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

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2006

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 CORPORATION

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

Av. Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo Leon, Mexico 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 Participacion 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.

9.625% Notes due 2009 guaranteed by CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V.

(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.

7,647,280,773 CPOs
15,778,133,836 Series A shares (including Series A shares underlying CPOs)
7,889,066,918 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___ |X| 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 |X|
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 |X| 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 |X| Accelerated filer__ Non-accelerated filer__
Indicate by check mark which financial statement item the registrant has elected to follow.
Item 17 _____ Item 18 |X|
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 |X|

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INTRODUCTION

CEMEX, S.A.B. de C.V. is incorporated as a publicly traded stock corporation with variable capital (sociedad anonima bursatil 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. 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, 2006. See note 24 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. Non-Peso amounts included in those 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.

On April 27, 2006, our shareholders approved a stock split. 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, our shareholders 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 representing ten new CPOs. 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 reflect the stock split.

References in this annual report to "U.S.$" and "Dollars" are to U.S. Dollars, references to "(euro)" are to Euros, references to "(pound)" and "Pounds" are to British Pounds, references to "(Y)" 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, 2006. 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 Ps10.80 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2006. 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, 2006 was Ps10.80 to U.S.$1.00 and on May 31, 2007 was Ps10.74 to U.S.$1.00.

INFORMATION ABOUT RINKER

All information about Rinker Group Limited, or Rinker, as presented in this annual report, has been derived from public information provided by Rinker, including its annual report for its fiscal year ended March 31, 2006, as filed with the U.S. Securities and Exchange Commission on May 23, 2006. We have not independently verified this information and cannot guarantee its accuracy or completeness.

GUARANTORS

CEMEX Mexico, S.A. de C.V., or CEMEX Mexico, and Empresas Tolteca de Mexico, S.A. de C.V., or Empresas Tolteca de Mexico, are wholly-owned subsidiaries of ours that have provided a corporate guarantee guaranteeing payment of our 9.625% Notes due 2009. These subsidiaries, which we refer to as our guarantors, together with their subsidiaries, account for substantially all of our revenues and operating income. See Item 4 -- "Information on the Company -- North America -- Our Mexican Operations." Pursuant to Rule 12h-5 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, the guarantors are exempt from reporting under the Exchange Act, and no separate financial statements or other disclosures concerning the guarantors other than the narrative disclosures and financial information set forth in note 24(s) to our consolidated financial statements have been presented in this annual report.

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. WE MAY NOT BE ABLE TO REALIZE THE EXPECTED BENEFITS FROM OUR ACQUISITION OF RINKER OR THE EXPECTED BENEFITS FROM ANY FUTURE ACQUISITIONS.

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 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 June 7, 2007, our public offer to acquire all outstanding shares of Rinker became unconditional. As a result, we obtained the right to vote approximately 50.3% of Rinker's outstanding shares. Our offer was originally scheduled to conclude on June 22, 2007, but has been extended until July 16, 2007. As of June 25, 2007, we had been tendered a total of approximately 81% of Rinker's outstanding shares. The enterprise value of Rinker is approximately U.S.$15.3 billion, which includes approximately U.S.$1.1 billion of debt, Rinker's reported debt as of March 31, 2007. Rinker is a leading international producer and supplier of cement, ready-mix concrete and aggregates. Rinker, which is headquartered in Australia, has significant operations in Australia and the United States, as well as operations in China. As of the date of this annual report, we expect to achieve approximately U.S.$130 million of annual savings by 2010 through cost-saving synergies. See Item 4 -- "Information on the Company -- Our Business Strategy." Our success in realizing these cost savings and deriving significant benefits from this acquisition will depend on our ability to standardize management processes, capitalize on trading network benefits, consolidate logistics and improve global procurement and energy efficiency. Rinker's operations are concentrated in regions of the United States that have recently faced a downturn in the housing and construction sectors, which may have an adverse effect on Rinker's operations and on ours.

In addition, although we have substantially realized our expected benefits from acquisitions in the past, additional acquisitions may present formidable integration challenges. See Item 4 -- "Information on the Company -- Our Business Strategy."

As a result of our acquisition of Rinker, we are required by the Consent Decree that we entered into with the Antitrust Division of the United States Department of Justice, or the Antitrust Division, to divest certain Rinker and CEMEX assets. If we are not able to complete the required divestitures on or before October 17, 2007, the U.S. District Court for the District of Columbia will be entitled to appoint a trustee to effect the divestitures. See Item 4 -- "Information on the Company -- Recent Developments

-- Rinker Acquisition."

In addition, under a joint venture we entered into with Ready Mix USA, Inc., we are contractually required to contribute to the Ready Mix USA joint venture any ready-mix concrete, concrete block and aggregates assets we acquire from Rinker that are located inside the joint venture region. See Item 4 -- "Information on the Company -- North America -- Our U.S. Operations." We cannot assure you that we will be able to obtain a desirable price for either the assets to be divested pursuant to the Consent Decree signed with the Antitrust Division, or the assets to be contributed to the Ready Mix USA joint venture.

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 that affect our subsidiaries.

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.

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. 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, 2006, we had outstanding debt equal to Ps81.4 billion (U.S.$7.5 billion).

We may incur up to approximately U.S.$15.3 billion of debt in connection with the Rinker acquisition, including our assumption of Rinker's debt. As of December 31, 2006, we had not incurred any debt in connection with the Rinker acquisition. For a description of our financing of the Rinker acquisition, see Item 5 -- "Operating and Financial Review and Prospects -- Liquidity and Capital Resources -- Our Indebtedness."

We and our subsidiaries have sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios, including in connection with our financing of the Rinker acquisition. Such waivers are typically requested and granted for limited periods, after which either a further waiver is requested or compliance makes a further waiver unnecessary. In the case of the Rinker acquisition, we have obtained financial ratio covenant waivers through December 31, 2007, and we expect to take 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-DENOMINATED DEBT 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 DEBT. THIS COULD ADVERSELY AFFECT OUR ABILITY TO SERVICE OUR DEBT 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.

A substantial portion of our outstanding debt is denominated in Dollars; as of March 31, 2007, our Dollar-denominated debt represented approximately 49% of our total debt (after giving effect to our currency-related derivatives as of such date). Our existing Dollar-denominated debt, however, must be serviced by funds generated from sales by our subsidiaries. As of the date of this annual report, we do not generate sufficient revenue in Dollars

from our operations to service all our Dollar-denominated debt. Consequently, we have to use revenues generated in Pesos, Euros, Pounds 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, Pound 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 Dollar-denominated debt. During 2006, Mexico, Spain, the United Kingdom and the Rest of Europe region, our main non-Dollar-denominated operations, together generated approximately 57% of our total net sales (approximately 18%, 9%, 10% and 20%, respectively), before eliminations resulting from consolidation. In 2006, approximately 21% of our sales were generated in the United States, with the remaining 22% of our sales being generated in several countries. During 2006, the Peso depreciated approximately 2% against the Dollar, while the Euro and the Pound appreciated approximately 10% and 12%, respectively, 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. Furthermore, 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.

As of March 31, 2007, our Euro-denominated debt represented approximately 51% of our total debt (after giving effect to our currency-related derivatives as of such date). We cannot guarantee that we will generate sufficient revenues in Euros from our operations in Spain and the Rest of Europe region to service these obligations. As of March 31, 2007, we had no material amounts of Pound-denominated debt or Yen-denominated debt outstanding (after giving effect to our currency-related derivatives as of such date).

WE ARE DISPUTING SOME TAX CLAIMS, AN ADVERSE RESOLUTION OF WHICH MAY RESULT IN A SIGNIFICANT ADDITIONAL TAX EXPENSE.

As of December 31, 2006, we and some of our Mexican subsidiaries have been notified by the Mexican tax authorities of several tax assessments related to several tax periods for a total amount of approximately Ps4,000 million (U.S.$370 million). The tax assessments are based primarily on: (i) disallowed restatement of tax loss carryforwards in the same period in which they occurred, (ii) disallowed determination of tax loss carryforwards, and (iii) investments made in entities incorporated in foreign countries with preferential tax regimes (currently known as Regimenes Fiscales Preferentes). We have filed an appeal for each of these tax claims before the Mexican federal tax court, and the appeals are pending resolution. If we do not elect in 2007 to enter Mexico's tax amnesty program or if we fail to obtain favorable rulings on appeal, these tax claims may have a material impact on us.

In addition, we are also challenging the constitutionality of several amendments to the Mexican income tax legislation that became effective in 2005 and that would increase taxes we pay on passive income from some of our foreign operations. We believe these amendments are contrary to Mexican constitutional principles, and on August 8, 2005 and March 20, 2006, we filed motions with the Mexican federal court challenging the constitutionality of these amendments. On December 23, 2005 and June 29, 2006, we obtained favorable rulings from the Mexican federal court that the amendments were unconstitutional; however, the Mexican tax authority has appealed these rulings. If the final ruling is not favorable to us, these amendments may have a material impact on us. See Item 4 -- "Information on the Company -- Regulatory Matters and Legal Proceedings -- Tax Matters."

We also have received notices from tax authorities in the Philippines of tax claims in respect of several prior tax years for a total amount of approximately U.S.$40 million, including interest and penalties through December 31, 2006. We believe that these claims will not have a material adverse effect on our net income. See Item 4 -- "Information on the Company --Regulatory Matters and Legal Proceedings -- Tax Matters."

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 Union'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. In 2005 and 2006, we had a surplus of allowances of carbon dioxide. Based on our consolidated production forecasts, we expect to have a surplus of allowances of carbon dioxide for 2007 as well. For the next allocation period comprising 2008 through 2012, however, we expect a reduction in the allowances granted by the Member States, which may result in a consolidated deficit in our carbon dioxide allowances during that period. As of May 29, 2007, all European countries in which we have operations have submitted their National Allocations Plan, or NAP, to the European Commission. However, only the United Kingdom has published its allocations per facility. As of today, we are unable to predict if all our facilities will be allocated sufficient allowances to cover their production forecasts. Therefore, 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 -- Environmental Matters."

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 influence 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 Rinker's 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. For example, the continued existence of a significant public minority in Rinker may inhibit our ability to implement certain initiatives regarding the integration of Rinker into our operations.

HIGHER ENERGY AND FUEL COSTS MAY HAVE A MATERIAL ADVERSE AFFECT 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 reduced energy and fuel costs and less vulnerability to potential 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. With the

acquisition of Rinker, particularly its operations in parts of the United States where we had no prior operations, our operations will be exposed to additional weather seasonality.

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.

As of and for the year ended December 31, 2006, we had operations in Mexico, the United States, the United Kingdom, Spain, the Rest of Europe region

(including Germany and France), South America, Central America and the Caribbean (including Venezuela and Colombia), Africa and the Middle East and Asia. As of December 31, 2006, our U.S. operations represented approximately 17% of our total assets, our Mexican operations approximately 14% of our total assets, our United Kingdom operations approximately 15% of our total assets, our Spanish operations approximately 7% of our total assets, our Rest of Europe operations approximately 11% of our total assets, our South America, Central America and the Caribbean operations approximately 8% of our total assets, our Africa and the Middle East operations approximately 3% of our total assets, our Asia operations approximately 2% of our total assets, and our other operations approximately 23% of our total assets. For the year ended December 31, 2006, before eliminations resulting from consolidation, our U.S. operations represented approximately 21% of our net sales, our Mexican operations approximately 18% of our net sales, our United Kingdom operations approximately 10% of our net sales, our Spanish operations approximately 9% of our net sales, our Rest of Europe operations approximately 20% of our net sales, our South America, Central America and the Caribbean operations approximately 8% of our net sales, our Africa and the Middle East operations approximately 4% of our net sales, our Asia operations approximately 2% of our net sales and our other operations approximately 8% of our net sales. Adverse economic conditions in any of these countries or regions may produce a negative impact on our net income from our operations in that country or region. For a geographic breakdown of our net sales for the year ended December 31, 2006, please see Item 4 -- "Information on the Company -- Geographic Breakdown of Our 2006 Net Sales."

If the Mexican economy experiences a recession or if Mexican inflation and interest rates increase significantly, our net income from our Mexican operations may decline materially because construction activity may decrease, which may lead to a decrease in sales of cement and ready-mix concrete. 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 economic activity is recovering in Europe, some European countries could potentially face important decelerations in construction activity growth. In Spain, even though most analysts still expect a soft landing scenario in construction activity, a sharper than expected decline should not be ruled out given the strength in construction during the last years. In the United Kingdom, recent increases in official interest rates, and as a result in mortgage rates, could impact housing activity harder than expected. In Germany, the current recovery of the construction sector could turn out to be only temporary. In Eastern Europe, including Poland, the Czech Republic, Hungary, Latvia and Lithuania, strong economic activity could be accompanied by increases in government budget deficits and international trade deficits, causing further delays in the adoption of the Euro by these countries, resulting in increased exchange rate volatility. This volatility could pose a risk to these countries' financial systems and housing markets, as mortgages in these countries are typically denominated in currencies other than their respective national currency.

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, fluctuations in its gross domestic product and labor unrest, including a general strike. In response to this situation, and in an effort to

strengthen the economy and control inflation, Venezuelan authorities have imposed foreign exchange and price controls on specified products, including cement. On January 31, 2007, the Venezuelan National Assembly passed an enabling law, granting President Hugo Chavez the power to govern by decree with the force of law for 18 months. President Chavez has recently indicated that cement producers in Venezuela may be nationalized in the future. Any such nationalization or similar action could affect CEMEX Venezuela, S.A.C.A., or CEMEX Venezuela, our operating subsidiary in Venezuela, which also serves as the holding company for our interests in the Dominican Republic, Panama and Trinidad, and could adversely affect our operations. Upon a nationalization, we might not be compensated at market prices for our assets, thus affecting our profitability. 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 rising 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 at any time in the near future or that neighboring countries, including Egypt, Israel 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.

With the acquisition of Rinker, our geographic diversity has increased. Rinker has operations in Australia, the United States and China. As in the case of Mexico and other countries, adverse economic conditions in any of these countries may have a negative impact on our net income from our operations in that country.

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 anonima bursatil 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.

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 Mexico) 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 13% and 8% in 2002 and 2003, respectively, appreciated against the Dollar by approximately 1% and 5% in 2004 and 2005, respectively, and depreciated against the Dollar by approximately 2% in 2006. 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 Mexico, 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
2002.....	10.38	9.76	10.35	9.02	10.43	9.66	10.43	9.00
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
Monthly (2006-2007)								
November.....	10.99	--	11.10	10.80	11.00	--	11.05	10.75
December.....	10.80	--	10.93	10.78	10.80	--	10.99	10.77
January.....	11.01	--	11.10	10.77	11.04	--	11.09	10.77
February.....	11.17	--	11.20	10.92	11.16	--	11.16	10.92
March.....	11.04	--	11.21	10.99	11.04	--	11.18	11.01
April.....	10.95	--	11.02	10.92	10.93	--	11.03	10.92
May.....	10.74	--	10.93	10.74	10.74	--	10.93	10.74

(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 31, 2007, the noon buying rate for Pesos was Ps10.74 to U.S.$1.00 and the CEMEX accounting rate was Ps10.74 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, 2006 have been derived from our audited consolidated financial statements. The financial data set forth below as of December 31, 2006 and 2005 and for each of the three years ended December 31, 2006, 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 2006 annual general meeting, which took place on April 26, 2007.

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 year ended December 31, 2006 include RMC's results of operations for the entire year ended December 31, 2006, while the audited consolidated financial statements for each of the three 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 and December 31, 2006 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. 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, 2006. See note 24 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.

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.

Under Mexican FRS, each time we report results for the most recently completed period, the Pesos previously reported in prior periods should 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 is 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, 2006:

	Annual Weighted Average Factor	Cumulative Weighted Average Factor to December 31, 2006
2002.....	1.1049	1.2273
2003.....	1.0624	1.1107
2004.....	0.9590	1.0455
2005.....	1.0902	1.0902

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 Ps10.80 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2006. 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, 2006 was Ps10.80 to U.S.$1.00 and on May 31, 2007 was Ps10.74 to U.S.$1.00. From December 31, 2006 through May 31, 2007, the Peso appreciated by approximately 1% 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,					
	2002	2003	2004	2005	2006	2006
	(in millions of constant Pesos as of December 31, 2006 and Dollars, except ratios and share and per share amounts)					
INCOME STATEMENT INFORMATION:						
Net sales	Ps 83,352	Ps 89,445	Ps 94,915	Ps 177,385	Ps 197,093	U.S.$ 18,249
Cost of sales(1)	(46,568)	(51,562)	(53,417)	(107,341)	(125,804)	(11,649)
Gross profit	36,784	37,883	41,498	70,044	71,289	6,600
Operating expenses	(20,091)	(19,715)	(19,931)	(41,253)	(39,475)	(3,655)
Operating income	16,693	18,168	21,567	28,791	31,814	2,945
Comprehensive financing result (2)	(4,195)	(3,339)	1,552	2,836	(466)	(44)
Other expense, net	(4,960)	(5,702)	(5,635)	(3,676)	(369)	(34)
Income before income tax, employees' statutory profit sharing and equity in income of affiliates	7,538	9,127	17,484	27,951	30,979	2,867
Minority interest	472	379	244	638	1,191	110
Majority interest net income	6,627	7,851	15,224	24,450	25,682	2,378
Basic earnings per share(3)(4)	0.37	0.42	0.76	1.18	1.19	0.11
Diluted earnings per share(3)(4)	0.37	0.40	0.76	1.17	1.19	0.11
Dividends per share(3)(5)(6)	0.22	0.21	0.45	0.25	0.27	0.03
Number of shares outstanding(3)(7)	18,248	19,444	20,372	21,144	21,987	21,987
BALANCE SHEET INFORMATION:						
Cash and temporary investments	4,601	3,637	3,987	6,963	17,051	1,579
Net working capital investment(8)	8,911	7,188	6,116	14,678	9,579	887
Property, machinery and equipment, net	114,181	115,677	111,967	179,942	185,714	17,196
Total assets	202,989	199,952	202,433	309,866	323,698	29,972
Short-term debt	17,750	16,592	12,157	13,788	13,514	1,252
Long-term debt	55,719	56,641	56,916	95,944	67,927	6,290
Minority interest(9)(10)	15,373	6,641	4,530	6,119	20,731	1,920
Stockholders' equity (excluding minority interest)(11)	73,176	77,833	91,203	113,757	138,878	12,859
Book value per share(3)(7)(12)	4.01	4.00	4.48	5.38	6.32	0.58
OTHER FINANCIAL INFORMATION:						
Operating margin	20.0%	20.3%	22.7%	16.2%	16.1%	16.1%
EBITDA(13)	24,422	26,319	29,563	41,185	44,686	4,137
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends(13)	5.23	5.27	6.82	6.76	8.38	8.38
Investment in property, machinery and equipment, net	5,401	4,917	5,055	9,093	14,814	1,372
Depreciation and amortization	9,749	10,297	9,985	12,637	12,872	1,192
Net resources provided by operating activities(14)	21,193	19,555	25,738	39,914	44,111	4,084
Basic earnings per CPO(3)(4)	1.11	1.26	2.28	3.54	3.57	0.33

	AS OF AND FOR THE YEAR ENDED DECEMBER 31,					
	2002	2003	2004	2005	2006	2006
	(in millions of constant Pesos as of December 31, 2006 and Dollars, except per share amounts)					
U.S. GAAP(15):						
INCOME STATEMENT INFORMATION:						
Majority net sales	Ps 78,953	Ps 90,100	Ps 96,329	Ps 166,024	Ps 195,865	U.S.$ 18,136
Operating income	12,761	15,373	17,701	25,714	31,502	2,917
Majority net income	6,627	9,351	19,260	23,017	25,374	2,349
Basic earnings per share	0.37	0.49	0.97	1.11	1.18	0.11
Diluted earnings per share	0.37	0.48	0.96	1.10	1.18	0.11
BALANCE SHEET INFORMATION:						
Total assets	198,979	210,481	221,222	305,728	338,456	31,339
Perpetual debentures(10)	--	--	--	--	13,500	1,250
Long-term debt(10)	48,375	50,604	46,783	85,980	66,720	6,178
Shares subject to mandatory redemption(16)	--	838	--	--	--	--
Minority interest	6,099	6,122	4,863	5,963	7,291	675
Other mezzanine items(16)	15,363	--	--	--	--	--
Total majority stockholders' equity	60,667	80,354	99,305	115,925	147,374	13,646

(footnotes on next page)

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(1) Cost of sales includes depreciation.

