.14 and 11.18 shall survive the termination of the Commitments and the payment of all Obligations and, in the case the Lender assigns any interest in its Loan or obligations hereunder, with respect to matters occurring before such assignment, shall survive the making of such assignment to the extent any claim arising thereunder relates to any period prior to such assignment, notwithstanding that the assigning Lender may cease to be a "Lender" hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CEMEX, S.A.B. de C.V., as Borrower

By: /s/ Humberto Francisco Lozano Vargas
Name: Humberto Francisco Lozano Vargas
Title: Corporate Finance Officer

CEMEX MÉXICO, S.A. de C.V., as Guarantor

By: /s/ Humberto Francisco Lozano Vargas
Name: Humberto Francisco Lozano Vargas
Title: Corporate Finance Officer

BANCO BILBAO VIZCAYA ARGENTARIA,
S.A. NEW YORK BRANCH, as Lender

By: /s/ Rodolfo Hare
Name: Rodolfo Hare
Title: Vice President

By: /s/ Cristian Aguirre
Name: Cristian Aguirre
Title: Assistant Vice President

SCHEDULE 1.01(a)

COMMITMENT

Lender	Commitment
BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH	US$500,000,000

SCHEDULE 1.01(b)

LENDING OFFICES

BANK	LENDING OFFICE	Account Information
Banco Bilbao Vizcaya Argentaria, S.A. New York Branch	Address: 1345 Avenue of the Americas, 45th floor New York, NY 10105 Attention: Lending Administration Telephone: 212-728-1733 Facsimile: 212-333-2926 E-mail: lending.administration@bbvany.com	Bank: Banco Bilbao Vizcaya Argentaria NY Swift Code: BBVAUS33 Account No.: 0000030444 For Account of: Lending Administration Swift Code: BBVAUS33 Reference: Cemex

SCHEDULE 1.01(c)

NOTICE DETAILS

CEMEX, S.A.B. de C.V., as Borrower	Ave.Ricardo Margáin Zozaya # 325 Col. Valle del Campestre Garza García, Nuevo León Mexico 66265 Attention: CEMEX Back-Office Telephone: +52 (81) 8888-4632, 4113, 4093 Fax: +52 (81) 8888-4519
CEMEX México, S.A. de C.V., as Guarantor	Ave.Ricardo Margáin Zozaya # 325 Col. Valle del Campestre Garza García, Nuevo León Mexico 66265 Attention: CEMEX Back-Office Telephone: +52 (81) 8888-4632, 4113, 4093 Fax: +52 (81) 8888-4519
BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH, as Lender	1345 Avenue of the Americas, 45th floor New York, NY 10105 United States of America Attention: Lending Administration Telephone: 212-728-1733 Fax: 212-333-2926

SCHEDULE 5.06 & 6.05

A description of material actions, suits, investigations, litigations or proceedings, including Environmental Actions, affecting the Borrower and the Guarantor or any of its Subsidiaries before any court, Governmental Authority or arbitrator is provided below.

Environmental Matters

United States

As of March 31, 2008, CEMEX, Inc. and it subsidiaries had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$ 47.3 million. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, regarding the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information available to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters, in excess of the amounts previously recorded. The ultimate cost that might be incurred to resolve these environmental issues cannot be assured until all environmental studies, investigations, remediation work, and negotiations with or litigation against potential sources of recovery have been completed.

Rinker Materials of Florida, Inc., a subsidiary of CEMEX, Inc. (“Rinker”) holds one federal quarry permit and is the beneficiary of one of 10 other federal quarrying permits granted for the Lake Belt area in South Florida. The permit held by Rinker covers Rinker's SCL and FEC quarries. Rinker's Krome quarry is operated under one of the other federal quarry permits. The FEC quarry is the largest of Rinker's quarries measured by volume of aggregates mined and sold. Rinker's Miami cement mill is located at the SCL quarry and is supplied by that quarry. A ruling was issued on March 22, 2006 by a judge of the U.S. District Court for the Southern District of Florida in connection with litigation brought by environmental groups concerning the manner in which the permits were granted. Although not named as a defendant, Rinker has intervened in the proceedings to protect its interests. The judge ruled that there were deficiencies in the procedures and analysis undertaken by the relevant governmental agencies in connection with the issuance of the permits. The judge remanded the permits to the relevant governmental agencies for further review, which review the governmental agencies have indicated in a recent court filing should take until May 2008 to conclude. The judge also conducted further proceedings to determine the activities to be conducted during the remand period. In July 2007, the judge issued a ruling that halted quarrying operations at three non-Rinker quarries. The judge left in place Rinker’s Lake Belt permits until the relevant government agencies complete their review. Rinker and the other affected companies have appealed the judge’s rulings. The appellate court set an expedited schedule for the appeal with a hearing that was held in November 2007. If the Lake Belt permits were ultimately set aside or quarrying operations under them restricted, Rinker would need to source aggregates, to the extent available, from other locations in Florida or import aggregates. This would likely affect Rinker's profits. Any adverse impacts on the Florida economy arising from the cessation or significant restriction of quarrying operations in the Lake Belt could also have a material adverse effect on our financial results.

Europe

In Great Britain, future expenditure on closed and current landfill sites has been assessed and quantified over the period in which the sites are considered to have the potential to cause environmental harm, generally consistent with the regulator view of up to 60 years from the date of closure. The assessed expenditure relates to the costs of monitoring the sites and the installation, repair and renewal of environmental infrastructure. The costs have been quantified on a net present value basis in the amount of approximately £122 million, and an accounting provision for this sum has been made at December 31, 2007.

In 2003, the European Union adopted a directive implementing the Kyoto Protocol on climate change and establishing a greenhouse gas emissions allowance trading scheme within the European Union. The directive requires Member States to impose binding caps on carbon dioxide emissions from installations involved in energy activities, the production and processing of ferrous metals, the mineral industry (including cement production) and the pulp, paper or board production business. Under this scheme, companies with operations in these sectors receive from the relevant Member States allowances that set limitations on the levels of greenhouse gas emissions from their installations. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Companies can also use credits issued from the use of the flexibility mechanisms under the Kyoto protocol to fulfill their European obligations. These flexibility mechanisms provide that credits (equivalent to allowances) can be obtained by companies for projects that reduce greenhouse gas emissions in emerging markets. These projects are referred to as Clean Development Mechanism ("CDM") or joint implementation projects depending on the countries where they take place. Failure to meet the emissions caps is subject to heavy penalties.

Companies can also use, up to a certain level, credits issued under the flexible mechanisms of the Kyoto protocol to fulfill their European obligations. Credits for Emission Reduction projects obtained under these mechanisms are recognized, up to a certain level, under the European emission trading scheme as allowances. To obtain these emission reduction credits, companies must comply with very specific and restrictive requirements from the United Nations Convention on Climate Change (UNFCC).

As required by directive, each of the Member States established a National Allocations Plan, or NAP, setting out the allowance allocations for each industrial facility for Phase I, from 2005 to 2007. Based on the NAPs established by the Member States of the European Union for the 2005 to 2007 period and our actual production, on a consolidated basis after trading allowances between our operations in countries with a deficit of allowances and our operations in countries with an excess of allowances, and after some external operations, Borrower’s Subsidiaries had a surplus of allowances of approximately 1,050,054 tons of carbon dioxide in this Phase I.

For Phase II, comprising 2008 through 2012, however, there has been a reduction in the allowances granted by the Member States that have already approved their NAP, which may result in a consolidated deficit in our carbon dioxide allowances during the period. We believe we may be able to reduce the impact of any deficit by either reducing carbon dioxide emissions in our facilities or by obtaining additional emission credits through the implementation of CDM projects. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase a significant amount of emission credits in the market, the cost of which may have an impact on our operating results. As of December 31, 2007, the market value of carbon dioxide allowances for Phase I was 0.03 € per ton while the price of allowances for Phase II was approximately 22.43 € per ton. We are taking all the measures to minimize our exposure to this market while assuring the supply of our products to our clients.

The U.K. government's NAP for phase two of the trading scheme (2008 to 2012) has been approved by the European Commission. Under this NAP, our cement plant in Rugby has only been allocated 80% of the allowances it has under the current NAP, representing a shortfall of 228,414 allowances per year, while competitor plants have been awarded additional allowances compared to phase one (2005 to 2007). The estimated cost of purchasing allowances to make up for this shortfall is approximately €4 million per year over the five-year period of phase two, depending on the prevailing market price. Legal challenges to the allocation were pursued both in the U.K. domestic courts and the European Court of First Instance, but these challenges have now been withdrawn.

The Spanish NAP has been finally approved by the Spanish Government, reflecting the conditions that were set forth by the European Commission. The allocations made to our installations allow us to foresee a reasonable availability of allowances, nevertheless, there remains the uncertainty regarding the allocations that, against the reserve for new entrants, shall be requested for the new CEMEX cement plant in Andorra (Teruel), currently under construction, and that it is scheduled to start operating in April 2009

Latvian and Polish NAP for phase two of the trading scheme have been reviewed by the European Commission. However, final approvals are conditioned on major changes. Until each country publishes its allocation per site, it is premature for us to draw conclusions concerning our situation or to fine-tune our strategy.

German NAP and allocation by plant for phase two of the trading scheme has been issued by law and are final. A limitation as been imposed as budgeted. In the case of Beckum-Kollenbach plant, we are pursuing additional allowances by legally challenging the allocation calculation.

On May 29, 2007, the Polish government filed an appeal before the Court of First Instance in Luxemburg regarding the European Commission's rejection of the initial version of the Polish NAP. The Court has denied Poland's request for a quick path verdict in the case, keeping the case in the regular proceeding path. Therefore the Polish government has started to prepare Polish internal rules on division of allowance at the level already accepted by the Commission. Seven major Polish cement producers, representing 98% of Polish cement production (including CEMEX Polska), have also filed seven separate appeals before the Court of First Instance regarding the European Commission's rejection.

The Latvian government filed an appeal in August 2007 before the Court of First Instance in Luxembourg regarding the European Commission's rejection of the initial version of the Latvian NAP for the years 2008 to 2012.

Tax Matters

Pursuant to amendments to the Mexican income tax law (*Ley del Impuesto sobre la Renta*), which became effective on January 1, 2005, Mexican companies with direct or indirect investments in entities incorporated in foreign countries whose income tax liability in those countries is less than 75% of the income tax that would be payable in Mexico will be required to pay taxes in Mexico on passive income such as dividends, royalties, interest, capital gains and rental fees obtained by such foreign entities, provided that the income is not derived from entrepreneurial activities in such countries (income derived from entrepreneurial activities is not subject to tax under these amendments). The tax payable by Mexican companies in respect of the 2005 tax year pursuant to these amendments was due upon filing their annual tax returns in March 2006. We believe these amendments are contrary to Mexican constitutional principles, and on August 8, 2005, we filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. On December 23, 2005, we obtained a favorable ruling from the Mexican federal court that the amendments were unconstitutional; however, the Mexican tax authority has appealed this ruling, and it is pending resolution. If the final ruling is not favorable to us, these amendments may have a material impact on us.

In addition, on March 20, 2006, we filed another motion in the Mexican federal courts challenging the constitutionality of the amendments. On June 29, 2006, we obtained a favorable ruling from the Mexican federal court stating that the amendments were unconstitutional. The Mexican tax authority has appealed the ruling, which is pending resolution.

The Mexican Congress approved several amendments to the Mexican Asset Tax Law (*Ley del Impuesto al Activo*) that came into effect on January 1, 2007. As a result of such amendments, all Mexican corporations, including us, are no longer allowed to deduct their liabilities from the calculation of the asset tax. We believe that the Asset Tax Law, as amended, is against the Mexican constitution. We have challenged the Asset Tax Law through appropriate judicial action (juicio de amparo).

The asset tax was imposed at a rate of 1.25% on the value of most of the assets of a Mexican corporation. The asset tax was "complementary" to the corporate income tax (*impuesto sobre la renta*) and, therefore, was payable only to the extent it exceeded payable income tax.

Philippines

As of March 31, 2008, the Philippine Bureau of Internal Revenue (BIR), assessed APO, Solid, IQAC, ALQC and CSPI, our operating subsidiaries in the Philippines, for deficiency taxes covering taxable years 1998 -2005 amounting to a total of approximately 1,994 million Philippine Pesos (approximately U.S.$47. 75 Million as of March 31, 2008, based on an exchange rate of Philippine Pesos 41.76 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on March 31, 2008 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines).

The majority of the tax assessments result primarily from the disallowance of APO's income tax holiday incentives for taxable years 1999 to 2001 (approximately Philippine Pesos 1,078 million or U.S.$25.8 Million as of March 31, 2008, based on an exchange rate of Philippine Pesos 41.76 to U.S.$1.00). We have contested the BIR's assessment, arising from the disallowance of the ITH incentive, with the Court of Tax Appeals (CTA). The initial Division ruling of the CTA was unfavorable, but is subject to further appeal with the CTA as a whole. The assessment is now currently on appeal with the CTA En Banc. A motion was filed with the CTA, requesting the court to hold APO totally not liable for alleged income tax liabilities for all the years covered and to this end cancel and withdraw APO’s deficiency income tax assessments for taxable years 1999, 2000, and 2001 on the basis of APO’s availment of the tax amnesty described below, as of the date hereof resolution is still pending.

Venezuelan Nationalization

On April 3, 2008, the Government of Venezuela announced its decision to nationalize the cement industry. The Government of Venezuela has stated that it intends to have a participation of at least 60% in each cement producer, with full operational and administrative control, but has also expressed that, if required, it will be able to acquire a 100% participation. The Government of Venezuela and CEMEX have appointed representatives for this process. The Government of Venezuela will conduct a due diligence review, followed by a determination of a price to be paid as compensation for the nationalization. In the event of any disagreement or dispute, CEMEX has advised the Government of Venezuela that its investment was made by CEMEX subsidiaries in Spain and The Netherlands, and therefore that the Bilateral Investment Treaties Venezuela signed with those countries will govern the resolution of any such disagreements or disputes.

In connection with the nationalization matter described above, at December 31, 2007, CEMEX Venezuela, S.A.C.A. was the holding entity of several of CEMEX's investments in the region, including CEMEX's operations in the Dominican Republic and Panama, as well as CEMEX's minority investment in Trinidad. Considering that the nationalization by the Government of Venezuela affects only Venezuelan assets, in April 2008, CEMEX concluded the transfer of all material non-Venezuelan investments to CEMEX España for approximately U.S.$355 plus U.S.$112 net debt, having distributed all accrued profits from the non-Venezuelan investments to the stockholders of CEMEX Venezuela amounting to U.S.$132. At his time, the net impact of this matter in CEMEX's consolidated financial results cannot be reasonably estimated. The approximate net assets of CEMEX's Venezuelan operations under Mexican FRS at December 31, 2007 were approximately Ps8,973.

On June 13, 2008, the Venezuelan securities authority initiated an administrative procedure against CEMEX Venezuela, arguing that the company did not sufficiently inform its shareholders and the securities authority in connection with the transfer of the non-Venezuelan assets described above. We are currently reviewing the factual and legal considerations behind this procedure and will respond within the applicable legal term.

Other Legal Proceedings

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for alleged damages caused by the breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP127,242 million (approximately U.S.$ 72 million as of April 24, 2007, based on an exchange rate of CoP1765 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on April 24, 2008, as published by the Banco de la República de Colombia, the central bank of Colombia). On February 23, 2006, CEMEX Colombia was notified of the judgment of the court, dismissing the claims of the plaintiffs. The case is currently under review by the appellate court.

On August 5, 2005, a lawsuit was filed against a subsidiary of CEMEX Colombia, claiming that it was liable along with the other members of the Asociación Colombiana de Productores de Concreto, or ASOCRETO, a union formed by all the ready-mix concrete producers in Colombia, for the premature distress of the roads built for the mass public transportation system of Bogotá using ready-mix concrete supplied by CEMEX Colombia and other ASOCRETO members. The plaintiffs allege that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs seek the repair of the roads in a manner which guarantees their service during the 20-year period for which they were originally designed, and estimate that the cost of such repair will be approximately U.S.$45 million. The lawsuit was filed within the context of a criminal investigation of two ASOCRETO officers and other individuals, alleging that the ready-mix concrete producers were liable for damages if the ASOCRETO officers were criminally responsible. The court completed the evidentiary stage, and on August 17, 2006 dismissed the charges against the members of ASOCRETO. The other defendants (one ex-director of the Distrital Institute of Development, the legal representative of the constructor and the legal representative of the auditor) were formally accused. The decision was appealed, and on December 11, 2006, the decision was reversed and the two ASOCRETO officers were formally accused as participants (determiners) in the execution of a state contract without fulfilling all legal requirements thereof. The first public hearing took place on November 20, 2007. In this hearing the judge dismissed an annulment petition filed by the ASOCRETO's officers. The petition was based on the fact that the officers were formally accused of a different crime than the one they were being investigated for. This decision was appealed, but the decision was confirmed by the Superior Court of Bogota. On 21st January, 2008, CEMEX Colombia was subject to a judicial order, issued by the court, sequestering a quarry called El Tujuelo, as security for a possible future money judgment to be rendered against CEMEX Colombia in these proceedings. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required within a period of 10 days to deposit with the Court in cash COP $370,000,000,000 (approximately U.S.$ 190 million as of April 24, 2007, based on an exchange rate of CoP1765 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on April 24, 2008, as published by the Banco de la República de Colombia), instead of being allowed to post an insurance policy to secure such recovery. CEMEX Colombia asked for reconsideration, and the court allowed CEMEX Colombia to present an insurance policy. Nevertheless, CEMEX appealed this decision, in order to reduce the amount of the insurance policy, and also asked that this guarantee should be covered by all of the defendants in this case. The measure does not affect the normal activity of the quarry. At this stage, we are not able to assess the likelihood of an adverse result or the potential damages which could be borne by CEMEX Colombia.

On August 5, 2005, Cartel Damages Claims, SA, or CDC, filed a lawsuit in the District Court in Düsseldorf, Germany against CEMEX Deutschland AG and other German cement companies. CDC is seeking €102 million in respect of damage claims by 28 entities relating to alleged price and quota fixing by German cement companies between 1993 and 2002, which entities had assigned their claims to CDC. CDC is a Belgian company established by two lawyers in the aftermath of the German cement cartel investigation that took place from July 2002 to April 2003 by Germany's Federal Cartel Office with the express purpose of purchasing potential damages claims from cement consumers and pursuing those claims against the cartel participants. In January 2006, another entity assigned alleged claims to CDC, and the amount of damages being sought by CDC increased to €113.5 million plus interest. On February 21, 2007, the District Court of Düsseldorf decided to allow this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants have appealed. The appeal hearing took place on May 14, 2008 and the appeal was dismissed. The lawsuit will proceed at the level of court of instance. As of today the defendants are assessing whether or not to file a complaint before the Federal High Court. In the meantime, CDC has had acquired new assigners and announced to increase the claim to 131m€. As of March 31, 2008, we had accrued liabilities regarding this matter for a total amount of approximately €20 million.

After an extended consultation period, in April 2006, the cities of Kastela and Solin in Croatia published their respective Master (physical) Plans defining the development zones within their respective municipalities, adversely impacting the mining concession granted to Dalmacijacement, our subsidiary in Croatia, by the Government of Croatia in September 2005. During the consultation period, Dalmacijacement submitted comments and suggestions to the Master Plans, but these were not taken into account or incorporated into the Master Plan by Kastela and Solin. Most of these comments and suggestions were intended to protect and preserve the rights of Dalmacijacement´s mining concession granted by the Government of Croatia in September 2005. Immediately after publication of the Master Plans, Dalmacijacement filed a series of lawsuits and legal actions before the local and federal courts to protect its acquired rights under the mining concessions. The legal actions taken and filed by Dalmacijacement were as follows: (i) on May 17, 2006, a constitutional appeal before the constitutional court in Zagreb, seeking a declaration by the court concerning Dalmacijacement's constitutional claim for decrease and obstruction of rights earned by investment, and seeking prohibition of implementation of the Master Plans; (ii) on May 17, 2006, a possessory action against the cities of Kastela and Solin seeking the enactment of interim measures prohibiting implementation of the Master Plans and including a request to implead the Republic of Croatia into the proceeding on our side, and (iii) on May 17, 2006, an administrative proceeding before the State Lawyer, seeking a declaration from the Government of Croatia confirming that Dalmacijacement acquired rights under the mining concessions. Dalmacijacement received State Lawyer`s opinion which confirms the Dalmacijacement`s acquired rights according to the previous decisions ("old concession"). The municipal court in Solin issued a first instance judgment dismissing our possessory action. We filed an appeal against that judgment. The appeal has been resolved by County Court, affirming the judgment and rendering it final. The Municipal Court in Kaštela has issued a first instance judgment dismissing our possessory action. We have filed an appeal against the said judgment. Currently it is difficult for Dalmacijacement to ascertain the approximate economic impact of these measures by Kastela and Solin. These cases are currently under review by the courts and applicable administrative entities in Croatia, and it is expected that these proceedings will continue for several years before resolution.

Club of Environmental Protection, a Latvian environmental protection organization, has initiated a court administrative proceeding against the amended environmental pollution permit for the Broceni Cement Plant in Latvia, owned by CEMEX SIA. This case is currently under review by the first instance of the administrative court, and it is expected that the case will continue for a few years if the parties appeal further to the next court instances. Dispute of the decision shall not suspend the operation and validity of the permit during the court proceedings, allowing CEMEX SIA to continue to operate fully. If the court decides to cancel or invalidate the permit, CEMEX SIA will not be allowed to perform the activities covered by the permit. The permit subject to this proceeding was issued for the existing cement line, which will be fully substituted in 2009 by a new cement line currently under construction at the Broceni plant.

The Australian Competition and Consumer Commission (ACCC) is completing a formal investigation of suspected breaches of the Trade Practices Act by companies of the Cement Australia partnership (in which CEMEX Australia - formerly called Rinker Australia - has a 25% stake) commencing in 2001. The conduct being investigated is the alleged tying-up of the fly-ash market in Queensland. Documents have been produced and the ACCC has conducted records of interviews with relevant employees.