(2) Comprehensive financing result includes financial expenses, financial income, results from valuation and liquidation of financial instruments,

including derivatives and marketable securities, foreign exchange result, net and monetary position result. See Item 5 -- "Operating and Financial Review and Prospects."

(3) 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, 2006, approximately 96.9% of our outstanding share capital was represented by CPOs. On April 27, 2006, our shareholders approved a stock split, which became effective 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, each of our existing series B shares was surrendered in exchange for two new series B shares, and each of our existing CPOs was surrendered in exchange for two new CPOs, with each new CPO representing two new series A shares and one new series B share. The number of our outstanding ADSs did not change as a result of the stock split; instead the ratio of CPOs to ADSs was modified so that each ADS now represents ten new CPOs. The proportional equity interest participation of existing shareholders did not change as a result of the stock split. All share and per share amounts set forth in the table above have been adjusted to give retroactive effect to this stock split.

(4) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 20 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.

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

(6) 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, 2006, were as follows: 2002, Ps0.64 per CPO (or Ps0.21 per share); 2003, Ps0.67 per CPO (or Ps0.22 per share); 2004, Ps0.64 per CPO (or Ps0.21 per share); 2005, Ps1.36 per CPO (or Ps0.45 per share); and 2006, Ps0.75 per CPO (or Ps0.25 per share). As a result of dividend elections made by shareholders, in 2002, Ps286 million in cash was paid and approximately 256 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; in 2003, Ps74 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, Ps176 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, Ps414 million in cash was paid and approximately 266 million additional CPOs were issued in respect of dividends declared for the 2004 fiscal year; and in 2006, Ps148 million in cash was paid and approximately 212 million additional CPOs were issued in respect of dividends declared for the 2005 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 2006 annual shareholders' meeting, which was held on April 26, 2007, our shareholders approved a dividend for the 2006 fiscal year of the Peso equivalent of U.S.$0.0745 per CPO (U.S.$0.02483 per share) or Ps0.80 (Ps0.27 per share), based on the Peso/Dollar exchange rate in effect for May 31, 2007 of Ps10.7873 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, in June 2007, approximately Ps140 million in cash was paid and approximately 189 million additional CPOs were issued in respect of dividends declared for the 2006 fiscal year.

(7) 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.

(8) Net working capital investment equals trade receivables plus inventories less trade payables.

(9) In connection with a preferred equity transaction relating to the financing of our acquisition of Southdown, Inc., now named CEMEX, Inc., the balance sheet item minority interest at December 31, 2002 includes a notional amount of U.S.$650 million (Ps7.5 billion) of preferred equity issued in November 2000 by our Dutch subsidiary. In October 2003, we redeemed all the U.S.$650 million of preferred equity outstanding. The balance sheet item minority interest at December 31, 2003 includes an aggregate liquidation amount of U.S.$66 million (Ps769 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 recorded as minority interest in our balance sheet, and dividends paid on the capital securities were recorded 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.$23.2 million (Ps289 million) in 2002 and U.S.$12.5 million (Ps160 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.$5.6 million (Ps70 million), were recorded as part of financial expenses in our income statement.

(10) Minority interest includes U.S.$1,250 million (Ps13,500 million), that represents the nominal amount of the fixed-to-floating rate callable perpetual debentures issued by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited on December 18, 2006. 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.

(11) In December 1999, we entered into forward contracts with a number of banks covering 21,000,000 ADSs. In December 2002, we agreed with the banks to settle those forward contracts for cash and simultaneously entered into new forward contracts with the same banks on similar terms to the original forward transactions. Under the new forward contracts the banks retained the ADSs underlying the original forward contracts, which had increased to 25,457,378 ADSs as a result of stock dividends through June 2003. As a result of this net settlement, we recognized in December 2002 a decrease of approximately U.S.$98.3 million (Ps1,145 million) in our stockholders' equity, arising from changes in the valuation of the ADSs. 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.$18.1 million (Ps210 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.

(12) Book value per share is calculated by dividing stockholders' equity (excluding minority interest) by the number of shares outstanding.

(13) 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 income (expense). 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 does not include coupon payments on and issuance costs of the perpetual debentures issued by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited of approximately U.S.$13 million (Ps137 million) for the portion of the year ended December 31, 2006 that such securities were outstanding (from December 18, 2006 to December 31, 2006).

	FOR THE YEAR ENDED DECEMBER 31,					
	2002	2003	2004	2005	2006	2006
	(in millions of constant Pesos as of December 31, 2006 and Dollars)					
RECONCILIATION OF EBITDA TO OPERATING INCOME EBITDA	Ps 24,422	Ps 26,319	Ps 29,563	Ps 41,185	Ps 44,686	U.S.$4,137
Less:						
Depreciation and amortization expense	7,729	8,151	7,996	12,394	12,872	1,192
Operating income	16,693	18,168	21,567	28,791	31,814	2,945

(14) 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.

(15) We have restated the information at and for the years ended December 31, 2002, 2003, 2004 and 2005 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 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 24 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.

(16) For financial reporting under U.S. GAAP, until December 31, 2002, elements that did not meet either the definition of equity, or the definition of debt, were presented under a third group, commonly referred to as "mezzanine items." As of December 31, 2002, these elements, as they related to us, included our preferred equity and our putable capital securities described in note 9 above and our obligation under the forward contracts described in note 11 above. As of December 31, 2003, as a result of the adoption of SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," these elements were presented as a separate line item within liabilities. For purposes of our U.S. GAAP reconciliation, we record the perpetual debentures issued by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited as debt and coupon payments thereon as part of financial expenses in our income statement.

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 anonima bursatil de capital variable, organized under the laws of the United Mexican States, or Mexico, with our principal executive offices in Av. Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo Leon, Mexico 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 Anonima Bursatil 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 anonima bursatil), 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, 2006, we were the third largest cement company in the world, based on installed capacity of approximately 93.2 million tons. As of December 31, 2006, we were the largest ready-mix concrete company in the world with annual sales volumes of approximately 74 million cubic meters, and one of the largest aggregates companies in the world with annual sales volumes of approximately 166 million tons, in each case based on our annual sales volumes in 2006. We are also one of the world's largest traders of cement and clinker, having traded approximately 16 million tons of cement and clinker in 2006. 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.

With the acquisition of Rinker, our installed capacity of cement has increased by approximately three million tons, our annual ready-mix concrete sales volumes by approximately 20.5 million cubic meters, and our annual aggregates sales volumes by approximately 118 million tons, based on March 31, 2006 (fiscal year-end) numbers for Rinker.

We are a global cement manufacturer with operations in North America, Europe, South America, Central America, the Caribbean, Africa, the Middle East, Oceania and Asia. As of December 31, 2006, we had total assets of approximately Ps324 billion (U.S.$30.0 billion) (without giving effect to the Rinker acquisition) and an equity market capitalization of approximately Ps268 billion (U.S.$24.8 billion).

As of December 31, 2006, 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, 2006, 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, 2006	
Assets after eliminations (in billions of	Number of Cement	Installed Capacity (millions of

	constant Pesos)	Plants	tons per annum)
North America			
Mexico	Ps 58	15	27.2
United States	75	12	13.3
Europe			
Spain	33	8	11.0
United Kingdom	26	3	2.8
Rest of Europe	42	9	12.1
South America, Central America and the Caribbean	33	14	15.5
Africa and the Middle East	11	1	5.0
Asia	9	4	6.3
Cement and Clinker Trading Assets and Other Operations	37	--	--

The information in the above table does not give effect to our acquisition of Rinker. 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, 2006, in a Lithuanian cement producer that operated one cement plant with an installed capacity of 1.3 million tons as of December 31, 2006. In addition, "Rest of Europe" includes our Mersmann cement plant in Germany for purposes of the columns labeled "Number of Cement Plants" and "Installed Capacity." The Mersmann plant, with an installed capacity of 0.6 million tons as of December 31, 2006, has ceased cement production, although grinding and packaging activities remain operational. 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, "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 recent acquisition of Rinker and our acquisition in 2005 of RMC:

- On June 7, 2007, our public offer to acquire all outstanding shares of Rinker became unconditional. As a result, we obtained the right to vote approximately 50.3% of Rinker's outstanding shares. Our offer was originally scheduled to conclude on June 22, 2007, but has been extended until July 16, 2007. As of June 25, 2007, we had been tendered a total of approximately 81% of Rinker's outstanding shares. The enterprise value of Rinker is approximately U.S.$15.3 billion, which includes approximately U.S.$1.1 billion of debt, Rinker's reported debt as of March 31, 2007.

- 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 (euro)12 million. As part of the transaction, we sold 4K Beton A/S, our Danish subsidiary, which operated 18 ready-mix concrete plants in Denmark, to Unicon A/S, for approximately (euro)22 million. We received net cash proceeds of approximately (euro)6 million, after cash and debt adjustments, from this transaction.

- In January 2006, we acquired a grinding mill with a grinding capacity of 500,000 tons per year in Guatemala for approximately U.S.$17.4 million. We entered into an agreement to purchase these operations in September 2005 and completed the acquisition on January 1, 2006.

- 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 U.S.$28 million.

- On September 27, 2004, in connection with a public offer to purchase the outstanding shares of RMC Group plc, or RMC, we acquired approximately 18.8% of RMC's outstanding shares. On March 1, 2005, we purchased the remaining 81.2% of RMC's outstanding shares, completing our acquisition of RMC. The transaction value of this acquisition, including our assumption of approximately U.S.$2.2 billion of RMC's debt, was approximately U.S.$6.5 billion. RMC, headquartered in the United Kingdom at that time, was a leading international producer and supplier of cement, ready-mix concrete and aggregates with significant operations in the United Kingdom, Germany, France and the United States, as well as operations in other European countries and globally.

- 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.

- In July and August 2002, through a tender offer and subsequent merger, we acquired 100% of the outstanding shares of Puerto Rican Cement Company, Inc. The aggregate value of the transaction was approximately U.S.$281 million, including approximately U.S.$100.8 million of assumed net debt. In July 2005, Puerto Rican Cement Company, Inc., changed its legal name to CEMEX de Puerto Rico, Inc.

- In July 2002, we purchased, through a wholly-owned indirect subsidiary, the remaining 30% economic interest in the Philippine cement company Solid Cement Corporation, or Solid, for approximately U.S.$95 million.

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:

- On July 27, 2006, we divested a 24.9% interest in PT Semen Gresik to Indonesia-based Rajawali Group for approximately U.S.$337 million. We have subsequently divested our remaining interest in Gresik.

- On March 2, 2006, we sold 4K Beton A/S, our Danish subsidiary, as described above.

- 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. The Spanish joint venture operated 122 ready-mix concrete plants and 12 aggregates, and the Portuguese joint venture operated 31 ready-mix concrete plants and five aggregates quarries. Under the terms of the termination agreement, Lafarge Asland received a 100% interest in both joint ventures and we received (euro)50 million in cash, as well as 29 ready-mix concrete plants and five aggregates quarries in Spain.

- On July 1, 2005, we and Ready Mix USA, Inc., 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. CEMEX Southeast, LLC is managed by us, and Ready Mix USA, LLC is managed by Ready Mix USA. 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.

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

- On April 26, 2005, we divested our 11.9% interest in Cementos Bio Bio, S.A., a cement company in Chile, for approximately U.S.$65 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 Participacoes S.A, a cement company in Brazil, for an aggregate purchase price of approximately U.S.$389 million. The combined capacity of the two cement plants sold was approximately two million tons per year. On June 1, 2005, we sold a cement terminal adjacent to the Detroit river to the City of Detroit for a purchase price of approximately U.S.$24 million.

See Item 4 -- "Information on the Company -- Recent Developments -- Rinker Acquisition" and Item 4 -- "Information on the Company -- North America -- Our U.S. Operations" for a description of certain divestitures and contributions to Ready Mix USA, LLC that we are required to make as a result of our acquisition of Rinker.

GEOGRAPHIC BREAKDOWN OF OUR 2006 NET SALES

The following chart indicates the geographic breakdown of our net

sales, before eliminations resulting from consolidation, for the year ended December 31, 2006:

[PIE CHART OMITTED]

For a description of a breakdown of total revenues by geographic markets for each of the years ended December 31, 2004, 2005 and 2006, please see Item 5 -- "Operating and Financial Review and Prospects."

RINKER BUSINESS OVERVIEW

Rinker is a leading international producer and supplier of materials, products and services used primarily in the construction industry. As of March 31, 2006, it had operating units in three countries, primarily in the United States and Australia, and employed over 14,350 people worldwide. The geographic distribution of Rinker's major operations is shown in the following table:

	AS OF MARCH 31, 2006			
	Number of Quarries, Sand and Aggregates Plants	Number of Cement Plants	Number of Concrete, Concrete Block and Asphalt Plants	Number of Concrete Pipe and Product Plants
United States.....	89	2	222	49
Australia.....	84	-	243	17
China.....	-	-	4	-

Rinker is one of the world's largest suppliers of ready-mix concrete and aggregates. For its fiscal year ended March 31, 2006, Rinker sold approximately 3.8 million tons of cement (including imports), approximately 20.5 million cubic meters of ready-mix concrete and approximately 118 million tons of aggregates. As of March 31, 2006, Rinker's total annual cement capacity was approximately three million tons. CEMEX and Rinker both have operations in the U.S., with Rinker's primary businesses being located in Florida, Arizona and Nevada.

The revenue information set forth below with respect to Rinker's operations for the twelve-month period ended March 31, 2007 has been derived from Rinker's audited annual financial statements for that period. Rinker's financial statements were prepared by Rinker in accordance with Australian International Financial Reporting Standards, or A-IFRS, which differ in significant respects from Mexican FRS.

For the twelve-month period ended March 31, 2007, Rinker's revenues from continuing operations, before revenues from unconsolidated joint ventures and associated entities, were approximately U.S.$5.3 billion, based on

information submitted by Rinker to the Australian Securities Exchange. Approximately U.S.$4.1 billion of these revenues were generated in the United States, and approximately U.S.$1.2 billion in Australia and China.

For further description of Rinker's operations, see Item 4 -- "Information on the Company -- North America -- Our U.S. Operations" and Item 4 -- "Information on the Company -- Description of Rinker Operations."

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, 2006, 55 of our 66 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. As of March 31, 2006, Rinker's two cement plants both used the dry process. 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
- The acquisition should offer a higher long-term return on our investment than our 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, 2006, we believe we have achieved approximately U.S.$360 million of annual savings from the RMC acquisition through cost-saving synergies. In the case of the Rinker acquisition, we similarly 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 of approximately U.S.$130 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 believe our Construrama branding and our other marketing strategies in Mexico have strengthened our distribution network, fostered greater loyalty among distributors and further fortified our commercial network. With Construrama, we have enhanced the operating and service standards of our distributors, providing them with training, a standard image and national publicity. We are also utilizing our Construrama strategy in our Venezuelan operations and may introduce this branding strategy in other markets, depending on market conditions and brand competition. Another strategy we have implemented in Mexico, which we call "Multiproductos," helps our distributors offer a wider array of construction materials and reinforces the subjective value of our products.

In Spain, we have implemented several initiatives to increase the value of our services to our clients such as mobile access to account information, 24-hour bulk cement dispatch capability, night delivery of ready-mix concrete, and a customer loyalty incentive program.

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 program, 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, 2006. 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. The chart does not take into account our acquisition of Rinker.

ORG CHART

Footnotes on next page

(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 Espana's 90% interest and Gestion Francazal Enterprises' 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 30% interest by CEMEX Espana.
(6) Represents CEMEX Asia Holdings' economic interest.
(7) Represents our economic interest in four UAE companies: RMC Topmix LLC, RMC Supermix LLC, Gulf Quarries Company and Falcon Cement 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 Espana S.A.'s 2% indirect interest.

NORTH AMERICA

For the year ended December 31, 2006, our business in North America, which includes our operations in Mexico and the United States, represented approximately 39% of our net sales. As of December 31, 2006, our business in North America represented approximately 43% of our total installed capacity and approximately 31% of our total assets. As a result of our acquisition of Rinker, our North American operations have recently increased significantly.

OUR MEXICAN OPERATIONS

Overview

Our Mexican operations represented approximately 18% of our net sales in constant Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2006.