SCHEDULE 5.10

SUBSIDIARIES

CEMEX MEXICO, S.A. DE C.V.
CEMEX UK OPERATIONS LIMITED
RINKER MATERIALS LLC
CEMEX EGYPTIAN INVESTMENTS B.V.
CEMEX COLOMBIA, S.A.
CEMEX ESPAÑA, S.A.
CEMEX CONCRETOS, S.A. DE C.V.
CEMEX AUSTRALIA HOLDINGS PTY LIMITED

CEMEX - BBVA $500,000,000 LOAN FACILITY
CLOSING CHECKLIST

Name of CEMEX Subsidiary	Counterparty	Lien Concept	Mar-08	Agreement Type
CEMEX	Mr. Paul E. Hampton Jr. and wife	Land Leased	$0.065	Promissory Note between Mr. Paul E. Hampton, Jr. and his wife and Cemex, Inc., dated October 31, 1985
RMC beton Śląsk Sp. z.o.o.	SG Equipment Leasing Polska Sp. z o.o.	Plant Equipment	$0.490	Equipment Leasing Agreement by and between SG Equipment Leasing Polska Sp. z o.o. and RMC Beton Śląsk Sp. z.o.o. dated June 23rd, 2006
CEMEX BETONS CENTRE et BRETAGNE	CITICAPITAL	Equipment Lien	$0.019	Leasing Agreement CITICAPITAL - BETON DE FRANCE CENTRE et BRETAGNE dated June 30, 2002
CEMEX GRANULATS RHONE-MEDITERRANEE	SLIBAIL IMMOBILIER	Equipment Lien	$0.980	Leasing Agreement by and between SLIBAIL IMMOBILIER and MORRILLON CORVOL RHONE MEDITERRANEE dated July 24 2000
CEMEX BETONS NORD QUEST	SLIBAIL IMMOBILIER	Equipment Lien	$0.166	Leasing Agreement by and between SLIBAIL IMMOBILIER - SAS BETON DE FRANCE NORMANDIE dated June 03 2002
ETS CHARROY	BAIL ACTEA	Equipment Lien	$0.137	Leasing Agreement by and between BAIL ACTEA - SA Ets CHARROY dated August 28 2003
Cemex SIA	Disko Leasing GmbH	Truck Finance Lease	$0.022	Leasing Agreement by and between DISKO Leasing und Bank Für Investitionsfinanzierung - Readymix Kies & Beton AG, dated March 1st 2000.
Transbeion Lieferbeion Gesellschaft m.b.H.	Raiffeisenbank Bruck an der Mur eg. Gen.	Equipment Lien	$3.973	Leasing agreement on movables entered by and between Raiffeisen-Leasing Mobilien und KFZ GmbH and Trans-Beton Ges.m.b.H dated March 31, 2004.
Quarzsandwerk Wellmersdorf GmbH & Co. KG	Raiffeisenbank Obermain Nord eG	Equipment Lien	$0.091	Leasing Agreement by and between Quarzsandwerk Wellmersdorf GmbH & Co. KG and Raiffeisenbank Obermain Nord eG dated March 8, 1999

CEMEX Kies Hamburg GmbH & Co. KG	Kreissparkasse Herzogfum Lauenburg	Equipment Lien	$0.621	Leasing Agreement Kreissparkasse Herzogfum Lauenburg - Wunder GmbH, Wunder Kiestransporte GmbH undGünter Wunder Baustoffhandel dated March 22, 1994
Cemex UK Operations Limited	ING Lease (UK) Limited	Equipment Lien	$30.588	Leasing Master Agreement by and between Kleinworth Benson Fleet Finance Limited and Rombus Materials Limited dated December 31, 1997. Assignment and Continuation Schedule dated September 30, 2005 between ING Lease Fleet Finance Limited and Cemex UK Operations Ltd.
Cemex UK Operations Limited	Lloyds TSB Asset Finance	Equipment Lien	$5.036	Lease Agreement by and between Rugby Group PLC and UDT Budget Leasing Limited dated 21 of December 1998
Cemex El Salvador, S.A. de C.V.	BAC Salvador	Cash Deposit Lien	$0.050	Guaranty Agreement by and between Cemex El Salvador, SA de CV and BAC Salvador dated July 11, 2007
		Total	$42.240	

Exhibit A - Form of Note

CAPITAL: ***Bullet***

INTERESES: ***Periódicos***

TASA: ***Variable***

PAGARE

FECHA DE SUSCRIPCIÓN: _____.
LUGAR DE SUSCRIPCIÓN: _____.

CEMEX, S.A.B. de C.V. (el "Suscriptor"), por este PAGARE promete incondicionalmente pagar a la orden de BANCO BILBAO VIZCAYA ARGENTARIA, S.A. - NEW YORK BRANCH (el "Banco"), la suma principal de E.U.A $***500,000,000[.00] (quinientos millones de dólares [00/100])***, moneda de curso legal de los Estados Unidos de América ("Dólares"), mediante una única amortización exigible y pagadera el día [Abril 29, 2011]_____***(anotar fecha de pago)*** (en lo sucesivo la "Fecha de Pago Final").

A partir de la fecha de suscripción del presente PAGARE y hasta su vencimiento, la suma principal insoluta devengará intereses ordinarios, que el Suscriptor se obliga a pagar al Banco en cada Fecha de Pago de Intereses (según se define más adelante), a una tasa de interés anual igual al resultado de sumar 1.325 puntos porcentuales a la Tasa LIBOR (según se define más adelante) aplicable durante cada Período de Intereses (según se define más adelante).

Para calcular los intereses ordinarios de cada Período de Intereses, la tasa anualizada de interés aplicable se dividirá entre 360 (TRESCIENTOS SESENTA) y el resultado se multiplicará por el número de los días naturales que integren el Período de Intereses de que se trate. La tasa resultante se multiplicará por el saldo insoluto del presente PAGARE y el producto será la cantidad que por concepto de intereses deberá pagar el Suscriptor al Banco en cada Fecha de Pago de Intereses.

En el caso de que el Suscriptor no pague en la fecha de presentación de este PAGARE la totalidad de la suma principal de este PAGARE, el Suscriptor pagará, a la vista, intereses moratorios sobre la cantidad insoluta vencida y no pagada, computados desde el día siguiente al de su vencimiento hasta el de su pago total, a una tasa de interés anual igual al resultado de sumar 2% (dos por ciento) a la tasa de intereses ordinaria prevista en este PAGARE.

Para calcular los intereses moratorios la tasa anualizada de interés moratorio aplicable se dividirá entre 360 (TRESCIENTOS SESENTA) y el cociente se aplicará a los saldos insolutos y vencidos, resultando así el interés moratorio de cada día, que se ha obligado a pagar el Suscriptor en términos de este PAGARE.

Todos los pagos conforme a este PAGARE se harán por el Suscriptor en favor del Banco, en la Ciudad de ***Nueva York, N.Y., Estados Unidos de América, mediante [abonos en la cuenta número [___] en el [insertar banco], en la Ciudad de Nueva York, N.Y. con domicilio en [___] a favor de Banco Bilbao Vizcaya Argentaria, S.A. - New York Branch];*** a más tardar a las 3:30 P.M. (hora de la ciudad de Nueva York, N.Y.) en la fecha en que se deban hacer dichos pagos, en Dólares y en fondos libremente transferibles y disponibles el mismo día, o en cualquier otra cuenta que el Banco comunique por escrito oportunamente a el Suscriptor.

El Suscriptor conviene en hacer todos los pagos respecto del principal e intereses de este PAGARE, libres y exentos de y sin deducciones por concepto o a cuenta de todos y/o de cualquier impuesto, derecho, tributo, retención, deducción, carga o contribución presente o futura y de cualquier otra responsabilidad fiscal presente o futura con respecto a dichos conceptos, pagaderos en cualquier jurisdicción.

Sin perjuicio de lo señalado en el párrafo anterior y de acuerdo a lo dispuesto por el artículo 51 de la Ley del Impuesto Sobre la Renta, el Suscriptor se obliga a retener y enterar a las autoridades hacendarias correspondientes el importe del impuesto sobre la renta de que se trata, en el entendido de que el Suscriptor también se obliga a entregar al Banco las constancias de retención correspondientes al referido impuesto, dentro de los [10 días] Días Hábiles siguientes a la fecha del pago de los intereses correspondientes. A su vez, el banco proporcionará en la fecha del referido pago, constancia de residencia fiscal expedida por las autoridades fiscales correspondientes emitida dentro del año de calendario de la fecha del pago. En caso de que se modifique la disposición fiscal referida, dichas modificaciones serán aplicables a los intereses que se originen del presente PAGARE a partir de la fecha en que entren en vigor, continuando obligada el Suscriptor en los mismos términos de este párrafo. El Suscriptor deberá cubrir las cantidades adicionales que sean necesarias a fin de que el Banco reciba las sumas que le corresponderían si no hubiera sido aplicable el impuesto a que se refiere este párrafo.

Siempre que cualquier pago que deba hacerse conforme a este PAGARE venza, o cualquier Período de Intereses termine, en un día que no sea Día Hábil (según dicho término se define más adelante), dicho pago deberá hacerse, o dicho Período de Intereses terminará, el Día Hábil inmediato [anterior], con el correspondiente recálculo de intereses [por los días efectivamente transcurridos].

Según se utilizan en este PAGARE, los términos que se mencionan a continuación tendrán los siguientes significados:

"Día Hábil" significa, un día que no sea sábado, domingo o día festivo y en que las oficinas principales de las instituciones de crédito de la ciudad de México, de la ciudad de Londres, Inglaterra y de la ciudad de Nueva York, N.Y., Estados Unidos de América estén abiertas al público para la realización de operaciones bancarias.

"Fecha de Pago de Intereses" significa el 30 de junio y el 30 de diciembre de cada año, comenzando el 30 de diciembre de 2008 y finalizando la Fecha de Pago Final, en el entendido que si una Fecha de Pago de Intereses cae en un día que no es un Día Hábil, dicha Fecha de Pago de Intereses se considerará como tal el Día Hábil inmediatamente anterior.

"Período de Intereses" significa, (i) inicialmente, el período empezando en la fecha de suscripción del presente PAGARE y finalizando el 30 de diciembre de 2008 y (ii) posteriormente cada período comenzando el día siguiente al último día del Período de Intereses Inmediato anterior y terminarán [en la Fecha de Pago de Intereses siguiente], y **(iii)** cualquier Período de Intereses que esté vigente en la última de las amortizaciones de principal de este PAGARE terminará precisamente en dicha fecha.

"**Tasa LIBOR**" significará, para cada Período de Interés, la tasa de interés ofrecida para depósitos en Dólares a seis meses publicada en la página Telerate 3750, aproximadamente a las 11:00 a.m. (hora de Londres) el segundo día hábil en Londres anterior al primer día del Período de Intereses respectivo; en el entendido que (i) si dicha tasa no aparece publicada en la página Telerate 3750, "Tasa LIBO", significará para ese Período de Intereses el promedio de las tasas para depósitos en Dólares a seis meses que aparecen publicadas en la página LIBOR de Reuters, aproximadamente, a las 11:00 a.m. (hora de Londres) del segundo día hábil en Londres anterior al primer día del Período de Intereses respectivo, (ii) si dicha tasa o tasas no aparecen en la página de Telerate 3750 o en la página LIBOR de Reuters, el Banco solicitará a la oficina principal de los cuatro mayores bancos del mercado interbancario de Londres, seleccionados por el Banco y aprobados por el Suscriptor, le informen sus tasas para depósitos en Dólares a seis meses por montos no inferiores a un millón de Dólares (US$ 1.000.000.00-) para bancos de referencia en el mercado interbancario de Londres aproximadamente a las 11:00 a.m. (hora de Londres) en el segundo día hábil en Londres anterior al primer día del respectivo Período de Intereses, para entrega en el primer día del Período de interés respectivo y si, al menos dos de esa tasas son así proporcionadas, la Tasa LIBOR para ese Período de Interés significará el promedio aritmético (aproximado hacia arriba, si es necesario, a lo más cercano de 1/16 de 1%) de tales tasas, y (iii) si menos de dos tasas solicitadas son proporcionadas al Banco, Tasa LIBOR significará para ese Período de Interés, el promedio aritmético (aproximado hacia arriba, si es necesario, en la forma antes mencionada) de las respectivas tasas a las que se capten depósitos a seis meses por montos no inferiores a un millón de Dólares (US$ 1.000.000.00-) por cada uno de los tres principales bancos de la ciudad de Nueva York, seleccionados por el Banco y aprobados por el Suscriptor para bancos europeos de primera clase, a aproximadamente las 11:00 a.m. (hora de Nueva York) al segundo día hábil previo al comienzo del respectivo Periodo de Interés para entrega el primer día de tal Período de Interés.

Para todo lo relativo al presente PAGARE, el Suscriptor y, en su caso, los demás obligados cambiarios, se someten expresamente a las leyes y a la jurisdicción de los tribunales competentes en la Ciudad de_____***(anotar lugar de firma del pagaré)***, renunciando en forma expresa e irrevocable a cualquier otro fuero que pudiera corresponderle(s) por razón de su(s) domicilio(s) presente(s) o futuro(s), o por cualquier otra causa.

El presente PAGARE consta de ***[anverso y reverso ó ___ páginas]*** y está vinculado al Credit Agreement [validar si se debe traducir a español este término] que celebraron el Suscriptor, Cemex México, S.A. de C.V. y el Banco, el día_____***(anotar fecha de firma del contrato)*.**

SUSCRIPTOR

_____

CEMEX, S.A.B. de C.V.,
(anotar nombre del apoderado, en su caso, con facultades para suscribir títulos de crédito y otorgar avales)

Domicilio Suscriptor:

POR AVAL

_____

CEMEX MEXICO, S.A. de C.V.
(anotar nombre del apoderado, en su caso, con facultades para suscribir títulos de crédito y otorgar avales)

Domicilio Avalista:

EXHIBIT B

FORM OF NOTICE OF BORROWING

BANCO BILBAO VIZCAYA ARGENTARIA,
S.A. NEW YORK BRANCH,
as Lender
1345 Avenue of the Americas, 45th floor
New York, NY 10105
United States of America
Attention: Rodolfo Hare

Reference is made to the Credit Agreement, dated as of June 25, 2008, among Cemex, S.A.B. de C.V., as Borrower (the **Borrower**), Cemex México, S.A. de C.V., as Guarantor and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch, as Lender (as the same may be amended, supplemented or otherwise modified from time to time, the **Credit Agreement**). Terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement. The undersigned hereby gives notice pursuant to Section 2.01(b) of the Credit Agreement of its request for the Loan with the following terms:

(A) Requested Disbursement Date (which is a Business Day) _____

(B) Principal amount of Borrowing _____

(C) Interest rate basis LIBOR _____

The disbursement shall be deposited in the following account and in accordance with the requirements of Section 2.01(b) of the Credit Agreement:

Bank Name: _____

Bank Address: _____

Bank ABA #: _____

Account Name: _____

Account #: _____

Reference: _____

The Borrower hereby represents and warrants that each condition specified in Section 4.01 of the Credit Agreement has been satisfied or waived.

IN WITNESS WHEREOF, the undersigned has hereto set his name on this [ ] day of [ ], [2008].

CEMEX, S.A.B. de C.V.,
as Borrower

By : _____

Name : _____

Title : _____

EXHIBIT C

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT dated as of [_____]

AMONG:

(1) [**ASSIGNOR**] (the **Assignor**);

(2) [**ASSIGNEE**] (the **Assignee**);

(3) **CEMEX, S.A.B. de C.V.** (the **Borrower**);

(4) **CEMEX MÉXICO, S.A. de C.V.** (the **Guarantor**);

WITNESSETH:

WHEREAS:

(D) This Assignment and Assumption Agreement (this **Agreement**) relates to the Credit Agreement dated as of June [__], 2008 among the Borrower, the Guarantor and Banco Bilbao Vizcaya Argentaria, New York Branch, as Lender (as from time to time further amended, supplemented or otherwise modified, the **Credit Agreement**);

(E) As provided in the Credit Agreement, the Assignor has made a disbursement of the Loan for U.S.$500,000,000 (the **Assignor's Loan**), which is outstanding on the date hereof;

(F) The Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of [a portion of] its Loan thereunder in an amount equal to U.S.$[ ] (the **Assigned Amount**), and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on the terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. ASSIGNMENT

The Assignor hereby irrevocably assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement [to the extent of the Assigned Amount], and the Assignee hereby irrevocably accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement [to the extent of the Assigned Amount] [, including the purchase from the Assignor of the corresponding portion of the principal amount of the Loans made by the Assignor]. Upon the execution and delivery hereof by the Assignor, the Assignee, the Borrower, and the payment of the amounts specified in Section 3 hereof required to be paid on the date hereof (a) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Lender under the Credit Agreement with a Loan in an amount equal to the Assigned Amount, and (b) the Loan of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. PAYMENTS.

As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them.[1] Each of the Assignor and the Assignee hereby agrees that if either party receives any amount under the Credit Agreement that is for the account of the other party, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

SECTION 4. CONSENT OF THE BORROWER

This Agreement is conditioned upon the consent of the Borrower pursuant to Section 11.06(b) of the Credit Agreement. The execution of this Agreement by the Borrower is evidence of this consent. Pursuant to Section 11.06(b) of the Credit Agreement, the Borrower agrees to execute and deliver a new Note to the Assignee.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

(a) The Assignor (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, the Guarantor, any of its Affiliates or any other obligor or the performance or observance by the Borrower, the Guarantor, any of its Affiliates or any other obligor of any of their respective obligations under the Credit Agreement or any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto.

(b) The Assignee (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements delivered pursuant to Section 7.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (iii) agrees that it will, independently and without reliance upon the Assignor or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; and (iv) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

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[1] Amount should combine principal together with accrued interest and breakage compensation, if any, to be paid by the Assignee, net of any portion of any upfront fee to be paid by the Assignor to the Assignee. It may be preferable in an appropriate case to specify these amounts generically or by formula rather than as a fixed sum.

SECTION 6. NON-RELIANCE ON ASSIGNOR.

The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition or statements of the Borrower and the Guarantor, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 7. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successor and assigns.

SECTION 8. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of the State of New York.

SECTION 9. COUNTERPARTS

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

SIGNATORIES

[ASSIGNOR]

By: _____
Title: _____

[ASSIGNEE]

By: _____
Title: _____

CEMEX, S.A.B. de C.V.,
as Borrower

By: _____
Title: _____

CEMEX MÉXICO, S.A. de C.V.,
as Guarantor

By: _____
Title: _____

1 – ISDA Confirmation

1 June 3, 2008

Centro Distribuidor de Cemento, S.A. de C.V.
Ave. Constitución 444 Pte.
64000 Monterrey, Nuevo León, México

Ref. No.: 4763342.25- 4763323.25

Confirmation of a OTC Option Transaction

Dear Sirs:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

In this Confirmation "Party A" means Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander and "Party B" means Centro Distribuidor de Cemento, S.A. de C.V.

1. The definitions and provisions contained in the 2002 ISDA Definitions Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of October 12, 2000 (the "Agreement") between Party A and Party B, and all provisions contained in the Agreement shall govern this Transaction except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmations relates are as follows:

General Terms:

Trade Date:	June 3, 2008.
Effective Date:	Hedge Termination Date
Expiration Date:	June 3, 2011
Hedging Period:	Each Exchange Business Day, from and including the Trade Date to but excluding an Exchange Business Day agreed by Party A and Party B (the "Hedge Termination Date"), provided that unless previously designated, the Hedge Termination Date shall automatically occur on July 1, 2008.

If the Hedge Termination Date is previous to July 1, 2008, then Party A shall notify Party B of the Hedge Termination Date.

Initial Price:	A price in USD, as notified by Party A to Party B on the Effective Date. The Initial Price shall include the commissions and the funding cost from the Trade Date to the end of the Hedging Period.
Calculation Agent:	Party A
Business Day:	Mexico City, New York City

Option 1:

Option Style:	European
Option Type:	Put
Seller:	Party B
Buyer:	Party A
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount:	USD 83'333,333.33
Number of Options:	Notional Amount/Initial Price
Strike Price A:	1.15 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	3,107,044.86
30-Jun-09	USD	3,161,024.35
30-Dic-09	USD	3,223,565.28
30-Jun-10	USD	3,293,856.84
30-Dic-10	USD	3,369,548.91
29-Apr-11	USD	3,411,829.56

Option 2:

Option Style:	European
Option Type:	Put
Seller:	Party A
Buyer:	Party B
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount:	USD 83'333,333.33
Number of Options:	Notional Amount/Initial Price
Strike Price B:	0.775 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	988,989.31
30-Jun-09	USD	1,054,542.87
30-Dic-09	USD	1,105,509.72
30-Jun-10	USD	1,187,375.35
30-Dic-10	USD	2,042,725.43
29-Apr-11	USD	1,001,965.22

Premium:

Net Premium Amounts:

30-Dic-08	USD	2,118,055.56
30-Jun-09	USD	2,106,481.48
30-Dic-09	USD	2,118,055.56
30-Jun-10	USD	2,106,481.48
30-Dic-10	USD	1,326,823.48
29-Apr-11	USD	2,409,864.34

Procedure for Exercise:

Exercise Date:	May 20, 2011
Latest Exercise Time:	3:00 p.m Mexico City Time.

Valuation Date :

Valuation Date:	May 20, 2011
Valuation Time:	3:00 p.m Mexico City Time.

Settlement Terms:

Settlement Method:	Cash Settlement
Settlement Method Election:	Not Applicable
Settlement Currency:	USD
Settlement Price:	The product of (i) the weighted average per share price in USD at which Party A or its Affiliates sold Shares on the Exchange during any Unhedging Dates and (ii) 99.90%, provided that the spread between "Bloomberg VWAP" on Bloomberg page "CX US <equity> VAP" (or any successor thereto) and Settlement Price, shall not be wider than four cents.
Unhedging Dates	Each Exchange Business Day from and including May 20, 2011 to and including the third Exchange Business Day immediately prior to the Expiration Date, provided that if Market Disruption Event occurs on any Unhedging Date, Unhedging Dates shall be added (and the Expiration Date accordingly extended) until 10 Valuation Dates have occurred on which no Market Disruption Event has occurred.
Cash Settlement Payment Date:	Expiration Date.

Share Adjustments: .

Method of Adjustment:	Calculation Agent Adjustment

Dividends Payments:

Dividend Payments (Cash or Shares)	In case that during the life of this Transaction the issuer of the

Shares pays a dividend, in cash or in shares, then the Strike Price, for each option, will be adjusted by the following formula:
Strike Price Adjusted = Strike Price * (1-Dy)
The Number of Options will be adjusted by inverse proportion that is mentioned above, that is:
Number of Options Adjusted = Number of Options/ (1-Dy)
Where:
Dy is the dividend yield, which is calculated by the following formula:
Dy=[(DIV)*(TC)]/[(1-DES)*Pr]
Where:
DIV, means Cash Dividend in USD for each Cemex CPO.
TC, means the Exchange rate and shall be the rate of exchange to settle obligations denominated in foreign currency payable in México, published by Banco de México, at the date determined and approved by the Shareholders Assembly.
Pr, means the price of Cemex CPO, determined and approved by the Board of Directors, taking to account the Mexican Stock Exchange "Bolsa Mexicana de Valores, S.A. de C.V." (BMV) price of the Cemex CPO.
DES, means the discount determined and approved by the Board of Directors for the Cemex CPO.
Cemex CPO, means Certificados de Participación Ordinarios "Cemex CPO"
In the event that during this Transaction, Cemex S.A.B. de C.V., determined to change the Dividend calculation method, then the Calculation Agent shall adjust in good faith and in a commercially reasonable manner the Dy.