As of December 31, 2006, we owned 100% of the outstanding capital stock of CEMEX Mexico. CEMEX Mexico 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 Mexico, indirectly, is also the holding company for our international operations. CEMEX Mexico, 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 3.0 million tons of cement per year, is expected to be completed in 2008. We expect our total capital investment in the construction of this new kiln over the course of two years will be approximately U.S.$170 million, including approximately U.S.$84 million during 2007. We expect that this investment will be fully funded with free cash flow generated during the two-year 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 3.2 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 7.6 million tons of cement per year, is expected to be completed in 2009. We expect our total capital investment in the construction of this new kiln over the course of three years will be approximately U.S.$460 million, including approximately U.S.$125 million during 2007. We expect that this investment will be fully funded with free cash flow generated during the three-year 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 expected 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, 2006, more than 730 independent concessionaries with close to 2,100 stores were integrated into the Construrama program, with nationwide coverage.

The Mexican Cement Industry

According to the Instituto Nacional de Estadistica, Geografia e Informatica, total construction output in Mexico increased 6.9% in 2006 compared to 2005. The increase in total construction output in 2006 was primarily

driven by the commercial and industrial housing and infrastructure segments, while the retail (self-construction) market increased 3.7%.

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 2006 accounted for approximately 66% 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 45% 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 "Monterrey," "Tolteca" and "Anahuac." 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 investment requirements; and
- the length of time required for construction of new plants, which is approximately two years.

Our Mexican Operating Network

[GRAPHIC OMITTED]

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(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 93 distribution centers (including eight marine terminals) located throughout Mexico. We operate modern plants on Mexico's Atlantic and Pacific coasts, allowing us to take advantage of low-cost maritime transportation to the Asian, Caribbean, Central and South American and U.S. markets.

Products and Distribution Channels

Cement. Our cement operations represented approximately 59% of our Mexican operations' net sales in 2006. Our domestic cement sales volume represented approximately 91% of our total Mexican cement sales volume in 2006. 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 2006, our Mexican operations sold approximately 60% of their cement sales volume through more than 5,600 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 2006.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 25% of our Mexican operations' net sales in 2006. Our ready-mix concrete operations in Mexico purchase all of 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.

Exports. Our Mexican operations export a portion of their cement production. Exports of cement and clinker by our Mexican operations represented approximately 9% of our total Mexican cement sales volume in 2006. In 2006, approximately 89% of our cement and clinker exports from Mexico were to the United States, 9% to Central America and the Caribbean and 2% 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, 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 in response to market conditions, subject to a maximum increase per year of 4.5%. For the second year of the transition period, the amount was increased by 2.7%. 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, one commencing in 2002 and the other in 2003, with Petroleos Mexicanos, or PEMEX, pursuant to which PEMEX agreed to supply us with a total of 1,750,000 tons of petcoke per year. 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 2.2% of the total fuel consumption for our Mexican operations in 2006, and we expect to increase this percentage to approximately 5% or 6% by the end of 2007.

In 1999, we reached an agreement with ABB Alstom Power and Sithe Energies, Inc. (currently Excelon Generation Company LLC) for the financing, construction and operation of "Termoelectrica 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. 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 May 1, 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. As of December 31, 2006, after 32 months of operation, the power plant has supplied electricity to 10 of our cement plants in Mexico covering approximately 77% of their needs for electricity and has represented a decrease of approximately 34% 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. This agreement is subject to several conditions, which had not been fulfilled as of the date of this annual report. The power plant, which has not yet been constructed, 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, 2006, 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 2006 production levels. As of December 31, 2006, all our production plants in Mexico utilized the dry process.

As of December 31, 2006, we had a network of 85 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 293 ready-mix concrete plants throughout 78 cities in Mexico, more than 2,388 ready-mix concrete delivery trucks and 19 aggregates quarries.

Capital Investments

We made capital expenditures of approximately U.S.$90 million in 2004, U.S.$102 million in 2005, and U.S.$353 million in 2006 in our Mexican operations. We currently expect to make capital expenditures of approximately U.S.$395 million in our Mexican operations during 2007, 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 21% of our net sales in constant Peso terms, before eliminations resulting from consolidation, for the year ended December 31, 2006. In addition, Rinker's U.S. operations are described below.

As of December 31, 2006, we held 100% of CEMEX, Inc., our operating subsidiary in the United States.

As of December 31, 2006, we had a cement manufacturing capacity of approximately 13.3 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, 2006, we operated a geographically diverse base of 12 cement plants located in Alabama, California, Colorado, Florida, Georgia, Kentucky, Ohio, Pennsylvania, Tennessee and Texas. As of that date, we also had 48 rail or water served active cement distribution terminals in the United States. As of December 31, 2006, we had 238 ready-mix concrete plants located in the Carolinas, Florida, Georgia, Texas, New Mexico, Nevada, Arizona and California and aggregates facilities in North Carolina, Arizona, California, Florida, New Mexico, Nevada and Texas, not including the assets we contributed to Ready Mix USA, LLC, as described below.

As of March 31, 2006, Rinker operated, through its Rinker Materials subsidiary, 89 quarries, sand and aggregates plants in the U.S., principally in the southeast (Florida, Georgia, Tennessee and Kentucky) and the western U.S. states (Arizona, Nevada, Oregon, Washington state and northern California). In total, Rinker supplied approximately 92 million tons of aggregates in the U.S. during the twelve-month-period ended March 31, 2006. As of that date, Rinker also operated two cement plants and two cement terminals in Florida, and operated more than 220 concrete, concrete block and asphalt plants, located mainly in Florida, Arizona and Nevada. In total, Rinker produced about 13.6 million cubic meters of concrete in the U.S. in the twelve-month period ended March 31, 2006, as well as about 200 million units of concrete block. As of March 31, 2006, Rinker also operated 49 concrete pipe and product plants in the

U.S., as well as 30 gypsum supply outlets.

For the 12-month period ended March 31, 2007, Rinker's operations in the United States generated revenues of approximately U.S.$4.1 billion, based on information submitted by Rinker to the Australian Securities Exchange.

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 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. In a separate transaction, on September 1, 2005, we sold 27 ready-mix plants and four concrete block facilities located in the Atlanta, Georgia metropolitan area to Ready Mix USA, LLC for approximately U.S.$125 million.

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.

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 addition, as a result of our acquisition of Rinker, we are required by the Consent Decree that we entered into with the Antitrust Division to divest certain Rinker and CEMEX assets. These divestitures must occur on or before October 17, 2007, unless the U.S. Department of Justice grants one or more extensions which may not exceed a total of 60 calendar days.. For a description of the assets to be divested, see " -- Recent Developments -- Rinker Acquisition."

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 2008. We expect our total capital investment in the construction of this new kiln over the course of three years will be approximately U.S.$250 million, including U.S.$27 million in 2006 and an expected U.S.$180 million during 2007. We expect that this investment will be fully funded with free cash flow generated during the three-year construction period.

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, which we acquired from RMC.

The Cement Industry in the United States

According to the U.S. Census Bureau, total construction spending in the U.S. increased 4.7% in 2006 compared to 2005. The increase in total construction spending in 2006 was primarily driven by increased demand from the public sector and a recovery in industrial and commercial construction, partially offset by weak demand from the residential sector.

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 has become less vulnerable to recessionary pressures than in previous cycles, due to the growing importance of the generally counter-cyclical public sector. In 2006, according to our estimates, public sector spending accounted for approximately 47% of the total cement consumption in the U.S. 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 close to 92.2% 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 2006 U.S. Geological Survey, approximately 3,800 companies operated approximately 6,000 quarries and pits.

Our United States Cement Operating Network

The map below reflects our cement plants and cement terminals in the United States as of December 31, 2006.

[U.S. MAP GRAPHIC OMITTED]

The map below reflects Rinker's assets in the United States as of March 31, 2006. As of March 31, 2006, Rinker in the United States operated two cement plants located in Florida with an installed capacity of 1.9 million tons of cement, as well as two cement terminals, 172 ready-mix concrete plants, 29 concrete block plants, 21 asphalt plants and 49 concrete pipe and concrete products plants.

[U.S. MAP GRAPHIC OMITTED]

The map below intends to provide an approximate overview of our future U.S. operations if the integration of Rinker's U.S. assets is executed as currently planned and if the divestitures of certain of our and Rinker's assets are completed as required by the Antitrust Division.

[U.S. MAP GRAPHIC OMITTED]

Products and Distribution Channels

Cement. Our cement operations represented approximately 40% of our U.S. operations' net sales in 2006. 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 37% of our U.S. operations' net sales in 2006. 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, Ready Mix USA, LLC, an entity in which Ready Mix USA owns a 50.01% interest and we own a 49.99% interest, 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 11% of our U.S. operations' net sales in 2006. At 2006 production levels, and based on 45 active locations, it is anticipated that approximately 64% of our construction aggregates reserves in the U.S. will last for 10 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 41% of our U.S. operations' total production costs in 2006. 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 2006, the use of alternative fuels offset the effect on our fuel costs of a significant increase in coal prices. Power costs in 2006 represented approximately 19% of our U.S. 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, 2006, we operated 12 cement manufacturing plants in the U.S., with a total installed capacity of 13.3 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 48 cement terminals, eight of which are deep-water terminals. All our cement production facilities in 2006 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. On March 20, 2006, we agreed to terminate the lease on the Balcones cement plant prior to expiration and purchased the Balcones cement plant for approximately U.S.$61 million.

As of December 31, 2006, we had 238 wholly-owned ready-mix concrete plants and 45 aggregates quarries, and we also have interests in 161 ready-mix concrete plants, 13 aggregates quarries and 20 block plants in the Florida panhandle and southern Georgia, 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 of December 31, 2006, we distributed fly ash through 16 terminals and 15 third-party-owned utility plants, which operate both as sources of fly ash and distribution terminals. As of that date, we also owned 32 concrete block, paver, pipe and precast facilities, and had interests in 20 concrete block, paver, pipe and precast facilities, which are owned by Ready Mix USA, LLC.

As of March 31, 2006, Rinker operated, through its Rinker Materials subsidiary, 89 quarries, sand and aggregates plants in the U.S., as well as two cement plants, two cement terminals, more than 220 concrete, concrete block and asphalt plants, 49 concrete pipe and product plants, and 30 gypsum supply outlets.

Capital Investments

We made capital expenditures of approximately U.S.$111 million in 2004, U.S.$160 million in 2005, and U.S.$344 million in 2006 in our U.S. operations. We currently expect to make capital expenditures of approximately U.S.$363 million in our U.S. operations during 2007, including those related to the expansion of the Balcones cement plant described above, but excluding those related to Rinker's U.S. operations. 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 2007.

EUROPE

For the year ended December 31, 2006, our business in Europe, which includes our operations in Spain, the United Kingdom and our Rest of Europe segment, as described below, represented approximately 39% of our net sales. As of December 31, 2006, our business in Europe represented approximately 28% of our total installed capacity and approximately 33% 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, for the year ended December 31, 2006.

As of December 31, 2006, we held 99.7% of CEMEX Espana, S.A., or CEMEX Espana, our operating subsidiary in Spain. Our cement activities in Spain are conducted by CEMEX Espana itself and Cementos Especiales de las Islas, S.A., or CEISA, a joint venture 50%-owned by CEMEX Espana and 50%-owned by Tudela Veguin, a Spanish cement producer. Our ready-mix concrete activities in Spain are conducted by Hormicemex, S.A., a subsidiary of CEMEX Espana, and our aggregates activities in Spain are conducted by Aricemex S.A., a subsidiary of CEMEX Espana. CEMEX Espana is also a holding company for most of our international operations.

In March 2006, we announced a plan to invest approximately (euro)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 (euro)11 million in 2006 and an expected (euro)21 million during 2007. The new facilities, which are designed to have a production capacity of nearly one million tons of cement and 200,000 tons of dry mortar per year, are expected to be completed in 2008.

Additionally, during the course of 2007 we will be increasing our installed capacity for white cement at our Bunol plant, located in the Valencia region, through the installation of a new production line.

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 first quarter of 2009. Our investment in the construction of the plant is expected to be approximately (euro)84 million, including approximately (euro)27 million during 2007. We will hold a 70% interest in Cementos Andorra and the Burgos family will hold a 30% interest.

The Spanish Cement Industry

According to the Spanish National Institute of Statistics, in 2006, the construction sector of the Spanish economy increased 5.8% compared to 2005, primarily as a result of the growth of construction in the residential sector. According to the Asociacion de Fabricantes de Cemento de Espana, or OFICEMEN, the Spanish cement trade organization, cement consumption in Spain in 2006 increased an estimated 8.2% compared to 2005. OFICEMEN modified the percentage increase of cement consumption in 2005 compared to 2004 from 5.1% to 7.3% as a result of a change in the applied methodology.

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 decreased 3.4% in 2004, and increased 12.4% in 2005 and 3% in 2006. Clinker imports have been significant, with increases of 6.3% in 2004, 25% in 2005 and 19.7% in 2006. In any case, imports primarily had an impact on coastal zones, since transportation costs make it less profitable to sell imported cement in inland markets. OFICEMEN modified the percentage change of cement imports for 2005 compared to 2004 from a decrease of 1.4% to an increase of 12.4% as a result of a change in the applied methodology. The percentage increase of clinker imports was also modified for 2005 from a previous increase of 18.3%.

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. Our Spanish operations' cement and clinker export volumes decreased 23% in 2004 and 40% in 2005, but increased 25% in 2006, primarily as a result of cement demand in Africa.

Competition

According to OFICEMEN, as of December 31, 2006, 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 Castellon, Valencia, Alicante and Murcia regions),and Aragon (includes the Huesca, Zaragoza and Teruel regions). In other areas, such as central Spain and Cataluna (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 Espana's business strategy.

Our Spanish Operating Network

[MAP OF SPAIN GRAPHIC OMITTED]

Products and Distribution Channels

Cement. Our cement operations represented approximately 53% of our Spanish operations' net sales in 2006. CEMEX Espana offers various types of cement, targeting specific products to specific markets and users. In 2006, approximately 13% of CEMEX Espana's domestic sales volumes consisted of bagged cement through distributors, and the remainder of CEMEX Espana's domestic sales volumes consisted of bulk cement, primarily to ready-mix concrete operators, which include CEMEX Espana'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 23% of our Spanish operations' net sales in 2006. Our ready-mix concrete operations in Spain in 2006 purchased over 80% of their cement requirements from our Spanish cement operations, and approximately 41% 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 2006.

Aggregates. Our aggregates operations represented approximately 5% of our Spanish operations' net sales in 2006.

Exports. Exports of cement by our Spanish operations represented approximately 1% of our Spanish operations' net sales in 2006. Export prices are usually lower than domestic market prices, and costs are usually higher for export sales. Of our total exports from Spain in 2006, 88% consisted of white cement and 12% consisted

of gray cement. In 2006, 37% of our exports from Spain were to the United States, 50% to Africa and 13% 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 2006, we burned meal flour, organic waste, tires and plastics as fuel, achieving in 2006 a 5.1% substitution rate for petcoke. During 2007, we expect to increase the quantity of those alternative fuels.

Description of Properties, Plants and Equipment

As of December 31, 2006, our Spanish operations operated eight cement plants located in Spain, with an installed cement capacity of 11.0 million tons, including 1.4 million tons of white cement. As of that date, we also owned three cement mills, one of which is held through CEISA, 28 distribution centers, including 10 land and 18 marine terminals, and 12 mortar plants, including one which is held through CEISA and another in which we also hold a 50% participation. In addition, as of such date, we owned 115 ready-mix concrete plants, including five through CEISA, and 24 aggregates quarries.

As of December 31, 2006, we owned nine limestone quarries located in close proximity to our cement plants, which have useful lives ranging from 10 to 30 years, assuming 2006 production levels. Additionally, we have rights to expand those reserves to 50 years of limestone reserves, assuming 2006 production levels.

Capital Investments

We made capital expenditures of approximately U.S.$55 million in 2004, U.S.$66 million in 2005, and U.S.$162 million in 2006 in our Spanish operations. We currently expect to make capital expenditures of approximately U.S.$185 million in our Spanish operations during 2007, including those related to the construction of the new cement mill and dry mortar production plant in the Port of Cartagena, the construction of a new production line for white cement at our Bunol plant, and the construction of the new cement production facility in Teruel, described above.

OUR U.K. OPERATIONS

Overview

Our U.K. operations represented approximately 10% of our net sales in constant Peso terms, before eliminations resulting from consolidation, for the

year ended December 31, 2006.

As of December 31, 2006, 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 2.7% during 2006. Total construction output grew by 1.3% in 2006, recovering from a decline of 0.9% in 2005 as compared to the prior year. The private housing sector grew by approximately 2%, and the public housing sector grew by approximately 23% in 2006, while the total public construction sector continued its declining trend. Infrastructure construction declined by 6.3% while public works other than public housing declined by 4% in 2006. Commercial and industrial construction activity continued to grow by 13.3% and 11.3%, respectively, in 2006. Repair and maintenance activity recovered in the last quarter of 2006 but declined 2.8% over the full year.

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

[U.K. MAP - GRAPHIC OMITTED]

Products and Distribution Channels

Cement. Our cement operations represented approximately 12% of our U.K. operations' net sales in 2006. About 90% of our cement sales were of bulk cement, with the remaining 10% 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 2006, we imported 0.2 million tons of cement, a decrease of 31% compared to our 2005 imports. This decrease was due to an increase in local production in our three cement plants.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 31% of our U.K. operations' net sales in 2006. Special products, including self-compacting concrete, fiber-reinforced concrete, high strength concrete, flooring concrete and filling concrete, represented 9.4% of our sales volume. Our ready-mix concrete operations in the U.K. in 2006 purchased approximately 57% of their cement requirements from our U.K. cement operations and approximately 66% 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 24% of our U.K. operations' net sales in 2006. In 2006, our U.K. aggregates sales were divided as follows: 47% were sand and gravel, 43% limestone and 10% hard stone. In 2006, 11% of our aggregates were obtained from marine sources along the U.K. coast. In 2006, approximately 47% 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 main contractors to build roads and other infrastructure projects.

Production Costs

Cement. Overall capacity utilization for the U.K. was 83% during 2006. Our South Ferriby plant achieved record production levels for cement and clinker. We continued to implement our cost reduction programs, which resulted in a reduction of maintenance costs by 12.6% in 2006 as compared to 2005. We also increased the usage of alternative fuels to 12% from 10% in 2005.

Ready-Mix Concrete. In 2006, we increased the productivity of our ready-mix concrete plants by 6% based on volume produced. We also increased the utilization of our ready-mix concrete trucks, reducing the need to hire costly third party trucks. In addition, we reduced our maintenance and other fixed costs in our ready-mix concrete operations by 6% compared to 2005.

Aggregates. In 2006, we increased the productivity of our quarries by 12% based on volume. In addition, we reduced our maintenance and other fixed costs in our aggregates operations by 11% compared to 2005.