Extraordinary Events:

In the event of a split or any other corporate act determined by Cemex, S.A.B. de C.V., the Strike Price and the Number of Options shall be adjusted by the Calculation Agent in similar terms as in the method established for the Dividend Payment.

Additional Disruption Events:

Non-Reliance: Applicable

Additional Acknowledgments:	Applicable
Governing Law:	As specified in the Agreement.

Account Details:

Account for payments to Party A:	Mexican Pesos: Banco de México SPEUA Institution 14 Account 227 700 014 5 Swift: BMSXMXMM USD Dollars: JP Morgan Chase NY ABA 021000021 Swift: CHASUS33 Account: 400047144 Beneficiary: Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander
Account for payment to Party B:	Citibank NA ABA 021000089
Swift:	CITIUS33
Account:	36824503
Beneficiary:	CEMEX México

Offices:

(a) The Office for notices of Party A for this Transaction is its Mexico City located at Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, 01219, México, D.F.0020

(b) The Office of Party B for this Transaction is Av. Constitución 444 Pte Col. Centro Monterrey, N.L. México C.P. 64000.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Option Transaction by signing in the space provide below and sending to us a copy of the executed Confirmation. If you believe the foregoing does not correctly reflect the terms of our agreement, please give us notice as soon as possible of what you believe to be the necessary corrections.

[SIGNATURE PAGES FOLLOW]

/s/ Beatriz Hernandez Diaz
Name: BEATRIZ HERNANDEZ DIAZ
Title: Attorney in Fact

/s/ Rene Salvador Cadena Carreon
Name: RENE SALVADOR CADENA CARREON
Title: Attorney in Fact

Confirmed as of the date first above written:

Centro Distribuidor de Cemento, S.A. de C.V

/s/ Humberto Moreira
Name: HUMBERTO MOREIRA
Title: Attorney in Fact

2 – ISDA Confirmation

June 5, 2008

Centro Distribuidor de Cemento, S.A. de C.V.
Ave. Constitución 444 Pte.
64000 Monterrey, Nuevo León, México

Ref. No.: 4763271.25 - 4763311.25

Confirmation of a OTC Option Transaction

Dear Sirs:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

In this Confirmation "Party A" means Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander and "Party B" means Centro Distribuidor de Cemento, S.A. de C.V.

1. The definitions and provisions contained in the 2002 ISDA Definitions Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of October 12, 2000 (the "Agreement") between Party A and Party B, and all provisions contained in the Agreement shall govern this Transaction except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmations relates are as follows:

General Terms:

Trade Date:	June 5, 2008.
Effective Date:	Hedge Termination Date
Expiration Date:	April 4, 2011
Hedging Period:	Each Exchange Business Day, from and including the Trade Date to but excluding an Exchange Business Day agreed by Party A and Party B (the "Hedge Termination Date"), provided that unless previously designated, the Hedge Termination Date shall automatically occur on July 1, 2008.

If the Hedge Termination Date is previous to July 1, 2008, then Party A shall notify Party B of the Hedge Termination Date.

Initial Price:	A price in USD, as notified by Party A to Party B on the Effective Date. The Initial Price shall include the commissions and the funding cost from the Trade Date to the end of the Hedging Period.
Calculation Agent:	Party A
Business Day:	Mexico City, New York City.

Option 1:

Option Style:	European
Option Type:	Put
Seller:	Party B
Buyer:	Party A
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price A:	1.15 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	3,107,044.86
30-Jun-09	USD	3,161,024.34
30-Dic-09	USD	3,223,565.27
30-Jun-10	USD	3,293,856.83
30-Dic-10	USD	3,369,548.91

Option 2:

Option Style:	European
Option Type:	Put
Seller:	Party A
Buyer:	Party B
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price B:	0.775 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	988,989.31
30-Jun-09	USD	1,054,542.87
30-Dic-09	USD	1,105,509.72
30-Jun-10	USD	1,187,375.35
30-Dic-10	USD	- 330,970.79

Premium:

Net Premium Amounts:

30-Dic-08	USD	2,118,055.56
30-Jun-09	USD	2,106,481.48
30-Dic-09	USD	2,118,055.56
30-Jun-10	USD	2,106,481.48
30-Dic-10	USD	3,700,519.70

Procedure for Exercise:

Exercise Date:	March 18, 2011
Latest Exercise Time:	3:00 p.m Mexico City Time.

Valuation Date :

Valuation Date:	March 18, 2011
Valuation Time:	3:00 p.m Mexico City Time.

Settlement Terms:

Settlement Method:	Cash Settlement
Settlement Method Election:	Not Applicable
Settlement Currency:	USD
Settlement Price:	The product of (i) the weighted average per share price in USD at which Party A or its Affiliates sold Shares on the Exchange during any Unhedging Dates and (ii) 99.90%, provided that the spread between "Bloomberg VWAP" on Bloomberg page "CX US <equity> VAP" (or any successor thereto) and Settlement Price, shall not be wider than four cents.
Unhedging Date:	Each Exchange Business Day from and including March 18, 2011 to and including the third Exchange Business Day immediately prior to the Expiration Date, provided that if Market Disruption Event occurs on any Unhedging Date, Unhedging Dates shall be added (and the Expiration Date accordingly extended) until 10 Valuation Dates have occurred on which no Market Disruption Event has occurred.
Cash Settlement Payment Date:	Expiration Date.

Share Adjustments:

Method of Adjustment:	Calculation Agent Adjustment

Dividends Payments:

Dividend Payments (Cash or Shares)	In case that during the life of this Transaction the issuer of the

Shares pays a dividend, in cash or in shares, then the Strike Price, for each option, will be adjusted by the following formula:
Strike Price Adjusted = Strike Price * (1-Dy)
The Number of Options will be adjusted by inverse proportion that is mentioned above, that is:
Number of Options Adjusted = Number of Options/ (1-Dy)
Where:
Dy is the dividend yield, which is calculated by the following formula:
Dy=[(DIV)*(TC)]/[(1-DES)*Pr]
Where:
DIV, means Cash Dividend in USD for each Cemex CPO.
TC, means the Exchange rate and shall be the rate of exchange to settle obligations denominated in foreign currency payable in México, published by Banco de México, at the date determined and approved by the Shareholders Assembly.
Pr, means the price of Cemex CPO, determined and approved by the Board of Directors, taking to account the Mexican Stock Exchange "Bolsa Mexicana de Valores, S.A. de C.V." (BMV) price of the Cemex CPO.
DES, means the discount determined and approved by the Board of Directors for the Cemex CPO.
Cemex CPO, means Certificados de Participación Ordinarios "Cemex CPO"
In the event that during this Transaction, Cemex S.A.B. de C.V., determined to change the Dividend calculation method, then the Calculation Agent shall adjust in good faith and in a commercially reasonable manner the Dy.

Extraordinary Events:

In the event of a split or any other corporate act determined by Cemex, S.A.B. de C.V., the Strike Price and the Number of Options shall be adjusted by the Calculation Agent in similar terms as in the method established for the Dividend Payment.

Additional Disruption Events:

Non-Reliance: Applicable

Additional Acknowledgments: Applicable
Governing Law: As specified in the Agreement.

Account Details:

Account for payments to Party A: Mexican Pesos:
Banco de México SPEUA
Institution 14
Account 227 700 014 5
Swift: BMSXMXMM
USD Dollars:
JP Morgan Chase NY
ABA 021000021
Swift: CHASUS33
Account: 400047144
Beneficiary: Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander

Account for payment to Party B: Citibank NA
ABA 021000089
Swift: CITIUS33
Account: 36824503
Beneficiary: CEMEX México

Offices:

(a) The Office for notices of Party A for this Transaction is its Mexico City located at Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, 01219, México, D.F.
(b) The Office of Party B for this Transaction is Av. Constitución 444 Pte Col. Centro Monterrey, N.L. México C.P. 64000.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Option Transaction by signing in the space provide below and sending to us a copy of the executed Confirmation. If you believe the foregoing does not correctly reflect the terms of our agreement, please give us notice as soon as possible of what you believe to be the necessary corrections.

[SIGNATURE PAGES FOLLOW]

/s/ Beatriz Hernandez Diaz
Name: BEATRIZ HERNANDEZ DIAZ
Title: Attorney in Fact

/s/ Rene Salvador Cadena Carreon
Name: RENE SALVADOR CADENA CARREON
Title: Attorney in Fact

Confirmed as of the date first above written:

Centro Distribuidor de Cemento, S.A. de C.V

/s/ Humberto Moreira
Name: HUMBERTO MOREIRA
Title: Attorney in Fact

3 – ISDA Confirmation

1 June 5, 2008

Centro Distribuidor de Cemento, S.A. de C.V.
Ave. Constitución 444 Pte.
64000 Monterrey, Nuevo León, México

Ref. No.: 4763375.25 - 4763392.25

Confirmation of a OTC Option Transaction

Dear Sirs:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

In this Confirmation "Party A" means Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander and "Party B" means Centro Distribuidor de Cemento, S.A. de C.V.

1. The definitions and provisions contained in the 2002 ISDA Definitions Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of October 12, 2000 (the "Agreement") between Party A and Party B, and all provisions contained in the Agreement shall govern this Transaction except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmations relates are as follows:

General Terms:

Trade Date:	June 5, 2008.
Effective Date:	Hedge Termination Date
Expiration Date:	June 3, 2011
Hedging Period:	Each Exchange Business Day, from and including the Trade Date to but excluding an Exchange Business Day agreed by Party A and Party B (the "Hedge Termination Date"), provided that unless previously designated, the Hedge Termination Date shall automatically occur on July 1, 2008.

If the Hedge Termination Date is previous to July 1, 2008, then Party A shall notify Party B of the Hedge Termination Date.

Initial Price:	A price in USD, as notified by Party A to Party B on the Effective Date. The Initial Price shall include the commissions and the funding cost from the Trade Date to the end of the Hedging Period.
Calculation Agent:	Party A
Business Day:	Mexico City, New York City.

Option 1:

Option Style:	European
Option Type:	Put
Seller:	Party B
Buyer:	Party A
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price A:	1.15 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	3,107,044.86
30-Jun-09	USD	3,161,024.35
30-Dic-09	USD	3,223,565.28
30-Jun-10	USD	3,293,856.84
30-Dic-10	USD	3,369,548.91
29-Apr-11	USD	3,411,829.56

Option 2:

Option Style:	European
Option Type:	Put
Seller:	Party A
Buyer:	Party B
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price B:	0.775 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	988,989.31
30-Jun-09	USD	1,054,542.87
30-Dic-09	USD	1,105,509.72
30-Jun-10	USD	1,187,375.35
30-Dic-10	USD	2,042,725.43
29-Apr-11	USD	1,001,965.22

Premium:

Net Premium Amounts:

30-Dic-08	USD	2,118,055.56
30-Jun-09	USD	2,106,481.48
30-Dic-09	USD	2,118,055.56
30-Jun-10	USD	2,106,481.48
30-Dic-10	USD	1,326,823.48
29-Apr-11	USD	2,409,864.34

Procedure for Exercise:

Exercise Date:	May 20, 2011
Latest Exercise Time:	3:00 p.m Mexico City Time.
Valuation Date :	
Valuation Date:	May 20, 2011
Valuation Time:	3:00 p.m Mexico City Time.
Settlement Terms:	
Settlement Method:	Cash Settlement
Settlement Method Election:	Not Applicable
Settlement Currency:	USD
Settlement Price:	The product of (i) the weighted average per share price in USD at which Party A or its Affiliates sold Shares on the Exchange during any Unhedging Dates and (ii) 99.90%, provided that the spread between "Bloomberg VWAP" on Bloomberg page "CX US <equity> VAP" (or any successor thereto) and Settlement Price, shall not be wider than four cents.
Unhedging Dates	Each Exchange Business Day from and including May 20, 2011 to and including the third Exchange Business Day immediately prior to the Expiration Date, provided that if Market Disruption Event occurs on any Unhedging Date, Unhedging Dates shall be added (and the Expiration Date accordingly extended) until 10 Valuation Dates have occurred on which no Market Disruption Event has occurred.
Cash Settlement Payment Date:	Expiration Date.

Share Adjustments:

Method of Adjustment:	Calculation Agent Adjustment
Dividends Payments:	
Dividend Payments (Cash or Shares)	In case that during the life of this Transaction the

issuer of the Shares pays a dividend, in cash or in shares, then the Strike Price, for each option, will be adjusted by the following formula:
Strike Price Adjusted = Strike Price * (1-Dy)
The Number of Options will be adjusted by inverse proportion that is mentioned above, that is:
Number of Options Adjusted = Number of Options/ (1-Dy)
Where:
Dy is the dividend yield, which is calculated by the following formula:
Dy=[(DIV)*(TC)]/[(1-DES)*Pr]
Where:
DIV, means Cash Dividend in USD for each Cemex CPO.
TC, means the Exchange rate and shall be the rate of exchange to settle obligations denominated in foreign currency payable in México, published by Banco de México, at the date determined and approved by the Shareholders Assembly.
Pr, means the price of Cemex CPO, determined and approved by the Board of Directors, taking to account the Mexican Stock Exchange "Bolsa Mexicana de Valores, S.A. de C.V." (BMV) price of the Cemex CPO.
DES, means the discount determined and approved by the Board of Directors for the Cemex CPO.
Cemex CPO, means Certificados de Participación Ordinarios "Cemex CPO"
In the event that during this Transaction, Cemex S.A.B. de C.V., determined to change the Dividend calculation method, then the Calculation Agent shall adjust in good faith and in a commercially reasonable manner the Dy.

Extraordinary Events:

In the event of a split or any other corporate act determined by Cemex, S.A.B. de C.V., the Strike Price and the Number of Options shall be adjusted by the Calculation Agent in similar terms as in the method established for the Dividend Payment.

Additional Disruption Events:

Non-Reliance: Applicable

Additional Acknowledgments: Applicable
Governing Law: As specified in the Agreement.

Account Details:

Account for payments to Party A: Mexican Pesos:

Banco de México SPEUA
Institution 14
Account 227 700 014 5
Swift: BMSXMXMM
USD Dollars:
JP Morgan Chase NY
ABA 021000021
Swift: CHASUS33
Account: 400047144
Beneficiary: Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander
Account for payment to Party B: Citibank NA
ABA 021000089
Swift: CITIUS33
Account: 36824503
Beneficiary: CEMEX México

Offices:

(a) The Office for notices of Party A for this Transaction is its Mexico City located at Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, 01219, México, D.F.

(b) The Office of Party B for this Transaction is Av. Constitución 444 Pte Col. Centro Monterrey, N.L. México C.P. 64000.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Option Transaction by signing in the space provide below and sending to us a copy of the executed Confirmation. If you believe the foregoing does not correctly reflect the terms of our agreement, please give us notice as soon as possible of what you believe to be the necessary corrections.

[SIGNATURE PAGES FOLLOW

/s/ Beatriz Hernandez Diaz
Name: BEATRIZ HERNANDEZ DIAZ
Title: Attorney in Fact

/s/ Rene Salvador Cadena Carreon
Name: RENE SALVADOR CADENA CARREON
Title: Attorney in Fact

Confirmed as of the date first above written:

Centro Distribuidor de Cemento, S.A. de C.V

/s/ Humberto Moreira
Name: HUMBERTO MOREIRA
Title: Attorney in Fact

4 – ISDA Confirmation

1 June 5, 2008

Centro Distribuidor de Cemento, S.A. de C.V.
Ave. Constitución 444 Pte.
64000 Monterrey, Nuevo León, México

Ref. No.: 4763438.25 - 4763454.25

Confirmation of a OTC Option Transaction

Dear Sirs:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

In this Confirmation "Party A" means Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander and "Party B" means Centro Distribuidor de Cemento, S.A. de C.V.

1. The definitions and provisions contained in the 2002 ISDA Definitions Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of October 12, 2000 (the "Agreement") between Party A and Party B, and all provisions contained in the Agreement shall govern this Transaction except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmations relates are as follows:

General Terms:

Trade Date:	June 5, 2008.
Effective Date:	Hedge Termination Date
Expiration Date:	August 3, 2011
Hedging Period:	Each Exchange Business Day, from and including the Trade Date to but excluding an Exchange Business Day agreed by Party A and Party B (the "Hedge Termination Date"), provided that unless previously designated, the Hedge Termination Date shall automatically occur on July 1, 2008.

If the Hedge Termination Date is previous to July 1, 2008, then Party A shall notify Party B of the Hedge Termination Date.

Initial Price:	A price in USD, as notified by Party A to Party B on the Effective Date. The Initial Price shall include the commissions and the funding cost from the Trade Date to the end of the Hedging Period.
Calculation Agent:	Party A
Business Day:	Mexico City, New York City.

Option 1:

Option Style:	European
Option Type:	Put
Seller:	Party B
Buyer:	Party A
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price A:	1.15 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	3,107,044.86
30-Jun-09	USD	3,161,024.35
30-Dic-09	USD	3,223,565.28
30-Jun-10	USD	3,293,856.84
30-Dic-10	USD	3,369,548.91
29-Apr-11	USD	3,411,829.56

Option 2:

Option Style:	European
Option Type:	Put
Seller:	Party A
Buyer:	Party B
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price B:	0.775 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	988,989.31
30-Jun-09	USD	1,054,542.87
30-Dic-09	USD	1,105,509.72
30-Jun-10	USD	1,187,375.35
30-Dic-10	USD	2,042,725.43
29-Apr-11	USD	1,001,965.22

Premium:

Net Premium Amount:

30-Dic-08	USD	2,118,055.56
30-Jun-09	USD	2,106,481.48
30-Dic-09	USD	2,118,055.56
30-Jun-10	USD	2,106,481.48
30-Dic-10	USD	1,326,823.48
29-Apr-11	USD	2,409,864.34

Procedure for Exercise:

Exercise Date: July 20, 2011

Latest Exercise Time: 3:00 p.m Mexico City Time.

Valuation Date :

Valuation Date: July 20, 2011

Valuation Time: 3:00 p.m Mexico City Time.

Settlement Terms:

Settlement Method: Cash Settlement

Settlement Method Election: Not Applicable

Settlement Currency: USD

Settlement Price: The product of (i) the weighted average per share price in USD at which Party A or its Affiliates sold Shares on the Exchange during any Unhedging Dates and (ii) 99.90%, provided that the spread between "Bloomberg VWAP" on Bloomberg page "CX US <equity> VAP" (or any successor thereto) and Settlement Price, shall not be wider than four cents.

The Settlement Price

Unhedging Dates: Each Exchange Business Day from and including July 20, 2011 to and including the third Exchange Business Day immediately prior to the Expiration Date, provided that if Market Disruption Event occurs on any Unhedging Date, Unhedging Dates shall be added (and the Expiration Date accordingly extended) until 10 Valuation Dates have occurred on which no Market Disruption Event has occurred.

Cash Settlement Payment Date: Expiration Date

Share Adjustments:

Method of Adjustment: Calculation Agent Adjustment

Dividends Payments:

Dividend Payments (Cash or Shares)

In case that during the life of this Transaction issuer of the Shares pays a dividend, in cash or in shares, then the Strike Price, for each option, will be adjusted by the following formula:
Strike Price Adjusted = Strike Price * (1-Dy)
The Number of Options will be adjusted by inverse proportion that is mentioned above, that is:
Number of Options Adjusted = Number of Options/ (1-Dy)
Where:
Dy is the dividend yield, which is calculated by the following formula:
Dy=[(DIV)*(TC)]/[(1-DES)*Pr]
Where:
DIV, means Cash Dividend in USD for each Cemex CPO.
TC, means the Exchange rate and shall be the rate of exchange to settle obligations denominated in foreign currency payable in México, published by Banco de México, at the date determined and approved by the Shareholders Assembly.
Pr, means the price of Cemex CPO, determined and approved by the Board of Directors, taking to account the Mexican Stock Exchange "Bolsa Mexicana de Valores, S.A. de C.V." (BMV) price of the Cemex CPO.
DES, means the discount determined and approved by the Board of Directors for the Cemex CPO.
Cemex CPO, means Certificados de Participación Ordinarios "Cemex CPO"
In the event that during this Transaction, Cemex S.A.B. de C.V., determined to change the Dividend calculation method, then the Calculation Agent shall adjust in good faith and in a commercially reasonable manner the Dy.

Extraordinary Events:

In the event of a split or any other corporate act determined by Cemex, S.A.B. de C.V., the Strike Price and the Number of Options shall be adjusted by the Calculation Agent in similar terms as in the method established for the Dividend Payment.

Additional Disruption Events:

Non-Reliance:	Applicable
Additional Acknowledgments:	Applicable
Governing Law:	As specified in the Agreement.

Account Details:

Account for payments to Party A: Mexican Pesos:

Banco de México SPEUA
Institution 14
Account 227 700 014 5
Swift: BMSXMXMM
USD Dollars:
JP Morgan Chase NY
ABA 021000021
Swift: CHASUS33
Account: 400047144
Beneficiary: Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander
Account for payment to Party B: Citibank NA
ABA 021000089
Swift: CITIUS33
Account: 36824503
Beneficiary: CEMEX México

Offices:

(a) The Office for notices of Party A for this Transaction is its Mexico City located at Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, 01219, México, D.F.
(b) The Office of Party B for this Transaction is Av. Constitución 444 Pte Col. Centro Monterrey, N.L. México C.P. 64000.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Option Transaction by signing in the space provide below and sending to us a copy of the executed Confirmation. If you believe the foregoing does not correctly reflect the terms of our agreement, please give us notice as soon as possible of what you believe to be the necessary corrections.