Description of Properties, Plants and Equipment

As of December 31, 2006, 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, an upward adjustment of 0.1 million tons compared to 2005, resulting from the application of standardized capacity calculation methods. As of that date, we also owned six cement import terminals and operated 269 ready-mix concrete plants and 78 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 January 2007, we announced our plan to construct a new grinding mill and blending facility at the Port of Tilbury, located on the Thames river east of London, with an annual capacity of approximately 1.2 million tons per year. We expect our total capital investment in the construction of this new grinding mill over the course of two years to be approximately U.S.$51 million, including U.S.$36 million during 2007.

Capital Investments

We made capital expenditures of approximately U.S.$115 million in 2006 in our U.K. operations. We currently expect to make capital expenditures of approximately U.S.$148 million in our U.K. operations during 2007, 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, 2006, 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 minority interest in a Lithuanian company, represented approximately 20% of our 2006 net sales in constant Peso terms, before eliminations resulting from consolidation.

Our German Operations

Overview

As of December 31, 2006, 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 1.6% in 2006. Data from the Federal Statistical Office indicate an increase in construction investments by 4.2% for 2006, driven by increases in

the residential, non-residential and civil engineering sectors of 4.0%, 4.4% and 4.0%, respectively. According to the German Cement Association, total cement consumption in Germany increased by 6% to 28.6 millions tons in 2006. The concrete and aggregates markets showed similar growth with increases of 7% and 6%, 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

[MAP OF GERMANY - GRAPHIC OMITTED]

(1) In 2006, we closed the kiln at the Mersmann cement plant, but grinding and packing activities remain operational. We do not anticipate resuming kiln operations at this plant in 2007.

Description of Properties, Plants and Equipment

As of December 31, 2006, we operated two cement plants in Germany (not including the Mersmann plant). As of December 31, 2006, our installed cement capacity in Germany was 6.0 million tons per year (including the Mersmann plant capacity of 0.6 million tons). As of that date, we also operated three cement grinding mills, 195 ready-mix concrete plants (including two mobile plants), 42 aggregates quarries and four land distribution centers in Germany.

Capital Investments

We made capital expenditures of approximately U.S.$50 million in 2006 in our German operations, and we currently expect to make capital expenditures of approximately U.S.$80 million in our German operations during 2007.

Our French Operations

Overview

As of December 31, 2006, 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 4.5% in 2006. The increase was primarily driven by an increase of 5.1% in the residential construction sector. According to the French cement producers association, total cement consumption in France reached 23.9 million tons in 2006, an increase of 5.9% compared to 2005.

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, 2006, we operated 230 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 Investments

We made capital expenditures of approximately U.S.$33 million in 2006 in our French operations, and we currently expect to make capital expenditures of approximately U.S.$48 million in our French operations during 2007.

Our Irish Operations

As of December 31, 2006, 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 products (blocks, pipes, roof tiles, flooring and paving stones). We are also involved in the production and distribution of pre-cast, pre-stressed and architectural pre-cast products for distribution throughout Ireland. As of December 31, 2006, we operated 42 ready-mix concrete plants, 23 aggregates quarries, 19 block plants and seven concrete products facilities located in the Republic of Ireland, Northern Ireland, Scotland, Wales and the Isle of Man. As of that date, we also operated three maritime terminals for cement importation for the Republic of Ireland, Northern Ireland and the Isle of Man. We have a joint venture with Lafarge for the importation and distribution of cement in the Isle of Man.

According to DKM Economic Consultants, total construction output in the Republic of Ireland is estimated to have increased by 14% in 2006. The expected increase was driven by an increase of 12.8% in the residential sector, 22% in the non-residential sector and 13.9% in the infrastructure sector. According to our estimates, total cement consumption in the Republic of Ireland and Northern Ireland reached 6.5 million tons in 2006, an increase of 5.2%.

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.$21 million in 2006 in our Irish operations, and we currently expect to make capital expenditures of approximately U.S.$25 million in our Irish operations during 2007.

Our Austrian Operations

As of December 31, 2006, 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, 2006, we operated 40 ready-mix concrete plants and 30 aggregates quarries in Austria.

According to Euroconstruct, total construction output in Austria grew by 4% in 2006. The increase was primarily driven by an increase of 5.4% in public infrastructure construction in 2006, after an increase of 1.5% in 2005. Demand for new housing construction and renovation also increased 4.3% due to

economic upswings and demographic changes as a result of immigration. According to Euroconstruct, total cement consumption in Austria increased 2% in 2006.

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

We made capital expenditures of approximately U.S.$23 million in 2006 in our Austrian operations, and we currently expect to make capital expenditures of approximately U.S.$8 million in our Austrian operations during 2007. In 2006, we also sold our precast operations, as we were not vertically integrated in this business, in order to focus all our resources on our aggregates and ready-mix concrete operations.

Our Polish Operations

As of December 31, 2006, 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. 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 (euro)12 million. As of December 31, 2006, we operated two cement plants in Poland, with a total installed cement capacity of 2.8 million tons per year, a downward adjustment of 0.3 million tons compared to 2005, resulting from the application of standardized capacity calculation methods. As of that date, we also operated one grinding mill, 40 ready-mix concrete plants and nine 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 17.5% in 2006. In addition, according to the Polish Cement Association, total cement consumption in Poland reached 14.4 million tons in 2006, an increase of 21.4% compared to 2005.

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.$13 million in 2006 in our Polish operations, and we currently expect to make capital expenditures of approximately U.S.$48 million in our Polish operations during 2007.

Our Balkan Operations

As of December 31, 2006, we held 99.2% of Dalmacijacement d.d., our operating subsidiary in Croatia. We are the largest cement producer in Croatia based on installed capacity as of December 31, 2006, according to our estimates. As of December 31, 2006, we operated three cement plants in Croatia, with an installed capacity of 2.4 million tons per year, a downward adjustment of 0.2 million tons compared to 2005, resulting from the application of standardized capacity calculation methods. As of that date, we also operated 12 land distribution centers, three maritime cement terminals, two ready-mix concrete facilities and one aggregates quarry in the Croatia, Bosnia and Montenegro region.

According to the Croatian Cement Association, total cement consumption in Croatia reached 2.8 million tons in 2006, an increase of 8.1% compared to 2005.

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

We made capital expenditures of approximately U.S.$12 million in 2006 in our Croatian operations, and we currently expect to make capital expenditures of approximately U.S.$25 million in our Croatian operations during 2007.

Our Czech Republic Operations

As of December 31, 2006, 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, 2006, 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 10.4% in 2006. The increase was primarily driven by growth in the residential construction sector. According to Euroconstruct, total cement consumption in the Czech Republic reached 4.6 million tons in 2006, an increase of 7.2% compared to 2005.

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.$5 million in 2006 in our Czech Republic operations, and we currently expect to make capital expenditures of approximately U.S.$7 million in our Czech Republic operations during 2007.

Our Hungarian Operations

As of December 31, 2006, we held 100% of Danubiousbeton Betonkeszito Kft, our operating subsidiary in Hungary. As of December 31, 2006, we operated 36 ready-mix concrete plants and eight aggregates quarries in Hungary.

According to the Hungarian Statistical Office, total construction output in Hungary decreased by 1.6% in 2006. The decrease was primarily driven by a reduction of public infrastructure construction. Total cement consumption in Hungary remained unchanged at 4.1 million tons in 2006 compared to 2005.

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.$7 million in 2006 in our Hungarian operations, and we currently expect to make capital expenditures of approximately U.S.$7 million in our Hungarian operations during 2007.

Our Latvian Operations

As of December 31, 2006, 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, 2006, we operated one cement plant in Latvia with an installed cement capacity of 0.5 million tons per year, an upward adjustment of 0.1 million tons compared to 2005, resulting from the application of standardized capacity calculation methods. As of that date, we also operated two 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 in 2008. We expect our total capital investment in the capacity expansion over the course of three years will be approximately U.S.$258 million, which includes U.S.$11 million invested during 2006 and an expected U.S.$140 million during 2007.

We made capital expenditures of approximately U.S.$19 million in 2006 in our Latvian operations, and we currently expect to make capital expenditures of approximately U.S.$154 million in our Latvian operations during 2007, including those related to the expansion of our cement plant described above.

Our Lithuanian Equity Investment

As of December 31, 2006, 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, a downward adjustment of 1.3 million tons compared to 2005, resulting from the application of standardized capacity calculation methods.

Our Italian Operations

As of December 31, 2006, we held 100% of Cementilce S.R.L., the holding company for our Italian operations. As of that date, we had three grinding mills in Italy. The first mill started operations at the end of the third quarter of 2005, and has an installed capacity of 450,000 tons. The second mill began operations in the second quarter of 2006, and has an installed capacity of 750,000 tons per year. The third mill began operations in the last quarter of 2006, and has an installed capacity of approximately 420,000 tons per year. Our total investment in the third mill is approximately U.S.$29 million, including approximately U.S.$4 million in capital investments. We are also in the process of building a fourth mill in Italy, with an expected installed capacity of 750,000 tons per year. This mill is expected to be completed in the third quarter of 2007. Our operations in Italy enhance our trading operations in the Mediterranean region.

We made capital investments of approximately U.S.$33 million during 2004, approximately U.S.$33 million during 2005, and approximately U.S.$26 million in 2006 in our Italian operations. We currently expect to make capital investments of approximately U.S.$40 million in our Italian operations during 2007, including those related to the building of our fourth mill.

Our Other European Operations

As of December 31, 2006, we operated 10 marine cement terminals in Finland, Norway and Sweden through Embra AS, a leading bulk-cement importer in the Nordic region.

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

SOUTH AMERICA, CENTRAL AMERICA AND THE CARIBBEAN

For the year ended December 31, 2006, 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 8% of our net sales. As of December 31, 2006, our business in South America, Central America and the Caribbean represented approximately 17% of our total installed capacity and approximately 8% of our total assets.

Our Venezuelan Operations

Overview

As of December 31, 2006, 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. CEMEX Venezuela also serves as the holding company for our interests in the Dominican Republic, Panama and Trinidad. As of December 31, 2006, CEMEX Venezuela was the largest cement producer in Venezuela, based on an installed capacity of 4.6 million tons.

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, 2006, 103 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 30.5% in 2006, as the Venezuelan economy continued to recover from Venezuela's political and economic turmoil during 2003. In February 2003, Venezuelan authorities imposed foreign exchange controls and implemented price controls on many products, including cement. In 2006, the annual inflation rate in Venezuela increased to 17%, the Venezuelan Bolivar maintained its parity against the Dollar at 2,150 Bs/Dollar, and gross domestic product increased 10.3%. In 2005, a major government housing plan began and continued throughout 2006. On January 31, 2007, the Venezuelan National Assembly passed an enabling law, granting President Hugo Chavez the power to govern by decree with the force of law for 18 months. President Chavez has recently indicated that cement producers in Venezuela may be nationalized in the future.

Competition

As of December 31, 2006, 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.

In 2006, the ready-mix concrete market accounted for only about 8% 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, the ready-mix concrete market in Venezuela is concentrated in two companies, 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, 2006, 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 2006 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.

[MAP OF VENEZUELA - GRAPHIC OMITTED]

Distribution Channels

Transport by land is handled partially by CEMEX Venezuela. During 2006, approximately 38% 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.

Exports

During 2006, exports from Venezuela represented approximately 26% of CEMEX Venezuela's net sales. CEMEX Venezuela's main export markets historically have been the Caribbean and the east coast of the United States. In 2006, 40% of our exports from Venezuela were to the United States, and 60% were to South America, Central America and the Caribbean.

Description of Properties, Plants and Equipment

As of December 31, 2006, 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 375,000 tons. As of December 31, 2006, CEMEX Venezuela owned 33 ready-mix concrete production facilities, one dry mortar plant, 13 land distribution centers and seven limestone quarries with reserves sufficient for over 100 years at 2006 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, 2006, 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 Investments

We made capital expenditures of approximately U.S.$14 million in 2004, U.S.$23 million in 2005, and U.S.$41 million in 2006 in our Venezuelan operations. We currently expect to make capital expenditures of approximately U.S.$41 million in our Venezuelan operations during 2007.

Our Colombian Operations

Overview

As of December 31, 2006, we owned approximately 99.7% of CEMEX Colombia, S.A., or CEMEX Colombia, our operating subsidiary in Colombia. As of December 31, 2006, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed capacity according to the Colombian Institute of Cement Producers.

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 Bogota, Medellin and Cali. During 2006, these three metropolitan areas accounted for approximately 46% 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 3.2 million tons as of December 31, 2006. CEMEX Colombia, through its Bucaramanga and Cucuta plants, is also an active participant in Colombia's northeastern market. CEMEX Colombia's strong position in the Bogota ready-mix concrete market is largely due to its access to a ready supply of aggregates deposits in the Bogota area.

The Colombian Cement Industry

According to the Colombian Institute of Cement Producers, the installed

capacity for cement in Colombia in 2006 was 15.9 million tons. According to that organization, total cement consumption in Colombia reached 8.0 million tons during 2006, an increase of 2.2%, while cement exports from Colombia reached 2.4 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 Antioqueno," 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, Compania Colclinker in Cartagena and Tolcemento in Tolu. The other principal cement producer is Holcim Colombia.

Our Colombian Operating Network

[MAP OF COLOMBIA - GRAPHIC OMITTED]

Description of Properties, Plants and Equipment

As of December 31, 2006, CEMEX Colombia owned six cement plants and one grinding mill, 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, 2006, CEMEX Colombia owned seven land distribution centers, one mortar plant, 32 ready-mix concrete plants, one concrete products plant and four aggregates operations. As of that date, CEMEX Colombia also owned five limestone quarries with minimum reserves sufficient for over 60 years at 2006 production levels.

Capital Investments

We made capital expenditures of approximately U.S.$9 million in 2004, U.S.$7 million in 2005 and U.S.$31 million in 2006 in our Colombian operations. We currently expect to make capital investments of approximately U.S.$14 million in our Colombian operations during 2007.

Our Costa Rican Operations

As of December 31, 2006, 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, 2006, 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 San Jose. As of December 31, 2006, CEMEX Costa Rica operated seven ready-mix concrete plants, one aggregates quarry, and one land distribution center.

During 2006, exports of cement by our Costa Rican operations represented approximately 8% of our total cement production in Costa Rica. In 2006, 7% of our exports from Costa Rica were to Nicaragua, 84% to El Salvador and 9% to Guatemala.

Approximately 1.3 million tons of cement were sold in Costa Rica during 2006, according to Camara de la Construccion 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.$3 million in 2004, U.S.$5 million in 2005 and U.S.$7 million in 2006 in our Costa Rican operations. We currently expect to make capital expenditures of approximately U.S.$8 million in our Costa Rican operations during 2007.

Our Dominican Republic Operations

As of December 31, 2006, we held, through CEMEX Venezuela, 99.9% of CEMEX Dominicana, S.A. (formerly Cementos Nacionales, S.A.), or CEMEX Dominicana, our operating subsidiary in the Dominican Republic and a leading cement producer in the country. 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, Azua 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 June 2003, CEMEX Dominicana announced a U.S.$130 million investment plan to install a new kiln for producing clinker with an annual capacity of 1.6 million tons of clinker. This new kiln, which increased our total cement production capacity in the Dominican Republic to 2.6 million tons per year, began operations at the end of 2005.

In 2006, Dominican Republic cement consumption reached 3.8 million tons. Our principal competitors in the Dominican Republic are Domicen, an Italian cement producer that started cement production in 2005, Cementos Cibao, a local competitor, Cemento Colon, an affiliate of Holcim and Cementos Andinos, a Colombian cement producer.

As of December 31, 2006, 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, six land distribution centers and two marine terminals.

We made capital expenditures of approximately U.S.$56 million in 2004, U.S.$87 million in 2005, and U.S.$27 million in 2006 in our Dominican Republic operations. We currently expect to make capital investments of approximately U.S.$10 million in our Dominican Republic operations during 2007.

Our Panamanian Operations

As of December 31, 2006, we held, through CEMEX Venezuela, a 99.3% interest in Cemento Bayano, S.A., or Cemento Bayano, our operating subsidiary in Panama and a leading cement producer in the country. As of December 31, 2006, 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 11 ready-mix concrete plants, two aggregates quarries and three land distribution centers.

Approximately 1.1 million cubic meters of ready-mix concrete were sold in Panama during 2006, according to the General Comptroller of the Republic of Panama (Contraloria General de la Republica de Panama). Panamanian cement consumption increased 11% in 2006, according to our estimates. The Panamanian cement industry includes two cement producers, Cemento Bayano and Cemento Panama, 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. The new kiln is expected to increase the Bayano plant's annual clinker production capacity by approximately 1.15 million tons to approximately 1.6 million tons of clinker per year. Cement production capacity is expected to increase to 1.4 million tons per year. Construction of the new

kiln is expected to be completed in 2009 with an investment of approximately U.S.$200 million.

We made capital expenditures of approximately U.S.$6 million in 2004, U.S.$5 million in 2005, and U.S.$26 million in 2006 in our Panamanian operations. We currently expect to make capital expenditures of approximately U.S.$47 million in our Panamanian operations during 2007, including those related to the construction of the new kiln described above.

Our Nicaraguan Operations

As of December 31, 2006, 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 0.7 million tons of cement were sold in Nicaragua during 2006. 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 three mobile plants in the country. According to our estimates, approximately 110,000 cubic meters of ready-mix concrete were sold in Nicaragua during 2006. At the end of 2006, we also bought an aggregates quarry.

We made capital expenditures of approximately U.S.$3 million in 2004, U.S.$7 million in 2005 and U.S.$6 million in 2006 in our Nicaraguan operations. We currently expect to make capital expenditures of approximately U.S.$4 million in our Nicaraguan operations during 2007.

Our Puerto Rican Operations

As of December 31, 2006, we owned 100% of CEMEX de Puerto Rico, Inc. (formerly Puerto Rican Cement Company, Inc.), or CEMEX Puerto Rico, our operating subsidiary in Puerto Rico. As of December 31, 2006, CEMEX Puerto Rico operated one cement plant, with an installed cement capacity of approximately 1.1 million tons per year. As of that date, CEMEX Puerto Rico also owned and operated 20 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 2006, Puerto Rican cement consumption reached 1.8 million tons. The Puerto Rican cement industry in 2006 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.$8 million in 2004, U.S.$10 million in 2005, and U.S.$33 million in 2006 in our Puerto Rican operations, including the acquisition of the aggregates quarry described above. We currently expect to make capital investments of approximately U.S.$19 million in our Puerto Rican operations during 2007.

Our Guatemalan Operations

In January 2006, we acquired a controlling stake (51%) in a grinding mill with an installed capacity of 500,000 tons per year in Guatemala for approximately U.S.$17.4 million. As of December 31, 2006, we also owned and operated three land distribution centers and a clinker silo close to a maritime terminal.

Our Other South America, Central America and the Caribbean Operations

As of December 31, 2006, 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, 2006, we operated a network of eight marine terminals in the Caribbean region, which

facilitated exports from our operations in several countries, including Mexico, 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, 2006, 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 Island and Bermuda Cement Co. in Bermuda. As of December 31, 2006, we also hold 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.

AFRICA AND THE MIDDLE EAST

For the year ended December 31, 2006, our business in Africa and the Middle East, which includes our operations in Egypt, the United Arab Emirates and Israel, represented approximately 4% of our net sales. As of December 31, 2006, our business in Africa and the Middle East represented approximately 5% of our total installed capacity and approximately 3% of our total assets.

Our Egyptian Operations

As of December 31, 2006, we had a 95.8% interest in Assiut Cement Company, or Assiut, our operating subsidiary in Egypt. As of December 31, 2006, we operated one cement plant in Egypt, with an installed capacity of approximately 5.0 million tons, an upward adjustment of 0.1 million tons compared to 2005, resulting from the implementation of process and equipment optimization procedures in our Egyptian operations. 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 that date we operated three ready-mix concrete plants and six land distribution centers in Egypt.

According to our estimates, the Egyptian market consumed approximately 30 million tons of cement during 2006. Cement consumption increased by 7.3% in 2006, due to an economic recovery in Egypt and the positive effect of government reforms.

As of December 31, 2006, the Egyptian cement industry had a total of nine cement producers, with an aggregate annual installed cement capacity of approximately 42 million tons. According to the Egyptian Cement Council, during 2006, 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 73% 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.

We made capital expenditures of approximately U.S.$9 million in 2004, U.S.$9 million in 2005, and U.S.$16 million in 2006 in our Egyptian operations. We currently expect to make capital expenditures of approximately U.S.$29 million in our Egyptian operations during 2007.

Our United Arab Emirates (UAE) Operations

As of December 31, 2006, we held a 49% equity interest in four UAE companies: CEMEX Topmix LLC and CEMEX Supermix LLC, two ready-mix holding companies, Gulf Quarries Company, an aggregates company, 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 four companies. As of December 31, 2006, we

operated 12 ready-mix concrete plants in the UAE, serving the markets of Dubai, Abu Dhabi, Ras Al Khaimah and Sharjah, together with our investment in an aggregates quarry in the UAE.

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 new facility, which is designed to increase our total grinding capacity in the region to approximately 1.6 million tons per year, is expected to be completed in 2007.

We made capital expenditures of approximately U.S.$24 million in 2006 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.$62 million in our UAE operations during 2007, including those related to the new grinding facility.

Our Israeli Operations

As of December 31, 2006, 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, 2006, we operated 59 ready-mix concrete plants, one concrete products plant and one admixtures plant in Israel.

As of December 31, 2006, 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 marble. As of December 31, 2006, through Lime & Stone (L&S) Ltd., we operated 12 aggregates quarries, two asphalt plants, one lime factory and one marble facility.

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

ASIA

For the year ended December 31, 2006, our business in Asia, which includes our operations in the Philippines, Thailand and Malaysia, as well as our other assets in Asia, represented approximately 2% of our net sales. As of December 31, 2006, our business in Asia represented approximately 7% of our total installed capacity and approximately 2% of our total assets. In July and August, 2006, we sold our 25.5% interest in PT Semen Gresik, an Indonesian cement producer, for approximately U.S.$346 million (Ps3,737 million).

Our Philippine Operations

As of December 31, 2006, 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, or APO.

According to Cement Manufacturers' Association of the Philippines (CEMAP), cement consumption in the Philippine market, which is primarily retail, totaled 11.7 million tons during 2006. Philippine demand for cement decreased by approximately 0.6% in 2006. Domestic cement consumption in the Philippines has declined during seven of the last 10 years.

As of December 31, 2006, the Philippine cement industry had a total of 18 cement plants. Annual installed clinker capacity is 22 million tons, according to CEMAP. Major global cement producers own approximately 93% of this capacity. As of December 31, 2006, our major competitors in the Philippine cement market were Holcim, which had interests in five local cement plants, and Lafarge, which had interests in seven local cement plants.

As of December 31, 2006, 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 three marine distribution terminals.

We made capital expenditures of approximately U.S.$2 million in 2004, U.S.$4 million in 2005, and U.S.$11 million in 2006 in our Philippine operations. We currently expect to make capital expenditures of approximately U.S.$15 million in our Philippine operations during 2007.

Our Thai Operations

As of December 31, 2006, 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, 2006, CEMEX (Thailand) owned one cement plant in Thailand, with an installed capacity of approximately 0.7 million tons.

According to our estimates, at December 31, 2006, 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.$3 million in 2004, U.S.$4 million in 2005, and U.S.$4 million in 2006 in our Thai operations. We currently expect to make capital expenditures of approximately U.S.$4 million in our Thai operations during 2007.

Our Malaysian Operations

As of December 31, 2006, 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, 2006, we operated 21 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 and approximately U.S.$2 million in 2006 in our Malaysian operations. We currently expect to make capital expenditures of approximately U.S.$2 million in our Malaysian operations during 2007.

Other Asian Investments

Since April 2001, we have been operating a grinding mill near Dhaka, Bangladesh. As of December 31, 2006, 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.

We made capital expenditures in our other Asian investments of approximately U.S.$1 million in 2006, and we currently expect to make capital expenditures of approximately U.S.$9 million in 2007.

OUR TRADING OPERATIONS

We traded approximately 16 million tons of cement and clinker in 2006, in line with our 2005 trading volume. Approximately 48% of the volume we traded in 2006 consisted of exports from our operations in Costa Rica, Croatia, Egypt, Germany, Mexico, the Philippines, Poland, Puerto Rico, Spain and Venezuela. Approximately 52% was purchased from third parties in countries such as Belgium, China, Egypt, France, India, Indonesia, Israel, Japan, Lithuania, South Korea, Taiwan, Thailand and Turkey. As of December 31, 2006, we had trading activities in 108 countries. This broad geographic coverage allows us to competitively serve markets worldwide.

Beginning in 2005, we gained an important presence in slag cement trading markets, particularly in Europe and the Middle East, having traded approximately 1.5 million tons of slag cement in 2005. Slag cement (also called ground granulated blast furnace slag) is a hydraulic cement produced during the reduction of iron ore to iron in a blast furnace. In 2006, we continued to gain presence in slag trading markets, having traded approximately 1.8 million tons of slag cement, a 20% increase over 2005.

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 investment.

DESCRIPTION OF RINKER OPERATIONS

Set forth below is a brief description of Rinker's worldwide operations, which include significant operations in the United States and Australia, as well as operations in China. As described above, our public offer to acquire Rinker became unconditional on June 7, 2007. As a result, we obtained the right to vote approximately 50.3% of Rinker's outstanding shares. Our offer was originally scheduled to conclude on June 22, 2007, but has been extended until July 16, 2007. As of June 25, 2007, we had been tendered a total of approximately 81% of Rinker's outstanding shares.

For the twelve-month period ended March 31, 2007, Rinker's revenues from continuing operations, before revenues from unconsolidated joint ventures and associated entities, were approximately U.S.$5,337 million. This revenue information has been derived from Rinker's annual financial statements for that period as submitted by Rinker to the Australian Securities Exchange. Rinker's financial statements were prepared by Rinker in accordance with A-IFRS, which differ in significant respects from Mexican FRS.

As of the date of this annual report, we had not yet finalized our budget for expected capital expenditures related to Rinker's operations for 2007.

United States

For a description of Rinker's operations in the United States, see " -- North America -- Our U.S. Operations" above.

Australia

Overview

In Australia, Rinker, through its Readymix subsidiary, operates a vertically integrated heavy building materials business with leading market positions, based on Rinker's knowledge of the industry. As of March 31, 2006, Readymix had 344 operating plants including 84 quarries and sand mines, 243 concrete plants and 17 concrete pipe and product plants. Concrete pipe and products are produced by Readymix's Humes business. As of March 31, 2006, Readymix also holds a 25% interest in Australia's largest cement manufacturer, the Cement Australia joint venture, which had the capacity to produce over three million tons of cement a year from three plants in Gladstone, Queensland; Railton, Tasmania; and Kandos, New South Wales.

For the twelve-month period ended March 31, 2007, Rinker's operations in Australia and China generated revenues of approximately U.S.$1,198 million. This revenue information has been derived from Rinker's annual financial statements for that period as submitted by Rinker to the Australian Securities Exchange.

The Australian Cement Industry

Based on estimates by the Australian Bureau of Statistics, total Australian construction and building market spending increased by an annual growth rate of 5.4% between the years ended December 31, 1995 and December 31,

2005. For the year ended December 31, 2005, the Australian Bureau of Statistics estimated that total construction spending by segment was about 40% for residential, 21% for commercial and 39% for civil. For the year ended December 31, 2005, there was a slight increase in spending in the residential segment; however, spending across the commercial and civil segments increased significantly. Total construction spending increased by 12.8% for the year ended December 31, 2005 compared to the previous year. Residential spending was up by 1.8%, commercial by 17.2% and civil by 24.3%.

Competition

As of March 31, 2006, Rinker's major competitors in the Australian aggregates and cement markets were Boral and Hanson Australia. Its main competitor in the concrete pipe market was Rocla Pipeline Products, and there were also small companies who competed in individual regional sectors of that market. As of March 31, 2006, Rinker's main competitors in the Australian cement market were Blue Circle Southern Cement (a 100% owned Boral subsidiary), Adelaide Brighton Limited and importers of cement.

Rinker's Australian Operating Network

[MAP OF AUSTRALIA - GRAPHIC OMITTED]

Description of Properties, Plants and Equipment

As of March 31, 2006, Rinker operated 84 quarries and sand mines, 243 concrete plants, 17 concrete pipe and product plants in Australia, and held a 25% interest in the Cement Australia joint venture, which operated three cement plants and eight cement terminals.

China

As of March 31, 2006, Rinker, through its Australian Readymix subsidiary, operated four concrete plants in China, located in the northern cities of Tianjin and Qingdao.

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, 2004, 2005 and 2006, our environmental capital expenditures and remediation expenses were not material. However, our environmental expenditures may increase in the future. As of March 31, 2007, our environmental capital expenditures and remediation expenses are not material.

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 Secretaria 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 Procuraduria Federal de Proteccion 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 the date of this annual report, 14 of the cement plants have a Clean Industry Certificate. The Certificates for Atotonilco, Huichapan, Merida, Yaqui, Hermosillo, Tamuin, Valles, Zapotiltic and Torreon were renewed at the end of 2006; the Certificates for Barrientos, Tepeaca and Guadalajara are valid until the end of 2007; and the Certificates for Monterrey and Ensenada are valid until 2008. Now that operations at the Hidalgo plant have resumed, we carried out a voluntary environmental audit by PROFEPA in September 2006, which granted the Clean Industry Certificate. We expect the Clean Industry Certificate for such plant will be issued at the end of 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, Tamuin, Guadalajara and Barrientos plants also started using tires as an energy source, and as of the end of 2006, all our cement plants in Mexico used 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 1.75% of the total fuel used in our 15 operating cement plants in Mexico during 2006 was comprised of alternative substituted fuels.

Between 1999 and 2006, our Mexican operations have invested approximately U.S.$36.2 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. As of March 31, 2007, all our operating cement plants in Mexico and an aggregates plant in Monterrey had obtained the renewal of the ISO 14001 certification for environmental management systems. Certification ISO 9001-2000 for the Hidalgo plant was approved in March 2007.

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, 2007, CEMEX, Inc. had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$42.4 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 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 Rinker Materials' 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 March 2007 court filing should take until December 2007 to conclude. The judge also conducted further proceedings to determine the activities to be conducted during the remand period and has yet to issue a ruling as a result of such proceedings. Rinker expected quarrying operations to be unaffected pending the outcome of the court proceedings. 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 Rinker.

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 directive, each of the Member States established a National Allocations Plan, or NAP, setting out the allowance allocations for each industrial facility for the initial period of three years, 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, we had a surplus of allowances of approximately 731,000 tons of carbon dioxide in 2006. Based on our consolidated production forecasts, we expect to have a surplus of allowances of carbon dioxide for 2007 as well. For the next allocation period comprising 2008 through 2012, however, we expect a reduction in the allowances granted by the Member States, which may result in a consolidated deficit in our carbon dioxide allowances during that 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,

2006, the market value of carbon dioxide allowances for the current allocation period was approximately (euro)6.45 per ton. However, the market for allowances is highly volatile, as prices during the last twelve months have ranged between (euro)32 and (euro)0.80 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 (euro)4 million per year over the five-year period of phase two, depending on the prevailing market price. A legal challenge to the allocation has been dismissed at first instance by the U.K. domestic courts, but an appeal has been lodged with the appellate court. In addition, we have lodged an application to the European Court of First Instance, asking that it review the European Commission's decision to approve the U.K.'s NAP for phase two. The review is only with respect to the amount of allowances awarded to our cement plant in Rugby. There is no indication on when the European Court of First Instance will reach a decision. We believe that whilst a decision could be reached as early as the end of 2007, it could be as late as 2009.

German, Latvian, Polish and Spanish NAPs 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. At the same time, the Polish government continued negotiations with the Commission regarding national limits on allowances for the years 2008 to 2012. 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.

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 (pound)118 million, and an accounting provision for this sum has been made at December 31, 2006.

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 in response to market conditions, subject to a maximum increase per year of 4.5%. For the second year of the transition period, the amount was increased by 2.7%. 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 Secretaria de Economia, 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 Secretaria de Economia 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 December 31, 2006, we had received approximately U.S.$111 million in refunds under the agreement, and we received and additional U.S.$0.2 million in March 2007. We do not expect to receive further refunds.

As of March 31, 2007, we had accrued liabilities, including accrued interest, of approximately U.S.$3.0 million, the difference between the amount of anti-dumping duties paid on imports and the latest findings by the Commerce Department in its administrative reviews. As a result of the settlement between the U.S. and Mexican governments described above, substantially 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, indirect subsidiaries of us. 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.

TAX MATTERS

As of March 31, 2007, we and some of our subsidiaries in Mexico have been notified by the Mexican tax authority (Secretaria de Hacienda y Credito Publico) of several tax assessments related to different tax periods in a total amount of approximately Ps4,000 million (U.S.$370 million). The tax assessments are based primarily on: (i) disallowed restatement of tax loss carryforwards in the same period in which they occurred, (ii) disallowed determination of cumulative tax loss carryforwards, and (iii) investments made in entities incorporated in foreign countries with preferential tax regimes (currently known as Regimenes Fiscales Preferentes). We have filed an appeal for each of these tax claims before the Mexican federal tax court, and the appeals are pending resolution. If we do not elect to enter Mexico's tax amnesty program or if we fail to obtain favorable rulings on appeal, these tax claims may have a material impact on us.

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.

Recently, the Mexican Congress approved several amendments to the Mexican Asset Tax Law (Ley del Impuesto al Activo). As a result of such amendments, starting on January 1, 2007, all Mexican corporations, including us, are no longer allowed to deduct their liabilities from the calculation of the asset tax. The Mexican tax

authorities have stated that other aspects of such law will be clarified. To date, these clarifications, which could impact our calculation of the asset tax, have not been made.

The asset tax is imposed at a rate of 1.25% on the value of most of the assets of a Mexican corporation. The asset tax is "complementary" to the corporate income tax (impuesto sobre la renta) and, therefore, is payable only to the extent it exceeds payable income 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). Notwithstanding our challenge, we will still be required to pay asset tax as per the amended law, until the relevant judicial procedure is finally resolved. We believe that the amendments to the Asset Tax Law could increase the amount of asset tax that we would be required to pay in Mexico during 2007 and subsequent fiscal years.

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, and which we may apply to tax assessments of which we were notified in May 2006. To qualify, we must elect application of the tax amnesty program during 2007. As of the date of this annual report, we are evaluating the effects that the amnesty program could have on us.

As of March 31, 2007, the Philippine Bureau of Internal Revenue, or BIR, assessed APO, Solid, IQAC, ALQC and CSPI, our operating subsidiaries in the Philippines, for deficiencies in the amount of income tax paid in prior tax years amounting to a total of approximately 1,994 million Philippine Pesos (approximately U.S.$41.3 million as of March 31, 2007, based on an exchange rate of Philippine Pesos 48.28 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on March 31, 2007 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The tax assessments result primarily from the disallowance of APO's income tax holiday related income from 1999 to 2001 (approximately Philippine Pesos 1,078 million or U.S.$22.3 million as of March 31, 2007, based on an exchange rate of Philippine Pesos 48.28 to U.S.$1.00). We have contested the BIR's assessment with the Court of Tax Appeal, or 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. The appeals proceeding for this assessment is expected to reach the Supreme Court. In addition, Solid's 1998 and 2002 through to 2005 tax years, and APO's 2001 through 2005 tax years, are under preliminary review by the BIR for deficiency in the payment of taxes. As of the date of this annual report, the finalization of these assessments was held in abeyance by the BIR, as APO and Solid continue to present evidence to dispute its findings. We believe that these assessments will not have a material adverse effect on us.

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 us 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.

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, 2006 and exchange rates prevailing at that date, CEMEX Polska could face up to 78.9 million Polish

Zloty (approximately U.S.$27.6 million) in fines. We believe, at this stage, there are no justified factual grounds to expect fines to be imposed on CEMEX Polska.

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.$9.64 million as of March 31, 2007, based on an exchange rate of CoP2,190.30 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on March 31, 2007 as published by the Banco de la Republica 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 Ibague, 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.$58.09 million as of March 31, 2007). 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 Asociacion 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 Bogota 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.

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.

CEMEX and the Indonesian government have 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 Dusseldorf, Germany against CEMEX Deutschland AG and other German cement companies. CDC is seeking (euro)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 (euro)113.5 million plus interest. On February 21, 2007, the District Court of Dusseldorf decided to allow this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants have appealed. As of March 31, 2007, we had accrued liabilities regarding this matter for a total amount of approximately (euro)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. The municipal court in Solin issued a first instance judgment dismissing our possessory action. We have filed an appeal against that 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.