[SIGNATURE PAGES FOLLOW]

/s/ Beatriz Hernandez Diaz
Name: BEATRIZ HERNANDEZ DIAZ
Title: Attorney in Fact

/s/ Rene Salvador Cadena Carreon
Name: RENE SALVADOR CADENA CARREON
Title: Attorney in Fact

Confirmed as of the date first above written:

Centro Distribuidor de Cemento, S.A. de C.V

/s/ Humberto Moreira
Name: HUMBERTO MOREIRA
Title: Attorney in Fact

5 – ISDA Confirmation

1 June 3, 2008

Centro Distribuidor de Cemento, S.A. de C.V.
Ave. Constitución 444 Pte.
64000 Monterrey, Nuevo León, México

Ref. No.: 4763217.25 - 4763238.25

Confirmation of a OTC Option Transaction

Dear Sirs:
The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

In this Confirmation "Party A" means Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander and "Party B" means Centro Distribuidor de Cemento, S.A. de C.V.

1. The definitions and provisions contained in the 2002 ISDA Definitions Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of October 12, 2000 (the "Agreement") between Party A and Party B, and all provisions contained in the Agreement shall govern this Transaction except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmations relates are as follows:

General Terms:

Trade Date:	June 3, 2008.
Effective Date:	Hedge Termination Date
Expiration Date:	April 4, 2011
Hedging Period:	Each Exchange Business Day, from and including the Trade Date to but excluding an Exchange Business Day agreed by Party A and Party B (the "Hedge Termination Date"), provided that unless previously designated, the Hedge Termination Date shall automatically occur on July 1, 2008.

If the Hedge Termination Date is previous to July 1, 2008, then Party A shall notify Party B of the Hedge Termination Date.

Initial Price:	A price in USD, as notified by Party A to Party B on the Effective Date. The Initial Price shall include the commissions and the funding cost from the Trade Date to the end of the Hedging Period.
Calculation Agent:	Party A
Business Day:	Mexico City, New York City.

Option 1:

Option Style:	European
Option Type:	Put
Seller:	Party B
Buyer:	Party A
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount:	USD 83'333,333.33
Number of Options:	Notional Amount /Initial Price
Strike Price A:	1.15 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	3,107,044.86
30-Jun-09	USD	3,161,024.34
30-Dic-09	USD	3,223,565.27
30-Jun-10	USD	3,293,856.83
30-Dic-10	USD	3,369,548.91

Option 2:

Option Style:	European
Option Type:	Put
Seller:	Party A
Buyer:	Party B
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount:	USD 83'333,333.33
Number of Options:	Notional Amount/Initial Price
Strike Price B:	0.775 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	988,989.31
30-Jun-09	USD	1,054,542.87
30-Dic-09	USD	1,105,509.72
30-Jun-10	USD	1,187,375.35
30-Dic-10	USD	- 330,970.79

Premium:

Net Premium Amounts:

30-Dic-08	USD	2,118,055.56
30-Jun-09	USD	2,106,481.48
30-Dic-09	USD	2,118,055.56
30-Jun-10	USD	2,106,481.48
30-Dic-10	USD	3,700,519.70

Procedure for Exercise:

Exercise Date:	March 18, 2011
Latest Exercise Time:	3:00 p.m Mexico City Time.

Valuation Date :

Valuation Date:	March 18, 2011
Valuation Time:	3:00 p.m Mexico City Time.

Settlement Terms:

Settlement Method:	Cash Settlement
Settlement Method Election:	Not Applicable
Settlement Currency:	USD
Settlement Price:	The product of (i) the weighted average per share price in USD at which Party A or its Affiliates sold Shares on the Exchange during any Unhedging Dates and (ii) 99.90%, provided that the spread between "Bloomberg VWAP" on Bloomberg page "CX US <equity> VAP" (or any successor thereto) and Settlement Price, shall not be wider than four cents.
Unhedging Date:	Each Exchange Business Day from and including March 18, 2011 to and including the third Exchange Business Day immediately prior to the Expiration Date, provided that if Market Disruption Event occurs on any Unhedging Date, Unhedging Dates shall be added (and the Expiration Date accordingly extended) until 10 Valuation Dates have occurred on which no Market Disruption Event has occurred.
Cash Settlement Payment Date:	Expiration Date.

Share Adjustments:

Method of Adjustment: Calculation Agent Adjustment

Dividends Payments:

Dividend Payments (Cash or Shares)	In case that during the life of this Transaction the issuer of the

Shares pays a dividend, in cash or in shares, then the Strike Price, for each option, will be adjusted by the following formula:
Strike Price Adjusted = Strike Price * (1-Dy)
The Number of Options will be adjusted by inverse proportion that is mentioned above, that is:
Number of Options Adjusted = Number of Options/ (1-Dy)
Where:
Dy is the dividend yield, which is calculated by the following formula:
Dy=[(DIV)*(TC)]/[(1-DES)*Pr]
Where:
DIV, means Cash Dividend in USD for each Cemex CPO.
TC, means the Exchange rate and shall be the rate of exchange to settle obligations denominated in foreign currency payable in México, published by Banco de México, at the date determined and approved by the Shareholders Assembly.
Pr, means the price of Cemex CPO, determined and approved by the Board of Directors, taking to account the Mexican Stock Exchange "Bolsa Mexicana de Valores, S.A. de C.V." (BMV) price of the Cemex CPO.
DES, means the discount determined and approved by the Board of Directors for the Cemex CPO.
Cemex CPO, means Certificados de Participación Ordinarios "Cemex CPO"
In the event that during this Transaction, Cemex S.A.B. de C.V., determined to change the Dividend calculation method, then the Calculation Agent shall adjust in good faith and in a commercially reasonable manner the Dy.

Extraordinary Events:

In the event of a split or any other corporate act determined by Cemex, S.A.B. de C.V., the Strike Price and the Number of Options shall be adjusted by the Calculation Agent in similar terms as in the method established for the Dividend Payment.

Additional Disruption Events:

Non-Reliance: Applicable

Additional Acknowledgments:	Applicable
Governing Law:	As specified in the Agreement.

Account Details:

Account for payments to Party A: Mexican Pesos:

Banco de México SPEUA
Institution 14
Account 227 700 014 5
Swift: BMSXMXMM
USD Dollars:
JP Morgan Chase NY
ABA 021000021
Swift: CHASUS33
Account: 400047144
Beneficiary: Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander
Account for payment to Party B: Citibank NA
ABA 021000089
Swift: CITIUS33
Account: 36824503
Beneficiary: CEMEX México

Offices:

(a) The Office for notices of Party A for this Transaction is its Mexico City located at Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, 01219, México, D.F.
(b) The Office of Party B for this Transaction is Av. Constitución 444 Pte Col. Centro Monterrey, N.L. México C.P. 64000.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Option Transaction by signing in the space provide below and sending to us a copy of the executed Confirmation. If you believe the foregoing does not correctly reflect the terms of our agreement, please give us notice as soon as possible of what you believe to be the necessary corrections.

[SIGNATURE PAGES FOLLOW]

/s/ Beatriz Hernandez Diaz
Name: BEATRIZ HERNANDEZ DIAZ
Title: Attorney in Fact

/s/ Rene Salvador Cadena Carreon
Name: RENE SALVADOR CADENA CARREON
Title: Attorney in Fact

Confirmed as of the date first above written:

Centro Distribuidor de Cemento, S.A. de C.V

/s/ Humberto Moreira
Name: HUMBERTO MOREIRA
Title: Attorney in Fact

6 – ISDA Confirmation

1 June 3, 2008

Centro Distribuidor de Cemento, S.A. de C.V.
Ave. Constitución 444 Pte.
64000 Monterrey, Nuevo León, México

Ref. No.: 4763415.25 - 4763431.25

Confirmation of a OTC Option Transaction

Dear Sirs:

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Agreement specified below.

In this Confirmation "Party A" means Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander and "Party B" means Centro Distribuidor de Cemento, S.A. de C.V.

1. The definitions and provisions contained in the 2002 ISDA Definitions Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of October 12, 2000 (the "Agreement") between Party A and Party B, and all provisions contained in the Agreement shall govern this Transaction except as expressly modified below.

2. The terms of the particular Transaction to which this Confirmations relates are as follows:

General Terms:

Trade Date:	June 3, 2008.
Effective Date:	Hedge Termination Date
Expiration Date:	August 3, 2011
Hedging Period:	Each Exchange Business Day, from and including the Trade Date to but excluding an Exchange Business Day agreed by Party A and Party B (the "Hedge Termination Date"), provided that unless previously designated, the Hedge Termination Date shall automatically occur on July 1, 2008.

If the Hedge Termination Date is previous to July 1, 2008, then Party A shall notify Party B of the Hedge Termination Date.

Initial Price:	A price in USD, as notified by Party A to Party B on the Effective Date. The Initial Price shall include the commissions and the funding cost from the Trade Date to the end of the Hedging Period.
Calculation Agent:	Party A
Business Day:	Mexico City, New York City

Option 1:

Option Style:	European
Option Type:	Put
Seller:	Party B
Buyer:	Party A
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price A:	1.15 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	3,107,044.86
30-Jun-09	USD	3,161,024.35
30-Dic-09	USD	3,223,565.28
30-Jun-10	USD	3,293,856.84
30-Dic-10	USD	3,369,548.91
29-Apr-11	USD	3,411,829.56

Option 2:

Option Style:	European
Option Type:	Put
Seller:	Party A
Buyer:	Party B
Shares:	The American Depositary Shares (ADS´s) related to common stock of Cemex, S.A.B. de C.V. (Ticker Symbol: Bloomberg CX US)
Notional Amount	USD 83'333,333.33
Number of Options:	Notional Amount / Initial Price
Strike Price B:	0.775 * Initial Price

Premium Payment Dates and Amounts:

30-Dic-08	USD	988,989.31
30-Jun-09	USD	1,054,542.87
30-Dic-09	USD	1,105,509.72
30-Jun-10	USD	1,187,375.35
30-Dic-10	USD	2,042,725.43
29-Apr-11	USD	1,001,965.22

Premium:

Net Premium Amounts:

30-Dic-08	USD	2,118,055.56
30-Jun-09	USD	2,106,481.48
30-Dic-09	USD	2,118,055.56
30-Jun-10	USD	2,106,481.48
30-Dic-10	USD	1,326,823.48
29-Apr-11	USD	2,409,864.34

Procedure for Exercise:

Exercise Date:	July 20, 2011
Latest Exercise Time:	3:00 p.m Mexico City Time.
Valuation Date :	
Valuation Date:	July 20, 2011
Valuation Time:	3:00 p.m Mexico City Time.
Settlement Terms:	
Settlement Method:	Cash Settlement
Settlement Method Election:	Not Applicable
Settlement Currency:	USD
Settlement Price:	The product of (i) the weighted average per share price in USD at which Party A or its Affiliates sold Shares on the Exchange during any Unhedging Dates and (ii) 99.90%, provided that the spread between "Bloomberg VWAP" on Bloomberg page "CX US <equity> VAP" (or any successor thereto) and Settlement Price, shall not be wider than four cents.
Unhedging Dates	Each Exchange Business Day from and including July 20, 2011 to and including the third Exchange Business Day immediately prior to the Expiration Date, provided that if Market Disruption Event occurs on any Unhedging Date, Unhedging Dates shall be added (and the Expiration Date accordingly extended) until 10 Valuation Dates have occurred on which no Market Disruption Event has occurred.
Cash Settlement Payment Date:	Expiration Date
Share Adjustments:	
Method of Adjustment:	Calculation Agent Adjustment
Dividends Payments:	
Dividend Payments (Cash or Shares)	In case that during the life of this Transaction the issuer of the

Shares pays a dividend, in cash or in shares, then the Strike Price, for each option, will be adjusted by the following formula:
Strike Price Adjusted = Strike Price * (1-Dy)
The Number of Options will be adjusted by inverse proportion that is mentioned above, that is:
Number of Options Adjusted = Number of Options/ (1-Dy)
Where:
Dy is the dividend yield, which is calculated by the following formula:
Dy=[(DIV)*(TC)]/[(1-DES)*Pr]
Where:
DIV, means Cash Dividend in USD for each Cemex CPO.
TC, means the Exchange rate and shall be the rate of exchange to settle obligations denominated in foreign currency payable in México, published by Banco de México, at the date determined and approved by the Shareholders Assembly.
Pr, means the price of Cemex CPO, determined and approved by the Board of Directors, taking to account the Mexican Stock Exchange "Bolsa Mexicana de Valores, S.A. de C.V." (BMV) price of the Cemex CPO.
DES, means the discount determined and approved by the Board of Directors for the Cemex CPO.
Cemex CPO, means Certificados de Participación Ordinarios "Cemex CPO"
In the event that during this Transaction, Cemex S.A.B. de C.V., determined to change the Dividend calculation method, then the Calculation Agent shall adjust in good faith and in a commercially reasonable manner the Dy.