In August 2006, our Panamanian subsidiary Cemento Bayano, S.A. filed an opposition before the National Mineral Resources Directorate, in order to halt or deny this directorate from granting permission to a third company to extract minerals from a site close to our Bayano 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 Mayaguezana Inc., seeking damages in the amount of U.S.$39 million, after the death of two people in an accident in which a Hormigonera Mayaguezana Inc. concrete mixer truck was involved.

On December 13, 2006, CEMEX Dominicana learned that the Dominican Port Authority has called a meeting of its Executive Council to evaluate the annulment of the authorization granted by contract to Orbis Chemical Corporation, S.A. (a CEMEX subsidiary), to operate within the area of Puerto Viejo, Azua, Dominican Republic. If the Council of the Dominican Port Authority decides to seek annulment, Orbis will lose control of the port facilities. Since there is no official decision on this matter, Orbis immediately notified the Dominican Port Authority of its interest in retaining the contract, and argued that any annulment should be sought through a decision pronounced by a tribunal revoking the existing contract.

In late December 2006, the Union of Employees in our Assiut plant in Egypt filed a lawsuit against Assiut Cement Company, claiming 10% employees profit sharing for the fiscal years 2004 and 2005 in the amount of approximately U.S.$12 million. On April 30, 2007, the parties submitted their defenses and the court postponed the case until a hearing scheduled for June 25, 2007, for the court to render its decision.

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.

RECENT DEVELOPMENTS

Rinker acquisition

On November 14, 2006, we launched our public offer to acquire all outstanding shares of Rinker for U.S.$13.00 per share in cash. On April 9, 2007, we increased our offer price to U.S.$15.85 per share in cash, which corresponds to an enterprise value of Rinker of approximately U.S.$15.3 billion, which includes approximately U.S.$1.1 billion of debt, Rinker's reported debt as of March 31, 2007. On June 7, 2007, our offer to acquire Rinker became unconditional. As a result, we obtained the right to vote approximately 50.3% of Rinker's outstanding shares. Our offer was originally scheduled to conclude on June 22, 2007, but has been extended until July 16, 2007. As of June 25, 2007, we had been tendered a total of approximately 81% of Rinker's outstanding shares.

Some of the main reasons for our offer to acquire Rinker are:

- reinforcing our strategy of investing across the industry's value chain in cement, ready-mix concrete and aggregates;
- significantly strengthening our ability to serve customers in the United States with complementary products and locations, therefore meeting our long-standing investment criteria;
- obtaining a major presence in Australia;
- creating a significant opportunity to realize cost synergies by combining Rinker's operations with our own and applying best business practices to them; and

- reducing our cash flow volatility through increased exposure to the U.S. market and, consequently, lowering our cost of capital.

On November 20, 2006, we received confirmation from the Competition and Consumer Commission of the Commonwealth of Australia advising that it did not propose to intervene pursuant to section 50 of the Australian Trade Practices Act 1974 (Cth) in our acquisition of Rinker. On December 7, 2006, our shareholders approved our offer to acquire Rinker. On March 8, 2007, the Treasurer of the Commonwealth of Australia informed us that there were no objections to the our offer to purchase Rinker in terms of the Australian government's foreign investment policy. At the request of the Australian Securities and Investment Commission, the Australian Takeovers Panel is currently considering if we should be made to compensate Rinker shareholders who sold their shares between April 10, 2007 and May 10, 2007, and who did not receive Rinker's dividend.

On April 4, 2007, the Antitrust Division announced its decision not to oppose our offer to acquire Rinker under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the HSR Act. This decision was made pursuant to a consent decree between us and the Antitrust Division, whereby we agreed to the conditions set forth in the Final Judgment of the U.S. District Court for the District of Columbia, dated April 4, 2007 (the "Final Judgment"), and the Hold Separate Stipulation and Order, dated April 4, 2007 (the "Hold Separate Order" and, together with the Final Judgment, the "DOJ Settlement"). The Hold Separate Order was amended, as of May 2, 2007, to add Rinker as a party (the "Amended DOJ Settlement"). The Amended DOJ Settlement provides that we must ensure that certain required divestitures are made by us or by Rinker on or before October 17, 2007, unless the U.S. Department of Justice grants one or more extensions which may not exceed a total of 60 calendar days, for the purposes of remedying any loss of competition resulting from our acquisition. We are required to divest or cause Rinker to divest, as the case may be, the following assets, to purchasers approved by the Antitrust Division:

- 21 ready-mix concrete plants in Florida owned by Rinker in Fort Walton Beach/Panama City/Pensacola, Orlando, Tampa/St. Petersburg and Fort Myers/Naples;
- Five ready-mix concrete plants in Florida owned by us in Jacksonville and Orlando;
- Three ready-mix concrete plants owned by Rinker in Tucson, Arizona;

- Two ready-mix concrete plants owned by us in the Flagstaff and Tucson areas in Arizona;
- Six concrete block plants owned by Rinker in Florida in Tampa/St. Petersburg and Fort Myers/Naples;
- One aggregates plant owned by Rinker in Tucson, Arizona; and
- One aggregates plant owned by us in Tucson, Arizona;

including all assets used in relation to these plants.

If we do not divest these assets on or before October 17, 2007, the U.S. District Court will be entitled to appoint a trustee to effect the divestitures. In addition, the Hold Separate Order requires us to ensure that prior to any divestiture, the Divestiture Assets remain independent, economically viable and ongoing business concerns that are not influenced by our acquisition of Rinker.

For a description of the effects of our acquisition of Rinker on the Ready Mix USA joint venture, see Item 4 -- "Information on the Company -- North

America -- Our U.S. Operations."

ITEM 4A - UNRESOLVED STAFF COMMENTS

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Not applicable.

ITEM 5 - OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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;
- the results of any proposed acquisitions and the impact of any related financing on our financial structure;
- 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. These financial statements do not reflect the consolidation of Rinker following the consummation of the acquisition, or asset sales subsequent to December 31, 2006. Our financial statements have been prepared in accordance with Mexican FRS, which differ in significant respects from U.S. GAAP. See note 24 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 5.4% in 2004, 3.0% in 2005 and 4.1% in 2006. Mexican FRS requires that our consolidated financial statements 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, 2006. 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.

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, 2004, 2005 and 2006 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. 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	% ASIA	% OTHERS	COMBINED	ELIMI-NATIONS	CONSOLI-DATED
	(in millions of constant Mexican Pesos as of December 31, 2006, except percentages)											
Net Sales For the Period Ended(1):												
December 31, 2004	33%	22%	16%	N/A	N/A	14%	2%	2%	11%	103,552	(8,637)	94,915
December 31, 2005	19%	25%	9%	9%	16%	8%	4%	2%	8%	191,498	(14,113)	177,385
December 31, 2006	18%	21%	9%	10%	20%	8%	4%	2%	8%	215,891	(18,798)	197,093
Operating Income For the Period Ended(2):												
December 31, 2004	59%	14%	18%	N/A	N/A	20%	3%	1%	(15)%	21,567	--	21,567
December 31, 2005	41%	27%	14%	2%	7%	9%	4%	2%	(6)%	28,791	--	28,791
December 31, 2006	38%	29%	16%	1%	6%	12%	5%	2%	(9)%	31,814	--	31,814
Total Assets at(2):												
December 31, 2004	26%	23%	17%	N/A	N/A	15%	3%	6%	10%	202,433	--	202,433
December 31, 2005	18%	23%	10%	9%	11%	10%	3%	6%	10%	309,866	--	309,866
December 31, 2006	18%	23%	10%	8%	13%	10%	3%	6%	9%	323,698	--	323,698

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

Under Mexican FRS, the financial statements of each subsidiary are restated to reflect the loss of purchasing power (inflation) of its functional currency. The inflation effects arising from holding monetary assets and liabilities are 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, are restated to account for inflation using the consumer price index applicable in each country. Fixed assets of foreign origin 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. The result is reflected as an increase or decrease in the carrying value of each item, and is presented in consolidated stockholders' equity in the line item "Effects from Holding Non-Monetary Assets." Income statement accounts are also restated for inflation into constant Mexican Pesos as of the reporting date.

In the event of a sudden increase in the rate of inflation in Mexico, the adjustment that the market makes in the exchange rate of the Mexican Peso against other currencies resulting from such inflation is not immediate and may take several months, if it occurs at all. In this situation, the value expressed in the consolidated financial statements for fixed assets of foreign origin will be understated in terms of Mexican inflation, given that the restatement factor arising from the inflation of the assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the Mexican

Peso will not offset the Mexican inflation.

A sudden increase in inflation could also occur in other countries in which we operate.

Foreign currency translation

As mentioned above, the financial statements of consolidated foreign subsidiaries are restated for inflation in their functional currency based on the subsidiary country's inflation rate. Subsequently, the restated financial statements are 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 the event of an abrupt and deep depreciation of the Mexican Peso against the Dollar, which would not be aligned with a corresponding inflation of the same magnitude, the carrying amounts of the Mexican assets, when presented in convenience translation into Dollars, will show a decrease in value, in terms of Dollars, by the difference between the rate of depreciation against the Dollar and the Mexican inflation rate.

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, options and futures, 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. Until December 31, 2004, no specific rules existed in Mexico for hedging transactions. Beginning January 1, 2005, Bulletin C-10, "Derivative Financial Instruments and Hedging Activities," establishes accounting standards for hedging instruments. 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, 2004, 2005 and 2006, 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 segment 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 3T 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. All significant intercompany balances and transactions have been eliminated in consolidation.

For the periods ended December 31, 2004, 2005, and 2006 our consolidated results reflect the following transactions:

- 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 (euro)50 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. 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.

- 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 consolidated financial statements for the year ended December 31, 2005 include 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. As of December 31, 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 as of that date. The value of our assets relating to these companies was calculated based on the relative values of the assets contributed by us to each company. Our consolidated financial statements 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 Ps301 million (U.S.$28 million). The resulting goodwill arising from this acquisition was approximately Ps161 million (U.S.$15 million). Our consolidated financial statements for the years ended December 31, 2005 include the results of operations relating to the assets we acquired in Puerto Rico for the period from July 1, 2005 through December 31, 2005 only, and our consolidated financial statements for the year ended December 31, 2006 include the results of the acquired Puerto Rican operations for the entire year ended December 31, 2006.

- On June 1, 2005, we sold a cement terminal adjacent to the Detroit river to the City of Detroit for a purchase price of approximately U.S.$24 million. Our consolidated financial statements for the year ended December 31, 2005 include the results of operations relating to this cement terminal for the five-month period ended May 31, 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 Participacoes S.A., a cement company in Brazil, for an aggregate purchase price of 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 financial statements for the year ended December 31, 2005 include 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.$6.5 billion, which included approximately U.S.$2.2 billion of assumed debt. We accounted for the acquisition as a purchase under Mexican FRS, which means that our consolidated financial statements only include RMC from the date of the acquisition. Our consolidated financial statements for the years ended December 31, 2005 and December 31, 2006 include RMC's results of operations for the ten-month period ended December 31, 2005 and the year ended December 31, 2006, respectively. Our consolidated financial statements for the year ended December 31, 2004 do not include RMC's results of operations. As a result, the financial information for the years ended December 31, 2005 and December 31, 2006 are not comparable to the prior periods.

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, 2004, 2005, and 2006 expressed as a percentage of net sales.

	YEAR ENDED DECEMBER 31,		
	2004	2005	2006
Net sales	100.0	100.0	100
Cost of sales	(56.3)	(60.5)	(63.8)
Gross profit	43.7	39.5	36.2
Administrative, selling and distribution expenses	(21.0)	(23.3)	(20.1)
Operating income	22.7	16.2	16.1
Comprehensive financing result:			
Financial expense	(4.6)	(3.4)	(2.7)
Financial income	0.3	0.3	0.3
Foreign exchange result	(0.3)	(0.5)	0.1
Results from valuation and liquidation of financial instruments	1.5	2.5	(0.1)
Monetary position result	4.7	2.8	2.2
Net comprehensive financing result	1.6	1.7	(0.2)
Other expenses, net	(5.9)	(2.1)	(0.2)
Income before income tax, employees' statutory profit sharing and equity in income of affiliates	18.4	15.8	15.7
Income taxes, net	(2.3)	(2.2)	(2.6)
Employees' statutory profit sharing	(0.4)	--	(0.1)
Total income taxes and employees' statutory profit sharing	(2.7)	(2.2)	(2.7)
Income before equity in income of affiliates	15.7	13.6	13.0
Equity in income of affiliates	0.6	0.6	0.7
Consolidated net income	16.3	14.2	13.7
Minority interest net income	0.3	0.4	0.7
Majority interest net income	16.0	13.8	13.0

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.

	DOMESTIC SALES VOLUMES		EXPORT SALES VOLUMES	AVERAGE DOMESTIC PRICES IN LOCAL CURRENCY(1)	
GEOGRAPHIC SEGMENT	CEMENT	READY-MIX	CEMENT	CEMENT	READY-MIX
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 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) In constant Mexican Pesos as of December 31, 2006.

(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 includes our operations in the Philippines and the operations listed in note 12 below; however, for 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 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 Ps177,385 million in 2005 to Ps197,093 million in 2006, and our operating income increased approximately 10% from Ps28,791 million in 2005 to Ps31,814 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-a-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				
				FOR THE YEAR ENDED DECEMBER 31,	
GEOGRAPHIC SEGMENT	VARIATIONS IN LOCAL CURRENCY(1)	APPROXIMATE CURRENCY FLUCTUATIONS, NET OF INFLATION EFFECTS	VARIATIONS IN CONSTANT MEXICAN PESOS	2005	2006
				(IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF DECEMBER 31, 2006)	
NORTH AMERICA					
Mexico	+16.4%	-9.7%	+6.7%	36,775	39,256
United States(2)	+3.2%	-8.0%	-4.8%	47,359	45,096
EUROPE					
Spain(3)	+11.2%	+3.5%	+14.7%	17,550	20,131
United Kingdom(4)	+15.7%	+8.1%	+23.8%	17,769	21,993
Rest of Europe(5)	+21.9%	+8.5%	+30.4%	31,594	41,205
SOUTH/CENTRAL AMERICA AND THE CARIBBEAN					
Venezuela	+18.0%	+1.5%	+19.5%	4,795	5,732
Colombia	+41.2%	+7.7%	+33.5%	2,904	3,878
Rest of South / Central America and the Caribbean(6)	+16.3%	+10.0%	+6.3%	7,844	8,340
AFRICA AND THE MIDDLE EAST					
Egypt	+15.3%	-7.5%	+7.8%	3,059	3,298
Rest of Africa and the Middle East(7)	+46.6%	-9.4%	+36.0%	3,250	4,420
ASIA					
Philippines	+7.1%	+1.6%	+8.7%	2,223	2,416
Rest of Asia(8)	+14.3%	+26.3%	+40.6%	1,111	1,562
OTHERS(9)	+30.4%	-8.8%	+21.6%	15,265	18,564
			+12.7%	191,498	215,891

Eliminations from consolidation.....		(14,113)	(18,798)
CONSOLIDATED NET SALES.....	+11.1%	177,385	197,093

	OPERATING INCOME				
				FOR THE YEAR ENDED DECEMBER 31,	
GEOGRAPHIC SEGMENT	VARIATIONS IN LOCAL CURRENCY(1)	APPROXIMATE CURRENCY FLUCTUATIONS, NET OF INFLATION EFFECTS	VARIATIONS IN CONSTANT MEXICAN PESOS	2005	2006
				(IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF DECEMBER 31, 2006)	
NORTH AMERICA					
Mexico.....	+13.5%	-9.4%	+4.1%	11,702	12,180
United States(2).....	+24.0%	-4.6%	+19.4%	7,790	9,305
EUROPE					
Spain(3).....	+17.8%	+7.0%	+24.8%	4,164	5,197
United Kingdom(4).....	-112.0%	+35.0%	-77.0%	618	142
Rest of Europe(5).....	+3.3%	+0.7%	+4.0%	1,969	2,047
SOUTH/CENTRAL AMERICA AND THE CARIBBEAN(6).....					
Venezuela.....	Flat	+6.3%	+6.3%	1,561	1,659
Colombia.....	+156.6%	+9.6%	+166.2%	394	1,049
Rest of South/Central America and the Caribbean(7)	+42.9%	+20.3%	+63.2%	747	1,219
AFRICA AND MIDDLE EAST(8)					
Egypt.....	+27.6%	-8.2%	+19.4%	1,139	1,360
Rest of Africa and the Middle East(9).....	+17.4%	-15.6%	+1.8%	109	111
ASIA(10)					
Philippines.....	+30.1%	+10.4%	+40.5%	476	669
Rest of Asia(11).....	-181.3%	-18.7%	-200.0%	(19)	(57)
Others(12).....	-76.3%	+11.3%	-65.0%	(1,859)	(3,067)
CONSOLIDATED OPERATING INCOME.....			+10.5%	28,791	31,814

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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 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 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 includes our operations in the Philippines and the operations listed in note 11 below; however, for 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 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 Ps177,385 million in 2005 to Ps197,093 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 continues 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 have grown 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 consist 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 continue 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 Ps107,341 million in 2005 to Ps125,804 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 Ps70,044 million in 2005 to Ps71,289 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 Ps41,253 million in 2005 to Ps39,475 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 Ps1,778 million in operating expenses in 2006 compared to 2005.

OPERATING INCOME

For the reasons mentioned above, our operating income increased approximately 10% from Ps28,791 million in 2005 to Ps31,814 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 Ps11,702 million in 2005 to Ps12,180 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 Ps7,790 million in 2005 to Ps9,305 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 Ps4,164 million in 2005 to Ps5,197 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 Ps618 million in 2005 to Ps142 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 Ps594 million) in 2006.

Rest of Europe

Our Rest of Europe operations' operating income increased approximately 4% (increased approximately 3% in Euro terms) from Ps1,969 million in 2005 to Ps2,047 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 Ps2,702 million in 2005 to Ps3,927 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 Ps1,248 million in 2005 to Ps1,471 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 Ps1,139 million in 2005 to Ps1,360 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 Ps109 million in 2005 to Ps111 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 Ps457 million in 2005 to Ps612 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 Ps1,859 million in 2005 to a loss of Ps3,067 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.

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)	
Comprehensive financing result:		
Financial expense	Ps (6,092)	(5,334)
Financial income	455	494
Results from valuation and liquidation of financial instruments	4,471	(148)
Foreign exchange result	(912)	219
Monetary position result	4,914	4,303
Net comprehensive financing result	Ps 2,836	(466)

Our net comprehensive financing result decreased substantially, from an income of Ps2,836 million in 2005 to an expense of Ps466 million in 2006. The components of the change are shown above. Our financial expense decreased approximately 12%, from Ps6,092 million in 2005, to Ps5,334 million in 2006. The decrease was primarily attributable to lower average levels of debt outstanding during 2006 compared to 2005. Our results from valuation and liquidation of

financial instruments decreased significantly from a gain of Ps4,471 million in 2005 to a loss of Ps148 million in 2006, primarily attributable to significant valuation changes in our derivative financial instruments portfolio during 2006 compared to 2005 (discussed below). Our net foreign exchange result improved from a loss of Ps912 million in 2005 to a gain of Ps219 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 Ps4,914 million during 2005 to a gain of Ps4,303 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 Ps4,471 million in the item "Results from valuation and liquidation of financial instruments," of which a net valuation gain of approximately Ps525 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 Ps3,086 million was attributable to changes in the fair value of our foreign currency derivatives, a valuation gain of approximately Ps36 million was attributable to changes in the fair value of our marketable securities and a valuation gain of approximately Ps824 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 Ps1,538 million).

For the year ended December 31, 2006, we recognized a loss of Ps148 million in the item "Results from valuation and liquidation of financial instruments," of which a net valuation gain of approximately Ps17 million was attributable to changes in the fair value of our equity forward contracts, a valuation loss of approximately Ps202 million was attributable to changes in the fair value of our foreign currency derivatives, a valuation loss of approximately Ps60 million was attributable to changes in the fair value of our interest rate derivatives and a valuation gain of approximately Ps97 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

devaluation 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.

OTHER EXPENSES, NET

Our other expenses, net decreased approximately 90% from Ps3,676 million in 2005 to Ps369 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 Ps963 million (approximately U.S.$90 million) net gain on the 2006 sale of Gresik's shares. See note 9A to our consolidated financial statements.

INCOME TAXES AND EMPLOYEES' STATUTORY PROFIT SHARING

Our effective tax rate was 17.0% in 2006 compared to 13.9% in 2005. 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 Ps2,660 million (9.5%) in 2005 to Ps4,094 million (13.2%) in 2006. Our total tax expense, which primarily consists of income taxes and business assets tax, plus deferred taxes, increased from Ps3,885 million in 2005 to Ps5,254 million in 2006. Our deferred taxes decreased slightly from Ps1,225 million (4.4%) in 2005 to Ps1,160 million (3.8%) in 2006. Our average statutory income tax rate was 29% in 2006 and 30% in 2005.

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 Ps10 million during 2005 and an expense of Ps166 million during 2006. The change in 2006 was mainly driven by higher taxable income for profit sharing purposes in Mexico and Venezuela.

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 Ps25,088 million in 2005 to Ps26,873 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 Ps638 million in 2005 to Ps1,191 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 Ps24,450 million in 2005 to Ps25,682 million in 2006 in constant Peso terms.

YEAR ENDED DECEMBER 31, 2005 COMPARED TO YEAR ENDED DECEMBER 31, 2004

OVERVIEW

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2005 compared to the year ended December 31, 2004 in our sales volumes and 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	CEMENT	CEMENT	READY-MIX
NORTH AMERICA					
Mexico	+1%	+15%	+54%	-2%	-3%
United States(2)	+6%	+177%	N/A	+18%	+25%
EUROPE					
Spain(3)	+4%	+57%	-40%	+6%	+5%
UK(4)	N/A	N/A	N/A	N/A	N/A
Rest of Europe(5)	N/A	N/A	N/A	N/A	N/A
SOUTH/CENTRAL AMERICA AND THE CARIBBEAN(6)					
Venezuela	+38%	+27%	-21%	+9%	+23%
Colombia	+33%	+17%	N/A	-42%	-14%
Rest of South/Central America and the Caribbean(7)	+5%	+49%	+34%	-3%	+4%
AFRICA AND THE MIDDLE EAST(8)					
Egypt	+23%	+41%	-53%	+13%	+18%
Rest of Africa and the Middle East(9)	N/A	N/A	N/A	N/A	N/A
ASIA(10)					
Philippines	-1%	N/A	+116%	+13%	N/A
Rest of Asia(11)	+9%	N/A	N/A	-1%	N/A

N/A = Not Applicable

(1) Represents the average change in domestic cement and ready-mix 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 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 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, 2005 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, 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.

(3) 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.

(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.

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

(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 above table, our operations in Venezuela and Colombia are presented separately from our other operations in the segment for purposes of comparison with our 2004 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.

(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 2004 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.

(10) Our Asia segment includes our operations in the Philippines and the operations listed in note 11 below; however, for 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 2004 presentation of our operations in the region.

(11) Our Rest of Asia segment 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.

On a consolidated basis, our cement sales volumes increased approximately 23%, from 65.8 million tons in 2004 to 80.6 million tons in 2005, and our ready-mix concrete sales volumes increased approximately 191%, from 23.9 million cubic meters in 2004 to 69.5 million cubic meters in 2005. Our net sales increased approximately 87% from Ps94,915 million in 2004 to Ps177,385 million in 2005, and our operating income increased approximately 33% from Ps21,567 million in 2004 to Ps28,791 million in 2005.

Excluding the effect of the consolidation of RMC's operations, from 2004 to 2005, our consolidated cement sales volumes increased approximately 4%, our consolidated ready-mix concrete sales volumes increased approximately 16%, our consolidated net sales increased approximately 13%, and our consolidated operating income increased approximately 14%.

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, 2004 and 2005. 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-a-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				
				FOR THE YEAR ENDED DECEMBER 31,	
GEOGRAPHIC SEGMENT	VARIATIONS IN LOCAL CURRENCY(1)	APPROXIMATE CURRENCY FLUCTUATIONS, NET OF INFLATION EFFECTS	VARIATIONS IN CONSTANT MEXICAN PESOS	2005	2006
				(IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF DECEMBER 31, 2006)	
NORTH AMERICA					
Mexico	+0.7%	+7.4%	+8.1%	34,010	36,775
United States(2)	+105.4%	+0.5%	+105.9%	23,000	47,359
EUROPE					
Spain(3)	+10.3%	-1.1%	+9.2%	16,070	17,550
United Kingdom(4)	N/A	N/A	N/A	N/A	17,769
Rest of Europe(5)	N/A	N/A	N/A	256	31,594
SOUTH/CENTRAL AMERICA AND THE CARIBBEAN					
Venezuela	+15.8%	+1.8%	+17.6%	4,080	4,795
Colombia	-16.7%	+18.4%	+1.7%	2,856	2,904
Rest of South / Central America and the Caribbean(6)	+11.7%	-13.9%	-2.2%	8,020	7,844
AFRICA AND MIDDLE EAST					
Egypt	+27.1%	+11.3%	+38.4%	2,211	3,059
Rest of Africa and the Middle East(7)	N/A	N/A	N/A	N/A	3,250
ASIA					
Philippines	+18.3%	+7.8%	+26.1%	1,763	2,223
Rest of Asia(8)	+248.3%	-2.2%	+246.1%	321	1,111
Others(9)	+40.0%	-0.8%	+39.2%	10,965	15,265
			+84.9%	103,552	191,498
Eliminations from consolidation				(8,637)	(14,113)
CONSOLIDATED NET SALES			+86.9%	94,915	177,385

GEOGRAPHIC SEGMENT	OPERATING INCOME: VARIATIONS IN LOCAL CURRENCY(1)	OPERATING INCOME: APPROXIMATE CURRENCY FLUCTUATIONS, NET OF INFLATION EFFECTS	OPERATING INCOME: VARIATIONS IN CONSTANT MEXICAN PESOS	OPERATING INCOME FOR THE YEAR ENDED DECEMBER 31, 2005	OPERATING INCOME FOR THE YEAR ENDED DECEMBER 31, 2006
				(IN MILLIONS OF CONSTANT MEXICAN PESOS AS OF DECEMBER 31, 2006)	
NORTH AMERICA					
Mexico	-14.6%	+6.3%	-8.3%	12,763	11,702
United States(2)	+156.7%	+0.7%	+157.4%	3,026	7,790
EUROPE					
Spain(3)	+16.8%	-10.2%	+6.6%	3,905	4,164
United Kingdom(4)	N/A	N/A	N/A	N/A	618
Rest of Europe(5)	N/A	N/A	N/A	(45)	1,969
SOUTH/CENTRAL AMERICA AND THE CARIBBEAN(6)					
Venezuela	+20.7%	+1.8%	+22.5%	1,274	1,561
Colombia	-73.5%	+3.8%	-69.7%	1,302	394
Rest of South/Central America and the Caribbean(7)	-53.7%	-5.6%	-59.3%	1,837	747
AFRICA AND MIDDLE EAST(8)					
Egypt	+56.6%	+13.9%	+70.5%	668	1,139
Rest of Africa and the Middle East(9)	N/A	N/A	N/A	N/A	109
ASIA(10)					
Philippines	+41.7%	+9.5%	+51.2%	315	476
Rest of Asia(11)	-146.6%	+0.3%	-146.3%	41	(19)
Others(12)	+46.9%	+0.3%	+47.2%	(3,519)	(1,859)
CONSOLIDATED OPERATING INCOME			+33.5%	21,567	28,791

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, 2005 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, 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.

(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.

(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.

(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, 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 2004 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.

(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 2004 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.

(10) Our Asia segment includes our operations in the Philippines and the operations listed in note 11 below; however, for 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 2004 presentation of our operations in the region.

(11) Our Rest of Asia segment 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.

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

NET SALES

Our net sales increased approximately 87% from Ps94,915 million in 2004 to Ps177,385 million in 2005 in constant Peso terms. The increase in net sales was primarily attributable to the consolidation of RMC's operations for ten months in 2005 and higher sales volumes and prices in our operations in most of our markets, which were partially offset by lower domestic cement prices in South America, Central America and the Caribbean and by our divestiture in March 2005 of two cement plants and other assets in the United States, and our contribution in July 2005 and sale in September 2005 of ready-mix concrete, aggregates and concrete block assets in the United States to an entity in which we own a 49.99% interest. Excluding the effect of the consolidation of RMC's operations, our net sales increased approximately 6% during 2005 compared to 2004. Of our consolidated net sales in 2004 and 2005, approximately 71% and 70%, respectively, were derived from sales of cement, approximately 24% and 26%, respectively, from sales of ready-mix concrete and approximately 5% and 4%, respectively, from sales of other construction materials, including aggregates, and services.

Through the RMC acquisition, we acquired additional 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 operating data set forth below in the discussion of our United Kingdom, France and Germany operations for 2004 and for January and February of 2005 represent operating data for those operations prior to our acquisition of RMC.

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 1% in 2005 compared to 2004, and ready-mix concrete sales volumes increased approximately 15% during the same period. The increases in sales volumes were primarily due to increased government spending on infrastructure projects and increased demand in the residential construction sector, which were partially offset by a weak self-construction sector. Our Mexican operations' cement export volumes, which represented approximately 10% of our Mexican cement

sales volumes in 2005, increased approximately 54% in 2005 compared to 2004, primarily as a result of increased cement demand in the United States. Of our Mexican operations' total cement export volumes during 2005, 73% was shipped to the United States, 26% to Central America and the Caribbean and 1% to South America. Our Mexican operations' average domestic sales price of cement decreased approximately 2% in constant Peso terms in 2005 compared to 2004 (increased approximately 3% in nominal Peso terms). Our Mexican operations' average sales price of ready-mix concrete decreased approximately 3% in constant Peso terms (increased approximately 1% in nominal Peso terms) over the same period. For the year ended December 31, 2005, sales of ready-mix concrete in Mexico represented approximately 28% of our Mexican operations' net sales.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and cement export volumes, net sales in Mexico, in constant Peso terms, increased approximately 8% in 2005 compared to 2004, despite the decreases in the average domestic sales prices of cement and ready-mix concrete.

United States

Our U.S. operations' cement sales volumes, which include cement purchased from our other operations, increased approximately 6% in 2005 compared to 2004, and ready-mix concrete sales volumes increased approximately 177% during the same period. The increases in sales volumes resulted primarily from the consolidation of RMC's U.S. operations for ten months in 2005 (representing approximately 7% of our U.S. cement sales volumes and approximately 60% of our U.S. ready-mix concrete sales volumes), as well as increased demand in the public sector, particularly in streets and highway construction, increased demand in the residential sector and

the industrial-and-commercial sector, which were partially offset by our divestiture in March 2005 of two cement plants and other assets in the Great Lakes region, and our contributions in July 2005 and sale in September 2005 of ready-mix concrete, aggregates and concrete block assets in the Florida panhandle and southern Georgia to Ready Mix USA, LLC, an entity in which we own a 49.99% interest. Our U.S. operations' average sales price of cement increased approximately 18% in Dollar terms in 2005 compared to 2004, and the average sales price of ready-mix concrete increased approximately 25% in Dollar terms over the same period. The increases in average prices were primarily due to continued strength in demand for, and limited supply of, cement and ready-mix concrete. For the year ended December 31, 2005, sales of ready-mix concrete in the United States represented approximately 46% of our U.S. operations' net sales.

As a result of the increases in cement and ready-mix concrete sales volumes and the increases in the average sales prices of cement and ready-mix concrete, net sales in the United States, in Dollar terms, increased approximately 105% in 2005 compared to 2004.

Spain

Our Spanish operations' domestic cement sales volumes increased approximately 4% in 2005 compared to 2004, and ready-mix concrete sales volumes increased approximately 57% during the same period. The increases in sales volumes resulted primarily from the proportional consolidation of RMC's Spanish joint venture operations for nearly ten months in 2005 (representing approximately 29% of our Spanish ready-mix concrete sales volumes), as well as strong residential construction activity and increased spending in the public-works sector, particularly on infrastructure projects. Our Spanish operations' cement export volumes, which represented approximately 1% of our Spanish cement sales volumes in 2005, decreased approximately 40% in 2005 compared to 2004 primarily due to increased domestic demand. Of our Spanish operations' total cement export volumes in 2005, 19% was shipped to Europe and the Middle East, 29% to Africa, and 52% to the United States. Our Spanish operations' average domestic sales price of cement increased approximately 18%

in Euro terms in 2005 compared to 2004, and the average price of ready-mix cement increased approximately 25% 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, 2005, sales of ready-mix concrete in Spain represented approximately 32% of our Spanish operations' net sales.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and the increases in the average domestic sales prices of cement and ready-mix concrete, net sales in Spain, in Euro terms, increased approximately 10% in 2005 compared to 2004, despite the decline in cement export 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. Cement sales volumes in these United Kingdom operations decreased approximately 2% in 2005 compared to 2004, and ready-mix concrete sales volumes decreased approximately 1% during the same period. The decreases in sales volumes were primarily due to slower than expected growth in the U.K. economy resulting in decreased construction activity in the repair, maintenance and improvement sector and the public-works sector, which were partially offset by moderate increases in demand in the residential sector and the industrial sector. Our United Kingdom operations' net sales for the ten-month period ended December 31, 2005 represented approximately 9% of our net sales in constant Peso terms, before eliminations resulting from consolidation, for 2005.

Rest of Europe

Our operations in our Rest of Europe segment in 2005 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, which are consolidated in our results of operations for ten months in 2005, and the Italian operations we owned prior to the RMC acquisition. Our Rest of Europe operations' net sales for the ten-month period ended December 31, 2005 represented approximately 16% our net sales in constant Peso terms, before eliminations resulting from consolidation, for 2005, and our Rest of Europe operations' operating income for the ten-month period ended December 31, 2005 represented approximately 7% of our consolidated operating income, in

constant Peso terms, for 2005. 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 decreased approximately 8% in 2005 compared to 2004, and ready-mix concrete sales volumes in those operations decreased approximately 12% during the same period. These decreases are primarily due to a weak German economy, a high unemployment rate, the slow growth of disposable income and political uncertainty, resulting in decreased construction activity.

In France, ready-mix concrete sales volumes in the operations we acquired from RMC increased approximately 6% in 2005 compared to 2004, primarily as a result of strong demand from the housing sector due to tax incentives to promote housing construction and the launch of a new social housing program.

South America, Central America and the Caribbean

Our operations in South America, Central America and the Caribbean in 2005 consisted of our operations in Venezuela and Colombia, the operations we acquired from RMC in Argentina, which are consolidated in our results of operations for ten months in 2005, and our Central American and Caribbean operations, which included our operations in Costa Rica, the Dominican Republic,

Panama, Nicaragua, Puerto Rico and the operations we acquired from RMC in Jamaica, which are consolidated in our results of operations for ten months in 2005, 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 19% in 2005 compared to 2004, and ready-mix concrete sales volumes increased 31% 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, as well as increased demand in the Dominican Republic due to new tourist development, new infrastructure projects in Panama and the commencement of ready-mix operations in Nicaragua and Costa Rica. Our South America, Central American and Caribbean operations' average domestic sales price of cement decreased approximately 11% in Dollar terms in 2005 compared to 2004 due to competitive pressures in the Colombian market, while the average sales price of ready-mix concrete increased approximately 4% in Dollar terms over the same period. For the year ended December 31, 2005, sales of ready-mix concrete in South America, Central America and the Caribbean represented approximately 27% of our South America, Central America and the Caribbean operations' net sales. Set forth below is a discussion of sales volumes in Venezuela and Colombia, the most significant countries in our South America, Central American and Caribbean segment, based on net sales.

Our Venezuelan operations' domestic cement sales volumes increased approximately 38% in 2005 compared to 2004, and ready-mix concrete sales volumes increased approximately 27% during the same period. The increases in volumes resulted primarily from increased government spending in the public sector due to higher oil revenues and increased demand in the self-construction sector. Our Venezuelan operations' cement export volumes, which represented approximately 42% of our Venezuelan cement sales volumes in 2005, decreased approximately 21% in 2005 compared to 2004 primarily due to increased domestic demand. Of our Venezuelan operations' total cement export volumes during 2005, 76% was shipped to North America and 24% to South America and the Caribbean.

Our Colombian operations' cement volumes increased approximately 33% in 2005 compared to 2004, and ready-mix concrete sales volumes increased approximately 17% during the same period. The increases in sales volumes resulted primarily from increased demand in the self-construction sector due to lower unemployment and higher wages and increased spending in the public works sectors.

As a result of the increases in domestic cement sales volumes, ready-mix concrete sales volumes and the average sales prices of ready-mix concrete, net sales in our South America, Central America and the Caribbean operations, in constant Peso terms, increased approximately 4% in 2005 compared to 2004, despite the decrease in the average domestic sales prices of cement in Colombia and the decline in Venezuelan cement export volumes.