Extraordinary Events:

In the event of a split or any other corporate act determined by Cemex, S.A.B. de C.V., the Strike Price and the Number of Options shall be adjusted by the Calculation Agent in similar terms as in the method established for the Dividend Payment.

Additional Disruption Events:

Non-Reliance: Applicable

Additional Acknowledgments: Applicable

Governing Law: As specified in the Agreement.

Account Details:

Account for payments to Party A: Mexican Pesos:
Banco de México SPEUA
Institution 14
Account 227 700 014 5
Swift: BMSXMXMM
USD Dollars:
JP Morgan Chase NY
ABA 021000021
Swift: CHASUS33
Account: 400047144
Beneficiary: Banco Santander, S.A., Institución de Banca Múltiple, Grupo Financiero Santander
Account for payment to Party B: Citibank NA
ABA 021000089
Swift: CITIUS33
Account: 36824503
Beneficiary: CEMEX México

Offices:

(a) The Office for notices of Party A for this Transaction is its Mexico City located at Prolongación Paseo de la Reforma 500, Colonia Lomas de Santa Fe, 01219, México, D.F.
(b) The Office of Party B for this Transaction is Av. Constitución 444 Pte Col. Centro Monterrey, N.L. México C.P. 64000.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to the Option Transaction by signing in the space provide below and sending to us a copy of the executed Confirmation. If you believe the foregoing does not correctly reflect the terms of our agreement, please give us notice as soon as possible of what you believe to be the necessary corrections.

[SIGNATURE PAGES FOLLOW]

/s/ Beatriz Hernandez Diaz
Name: BEATRIZ HERNANDEZ DIAZ
Title: Attorney in Fact

/s/ Rene Salvador Cadena Carreon
Name: RENE SALVADOR CADENA CARREON
Title: Attorney in Fact

Confirmed as of the date first above written:

Centro Distribuidor de Cemento, S.A. de C.V

/s/ Humberto Moreira
Name: HUMBERTO MOREIRA
Title: Attorney in Fact

Execution Version

FRAMEWORK AGREEMENT

THIS FRAMEWORK AGREEMENT, dated as of June 25, 2008 (this "Framework Agreement"), is entered into by and among CEMEX, S.A.B. de C.V. ("CEMEX"), a *sociedad anónima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States, CEMEX MÉXICO, S.A. de C.V. ("CEMEX Mexico" and together with CEMEX, the "Credit Parties"), a *sociedad anónima de capital variable* organized and existing pursuant to the laws of the United Mexican States, CENTRO DISTRIBUIDOR DE CEMENTO, S.A. DE C.V., *a sociedad anónima de capital variable* organized and existing pursuant to the laws of the United Mexican States (the "CEMEX Swap Party"), BANCO SANTANDER (MEXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER (the "Swap Counterparty") and BANCO BILBAO VIZCAYA ARGENTARIA, S.A. acting through its New York Branch (the "Lender") (the "Framework Agreement").

WHEREAS, the CEMEX Swap Party and the Swap Counterparty are parties to an International Swap Dealers Association Agreement dated February 14, 2003 pursuant to which the parties have entered into a "Put Spread" transaction with a notional amount in the aggregate of US$ 500,000,000.00 (as modified, amended or supplemented and in effect from time to time, and including all schedules, annexes and Confirmations (as defined therein) thereto, the "Swap Transaction"); and

WHEREAS, the Credit Parties and the Lender are parties to the US$ 500,000,000.00 Credit Agreement, dated June 25, 2008 (as modified, amended or supplemented and in effect from time to time, the "Credit Agreement"); and

WHEREAS, the Credit Parties wish to coordinate certain payment obligations of the Swap Counterparty under the Swap Transaction with payment obligations of the Credit Parties under the Credit Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Defined Terms.

1.01 "Payment Date" shall be June 30 and December 30 of each year, beginning with December 30, 2008 and ending on, and including April 29, 2011. If the Payment Date falls on a date that is not a Business Day, such date shall be deemed to be the immediately preceding Business Day.

1.02 "Business Day" means any day that is also a day for trading by and between banks in Dollar deposits in the London interbank market, excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York, USA or Mexico City, Mexico, or is a day on which banking institutions located in New York or Mexico are authorized or required by law or other governmental action to close.

1.03 "Dollar" means the lawful currency of the United States of America.

Section 2. Payment Direction; Application of Funds. Subject to the terms in the Swap Transaction, on each Payment Date, the Swap Counterparty shall make all payments required under the Swap Transaction to the account of CEMEX listed below (the "Account"):

Bank Name:	Citibank NA
Bank ABA #:	021000089
Swift :	CITIUS33
Account #:	36964215
Beneficiary:	CEMEX S.A.B. de C.V.

Section 3. Application of Funds. On each Payment Date, CEMEX shall apply the funds in the Account toward its payment obligations on such date to the Lender under the Credit Agreement. This Framework Agreement and the arrangements described herein shall in no way affect or modify the obligations of the Credit Parties under the Credit Agreement, or the terms of such obligations set forth therein. The obligations of the Credit Parties under the Credit Agreement shall be enforceable in accordance with their terms regardless of the failure of any payment by the Swap Counterparty to make payment, the insolvency of the Swap Counterparty or the absence of any funds to the credit of the Account.

Section 4. Amendments. Nothing set forth herein shall give the Lender or the Swap Counterparty any rights under the agreements to which they are not party. For the avoidance of doubt, the Lender shall have no rights with respect to the Swap Transaction and the Swap Counterparty shall have no rights with respect to the Credit Agreement. Amendments to each of the documents constituting the Swap Transaction shall be permitted only as set forth therein.

Section 5. Miscellaneous. This Framework Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Framework Agreement by signing any such counterpart. THIS FRAMEWORK AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW). Paragraph headings have been inserted in this Framework Agreement as a matter of convenience for reference only and it is agreed that such headings are not a part of this Framework Agreement and shall not be used in the interpretation of any provision of this Framework Agreement. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS WAIVER OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have caused this Framework Agreement to be executed and delivered by their respective officers thereunto duly authorized.

CEMEX, S.A.B. de C.V.

By: /s/ Humberto Francisco Lozano Vargas
Name: Humberto Francisco Lozano Vargas
Title: Corporate Finance Officer

[SIGNATURE PAGE - FRAMEWORK AGREEMENT]

CEMEX MÉXICO, S.A. de C.V.

By: /s/ Humberto Francisco Lozano Vargas
Name: Humberto Francisco Lozano Vargas
Title: Corporate Finance Officer

[SIGNATURE PAGE - FRAMEWORK AGREEMENT]

CENTRO DISTRIBUIDOR DE CEMENTO, S.A. DE C.V.

By: /s/ Humberto Francisco Lozano Vargas
Name: Humberto Francisco Lozano Vargas
Title: Corporate Finance Officer

[SIGNATURE PAGE - FRAMEWORK AGREEMENT]

BANCO SANTANDER (MEXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER

By: /s/ Alfonso Vazquez Moreno
Name: Alfonso Vazquez Moreno
Title: Attorney-in Fact

BANCO SANTANDER (MEXICO), S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO SANTANDER

By: /s/ Francisco Mejia Ortega
Name: Francisco Mejia Ortega
Title: Attorney-in Fact

[SIGNATURE PAGE - FRAMEWORK AGREEMENT]

Consented to and Accepted by:

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. acting
through its New York Branch, as the Lender

By: /s/ Rodolfo Hare
Name: Rodolfo Hare
Title: Vice President, Global Corporate Banking

By: /s/ Cristian Aguirre
Name: Cristian Aguirre
Title: Assistant Vice President, International Corporate Banking

[SIGNATURE PAGE - FRAMEWORK AGREEMENT]

Exhibit 8.1

List of Subsidiaries

The following is a list of the significant subsidiaries of CEMEX, S.A.B. de C.V. as of December 31, 2007, including the name of each subsidiary and its country of incorporation:

CEMEX México, S.A. de C.V.	Mexico
CEMEX Concretos, S.A. de C.V.	Mexico
CEMEX España, S.A.	Spain
CEMEX UK Operations, Ltd.	United Kingdom
CEMEX Construction Materials, L.P.	United States (TX)

Exhibit 12.1

Certification of the Principal Executive Officer of
CEMEX, S.A.B. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

CERTIFICATIONS

I, Lorenzo H. Zambrano, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 30, 2008

/s/ Lorenzo H. Zambrano
Lorenzo H. Zambrano

Chief Executive Officer
CEMEX, S.A.B. de C.V.

Exhibit 12.2

Certification of the Principal Financial Officer of
CEMEX, S.A.B. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

CERTIFICATIONS

I, Hector Medina, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A.B. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 30, 2008

/s/ Hector Medina
Hector Medina

Executive Vice President of Planning and Finance
CEMEX, S.A.B. de C.V.

Exhibit 13.1

Certification of the Principal Executive and Financial Officers of
CEMEX, S.A.B. de C.V.
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 20-F of CEMEX, S.A.B. de C.V. (the "Company") for the year ended December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Lorenzo H. Zambrano, as Chief Executive Officer of the Company, and Hector Medina, as Executive Vice President of Planning and Finance of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and periods set forth therein.

/s/ Lorenzo H. Zambrano
Name: Lorenzo H. Zambrano
Title: Chief Executive Officer
Date: June 30, 2008

/s/ Hector Medina
Name: Hector Medina
Title: Executive Vice President of Planning and Finance
Date: June 30, 2008

This certification is furnished as an exhibit to the Report and accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 14.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
CEMEX, S.A.B. de C.V.:

We hereby consent to the incorporation by reference into (i) the Registration Statement on Form S-8 (File No. 333-13970) of CEMEX, S.A.B. de C.V., (ii) the Registration Statement on Form S-8 (File No. 333-83962) of CEMEX, S.A.B. de C.V., (iii) the Registration Statement on Form S-8 (File No. 333-86090) of CEMEX, S.A.B. de C.V. and (iv) the Registration Statement on Form S-8 (File No.333-128657) of CEMEX, S.A.B. de C.V., of our reports dated June 17, 2008, with respect to the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years in the three year period ended December 31, 2007, and the related financial statement schedule, and our report dated June 17, 2008 on the effectiveness of internal control over financial reporting as of December 31, 2007, which reports appear in this December 31, 2007 Annual Report on Form 20-F of CEMEX, S.A.B. de C.V.

KPMG Cárdenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
June 26, 2008