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.

Our Africa and the Middle East operations' domestic cement sales volumes increased approximately 23% in 2005 compared to 2004, primarily as a result of increased demand in the housing sector and increased government spending on infrastructure in Egypt due to higher oil revenues. Our Africa and the Middle East operations' average domestic sales price of cement increased approximately 13% in Egyptian pound terms and approximately 21% in Dollar terms in 2005 compared to 2004, primarily due to better overall market conditions in Egypt. Our Africa and the Middle East operations' cement export volumes, which

represented approximately 14% of our Africa and the Middle East operations' cement sales volumes in 2005, decreased approximately 53% in 2005 compared to 2004 primarily due to increased domestic demand in Egypt. Of our Africa and the Middle East operations' total cement export volumes during 2005, 95% was shipped to Europe and 5% was shipped to Africa. Our Africa and the Middle East operations' ready-mix concrete sales volumes increased significantly in 2005 compared to 2004 primarily as a result of the consolidation of RMC's UAE and Israeli operations for ten months in 2005 (representing approximately 92% of our ready-mix concrete sales volumes in the region). For the year ended December 31, 2005, sales of ready-mix concrete in Africa and the Middle East represented approximately 51% of our Africa and the Middle East operations' net sales.

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 in our Africa and the Middle East operations, in constant Peso terms, increased approximately 185% in 2005 compared to 2004, despite the decline in cement export volumes.

Asia

Our operations in Asia consist 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. Our Asian operations' domestic cement sales volumes increased approximately 2% in 2005 compared to 2004, primarily due to strong cement demand in the housing sector in Thailand and greater market coverage in Bangladesh, which were partially offset by decreased demand in the Philippines as a result of political uncertainty, while the average sales price of cement in the region increased approximately 10%, in Dollar terms, during the same period. Our Asian operations' cement export volumes, which represented approximately 18% of our Asian operations' cement sales volumes in 2005, increased approximately 116% in 2005 compared to 2004 primarily due to expansion into other markets in the Middle East and Southeast Asia. Of our Asian operations' total cement export volumes during 2005, 58% was shipped to the Middle East and 42% to the Southeast Asia region. Our Asian operations' ready-mix concrete sales volumes increased significantly in 2005 compared to 2004, primarily due to the consolidation of RMC's Malaysian operations for ten months in 2005 (representing nearly all of our ready-mix concrete sales volumes in the region). For the year ended December 31, 2005, sales of ready-mix concrete in Asia represented approximately 15% of our Asian operations' net sales.

Primarily as a result of the increases in domestic cement sales volumes, cement export volumes and the average sales price of cement, but also as a result of the consolidation of RMC's Malaysian ready-mix concrete operations, net sales in our Asian operations, in constant Peso terms, increased approximately 89% in 2005 compared to 2004.

Others

Our Others segment includes our worldwide cement, clinker and slag trading operations, our information solutions company and other minor subsidiaries. Net sales in our Others segment increased approximately 39% in 2005 compared to 2004 in constant Peso terms, primarily as a result of a 74% increase in our trading operations' net sales in 2005 compared to 2004 due to increased trading activity resulting from the consolidation of RMC's trading operations for ten months in 2005. For the year ended December 31, 2005, our trading operations' net sales represented approximately 69% of our Others segment's net sales.

COST OF SALES

Our cost of sales, including depreciation, increased approximately 101% from Ps53,417 million in 2004 to Ps107,341 million in 2005 in constant Peso terms, primarily due to the consolidation of RMC's operations for ten months during 2005. Excluding the effect of the consolidation of RMC's operations, our

cost of sales, including depreciation, increased approximately 7% during the same period, primarily as a result of higher energy costs. As a percentage of net sales, cost of sales increased from 56% in 2004 to 61% in 2005 (57%, excluding the effect of the consolidation of RMC).

GROSS PROFIT

Our gross profit increased approximately 69% from Ps41,498 million in 2004 to Ps70,044 million in 2005 in constant Peso terms. Excluding the effect of the consolidation of RMC's operations, our gross profit increased approximately 4% during the same period. Our gross margin decreased from 44% in 2004 to 40% in 2005, primarily due to higher energy costs and the consolidation of RMC's operations for ten months during 2005, which resulted in a change in 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. Excluding the effect of the consolidation of RMC's operations, our gross margin decreased to 43% due to higher energy costs partially offset by higher sales volumes and average sales prices in most of our markets. The increase in our gross profit is primarily attributable to the 87% increase in our net sales in 2005 compared to 2004 (6%, excluding the effect of the consolidation of RMC), partially offset by the 101% increase in our cost of sales in 2005 compared to 2004 (7%, excluding the effect of the consolidation of RMC).

OPERATING EXPENSES

Our operating expenses increased approximately 107% from Ps19,931 million in 2004 to Ps41,253 million in 2005 in constant Peso terms, primarily due to the consolidation of RMC's operations for ten months during 2005. Excluding the effect of the consolidation of RMC's operations, our operating expenses increased approximately 1% during the same period, primarily as a result of increased transportation costs due to higher worldwide energy costs, which were partially offset by our continuing cost-reduction efforts, including reductions in corporate overhead and travel expenses. As a percentage of net sales, our operating expenses increased from 21% in 2004 to 23% in 2005 (remained flat, excluding the effect of the consolidation of RMC).

OPERATING INCOME

For the reasons mentioned above, our operating income increased approximately 34% from Ps21,567 million in 2004 to Ps28,791 million in 2005 in constant Peso terms. Excluding the effect of the consolidation of RMC's operations, our operating income increased approximately 6% as compared to 2004. 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 8% from Ps12,763 million in 2004 to Ps11,702 million in 2005 in constant Peso terms. The decrease in operating income was primarily due to decreases in the average prices of domestic cement and ready-mix concrete and higher energy costs. The price decreases and higher costs were partially offset by increases in domestic cement and ready-mix concrete sales volumes and cement export volumes.

United States

Our U.S. operations' operating income increased approximately 157% from Ps3,026 million in 2004 to Ps7,790 million in 2005 in constant Peso terms. The increase in operating income resulted primarily from the consolidation of RMC's U.S. operations for ten months in 2005 (representing approximately 28% of our U.S. operations' operating income) and increases in domestic cement and ready-mix concrete sales volumes and average

prices. These increases were partially offset by higher energy and material costs, the divestiture of assets in March 2005 and the contribution in July 2005 and sale in September 2005 of assets to Ready Mix USA, LLC, as described above under "Net Sales -- United States," and the depreciation of the Dollar against the Peso.

Spain

Our Spanish operations' operating income increased approximately 7% from Ps3,905 million in 2004 to Ps4,164 million in 2005 in constant Peso terms. The increase in operating income resulted primarily from the proportional consolidation of RMC's Spanish joint venture operations for nearly ten months in 2005 (representing approximately 4% of our Spanish operations' operating income) and increases in domestic cement and ready-mix concrete sales volumes and average prices. These increases were partially offset by a decline in cement export volumes, higher energy costs and the depreciation of the Euro against the Peso and the Dollar.

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. Our United Kingdom operations' operating income for the ten-month period ended December 31, 2005 represented approximately 2% of our consolidated operating income, in constant Peso terms, for 2005.

Rest of Europe

Our operations in our Rest of Europe segment in 2005 consisted of our Italian operations we owned prior to the RMC acquisition, and the operations we acquired from RMC in Germany, France, Croatia, Poland, Latvia, the Czech Republic, Ireland, Austria, Hungary, Portugal, Denmark, Finland, Norway and Sweden, which are consolidated in our results of operations for ten months in 2005, and the Italian operations we owned prior to the RMC acquisition. Our Rest of Europe operations' operating income for the ten-month period ended December 31, 2005 represented approximately 7% of our consolidated operating income, in constant Peso terms, for 2005.

South America, Central America and the Caribbean

Our South America, Central America and the Caribbean operations' operating income decreased approximately 39% from Ps4,413 million in 2004 to Ps2,702 million in 2005 in constant Peso terms. The decrease in operating income was primarily attributable to the decrease in the average domestic sales prices of cement in Colombia, the decline in Venezuelan cement export volumes and higher energy costs. The cement price and export volume decreases and higher costs were partially offset by increases in domestic cement and ready-mix concrete sales volumes and the average price of ready-mix concrete.

Africa and the Middle East

Our Africa and the Middle East operations' operating income increased approximately 87% from Ps668 million in 2004 to Ps1,248 million in 2005 in constant Peso terms. The increase in operating income resulted primarily from the consolidation of RMC's UAE and Israeli operations for ten months in 2005 (representing approximately 9% of our operating income in the region) and increases in cement sales volumes and the average domestic sales price of cement in Egypt. These increases were partially offset by a decline in cement export volumes and higher energy costs.

Asia

Our Asian operations' operating income increased approximately 45% from Ps356 million in 2004 to Ps460 million in 2005 in constant Peso terms. The increase in operating income resulted primarily from increases in cement export volumes and the average domestic sales price of cement in the region. These

increases were partially offset by higher energy costs.

Others

Operating income (loss) in our Others segment improved approximately 47% from a loss of Ps3,519 million in 2004 to a loss of Ps1,859 million in 2005 in constant Peso terms. The improvement in operating loss was primarily attributable to a 37.6% increase in our trading operations' operating income in 2005 compared to 2004 due to increased trading activity resulting from the consolidation of RMC's trading operations for ten months in 2005, and a 16.3% improvement in our information solutions company's operating loss in 2005 compared to 2004.

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. For presentation purposes, comprehensive financing result includes: o 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, 2004	2005
	(in millions of constant Pesos as of December 31, 2006)	
Comprehensive financing result:		
Financial expense	Ps (4,336)	Ps (6,092)
Financial income	273	455
Results from valuation and liquidation of financial instruments	1,395	4,471
Foreign exchange result	(275)	(912)
Monetary position result	4,495	4,914
Net comprehensive financing result	Ps 1,552	Ps 2,836

Our net comprehensive financing result increased approximately 82% f Ps1,552 million in 2004 to Ps2,836 million in 2005 (Ps3,430 million, excluding the effect of the consolidation of RMC). The components of the change are shown above. Our financial expense was Ps6,092 million for 2005, an increase of approximately 41% from Ps4,336 million in 2004. The increase was primarily attributable to higher average levels of debt outstanding during 2005 compared to 2004 as a result of borrowings related to the RMC acquisition. Our financial income increased approximately 67% from Ps273 million in 2004 to Ps455 million in 2005 as a result of increases in interest rates. Our results from valuation and liquidation of financial instruments improved significantly from a gain of

Ps1,395 million in 2004 to a gain of Ps4,471 million in 2005, primarily attributable to significant valuation improvements from our derivative financial instruments portfolio (discussed below) during 2005. Our net foreign exchange results declined from a loss of Ps275 million in 2004 to a loss of Ps912 million in 2005, mainly due to the depreciation of the Euro against the Dollar. Our monetary position result (generated by the recognition of inflation effects over monetary assets and liabilities) increased from Ps4,495 million during 2004 to Ps4,914 million during

2005, as a result of an increase in the weighted average inflation index used in the determination of the monetary position result in 2005 compared to 2004.

DERIVATIVE FINANCIAL INSTRUMENTS

For the years ended December 31, 2004 and 2005, our derivative financial instruments that had a potential impact on our comprehensive financing result consisted of equity forward contracts entered into to hedge our obligations under our executive stock option programs, 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. We recognized a gain of Ps4,471 million in 2005 in the item "Results from valuation and liquidation of financial instruments," of which a net valuation gain of approximately Ps526 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 Ps3,086 million was attributable to changes in the fair value of our foreign currency derivatives, a valuation gain of approximately Ps36 million was attributable to changes in the fair value of our marketable securities and a valuation gain of approximately Ps823 million was attributable to changes in the fair value of our interest rate derivatives. The estimated fair value gain of our equity forward contracts and the costs associated with the stock options both were attributable to the increase, during 2005, in the market price of our listed securities (ADSs and CPOs) as compared to 2004. 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 Ps1,537 million), and changes in the estimated fair value of our cross currency swap contracts relating to our debt portfolio (representing a gain of approximately Ps1,550 million). The estimated fair value gain of our interest rate derivatives was primarily attributable to an increase in five-year interest rates.

OTHER EXPENSES, NET

Our other expenses, net decreased approximately 35% from Ps5,635 million in 2004 to Ps3,676 million in 2005 in constant Peso terms, primarily as a result of new accounting pronouncements under Mexican FRS, effective as of January 1, 2005, pursuant to which the amortization of goodwill was eliminated, although goodwill remains subject to periodic impairment evaluations, which was partially offset by a one-time charge of Ps1,064 million related to the change in pension fund plans from defined benefit to defined contribution. The decrease was also due to the sale of our 11.9% interest in Cementos Bio Bio, S.A. in April 2005, which resulted in a net profit of approximately U.S.$19.5 million (Ps226 million), partially offset by the sale of our Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region in March 2005, which resulted in a net loss of approximately U.S.$10.5 million (Ps122 million). Excluding the effect of the consolidation of RMC's operations, our other expenses, net decreased approximately 50% during the same period.

INCOME TAXES AND EMPLOYEES' STATUTORY PROFIT SHARING

Our effective tax rate was 13.9% in 2005 compared to 12.2% in 2004. Our tax expense, which primarily consisted of income taxes, increased from Ps2,137 million in 2004 to Ps3,885 million in 2005. The increase was attributable to higher taxable income in 2005 as compared to 2004. Our average statutory income tax rate was approximately 30% in 2005 and approximately 33% in 2004.

In connection with our ESPS, changes in the deferred ESPS liability during 2004 and 2005, in addition to the current ESPS effect, led to an expense of Ps346 million during 2004 and an income of Ps10 million during 2005. The change in 2005 was mainly driven by lower taxable income for profit sharing purposes in Mexico and Venezuela.

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 2005 increased approximately 62% from Ps15,468 million in 2004 to Ps25,088 million in 2005 in constant Peso terms. Excluding the effect of the consolidation of RMC's operations, our consolidated net income (before deducting the portion allocable to minority interest) increased approximately 37% during the same period. The percentage of our consolidated net income allocable to minority interests increased from 1.6% in 2004 to 2.5% in 2005 (2.0%, excluding the effect of the consolidation of RMC), as a result of our contributions in July 2005 and sale in September 2005 of ready-mix concrete, aggregates and concrete block assets in the Florida panhandle and southern Georgia to Ready Mix USA, LLC, an entity in which we own a 49.99% interest. Majority interest net income increased by approximately 61% from Ps15,224 million in 2004 to Ps24,450 million in 2005 in constant Peso terms, mainly as a result of our increase in net sales, our valuation gains on derivative financial instruments, and the decrease in other expenses, net, partially offset by higher financial expenses and income taxes. Excluding the effect of the consolidation of RMC's operations, our majority interest net income increased by approximately 37% during the same period. As a percentage of net sales, majority interest net income decreased from 16% in 2004 to 14% in 2005. Excluding the effect of the consolidation of RMC's operations, as a percentage of net sales, majority interest net income increased from 16% in 2004 to 21% in 2005.

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 Ps25.7 billion in 2004, Ps39.9 billion in 2005, and Ps44.1 billion in 2006. See

our Statement of Changes in the Financial Position included elsewhere in this annual report.

OUR INDEBTEDNESS

As of December 31, 2006, we had approximately U.S.$7.5 billion (Ps81.4 billion) of total debt, of which approximately 17% was short-term and 83% was long-term. Approximately 5% of our long-term debt at December 31, 2006, or U.S.$0.3 billion (Ps3.4 billion), is to be paid in 2007, unless extended. As of December 31, 2006, before giving effect to our cross currency swap arrangements discussed elsewhere in this annual report, 33% of our consolidated debt was Dollar-denominated, 30% was Euro-denominated, 30% was Peso-denominated, 6% was Yen-denominated, 1% was Pound-denominated, and immaterial amounts were denominated in other currencies. The weighted average interest rates paid by us in 2006 in our main currencies were 5.0% on our Dollar-denominated debt, 3.8% on our Euro-denominated debt, 1.2% on our Yen-denominated debt and 5.0% on our Pound-denominated debt. The foregoing debt information does not include the perpetual instruments issued by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited in December 2006 described below.

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 investment programs. CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, 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 (Ps40,230 million), as of December 31, 2006. 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," and note 24(s) to our consolidated financial statements included elsewhere in this annual report.

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 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. Such waivers are typically requested and granted for limited periods, after which either a further waiver is requested or compliance makes a further waiver unnecessary. In the case of the Rinker acquisition, we have obtained financial ratio covenants waivers through December 31, 2007, and we expect to take such actions as may be necessary to enable us to satisfy such financial covenants by such date. 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, 2006, 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, 2006, 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, 2006, we had senior debt in subsidiaries of approximately U.S.$4,394 million (equivalent to approximately 29% of our consolidated net assets); and

- A financial covenant limiting the amount of total debt maintained in New Sunward Holdings (a Dutch holding company subsidiary) relative to the stockholder's equity of CEMEX Espana (our operating company in Spain and the direct parent of New Sunward Holdings) to be not higher than 0.35 times. As of December 31, 2006, New Sunward Holdings had outstanding debt of approximately (euro)1,546 million (U.S.$2,042 million).

In light of these restrictions, as of December 31, 2006, 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, 2006, after the completion of our acquisition of RMC and the refinancing of the acquisition credit facilities, we had approximately U.S.$7.5 billion of total outstanding debt, including debt assumed from RMC. Our financing activities through December 31, 2005 are described in our previous annual reports on Form 20-F. The following is a description of our financings in 2006.

- On November 30, 2000, RMC and several institutional purchasers entered in a Note Purchase Agreement in connection with a private placement by RMC. Pursuant to this agreement, RMC issued U.S.$120 million aggregate principal amount of 8.40% Senior Notes due 2010, U.S.$90 million aggregate principal amount of 8.50% Senior Notes due 2012 and U.S.$45 million aggregate principal amount of 8.72% Senior Notes due 2020. On March 31, 2006, we issued a prepayment notice to the holders of the 8.40% Series A Senior Notes due 2010, 8.50% Series B Senior Notes due 2012, and 8.72% Series C Senior Notes due 2020 issued by RMC on November 30, 2000 for a then aggregate principal amount of U.S.$255 million. At the same time, we issued a prepayment notice to the holders of other outstanding notes originally issued by RMC in private placements for an aggregate principal amount of U.S.$122 million. These prepayments, which amounted to a total of approximately U.S.$377 million, were made on May 5, 2006. With this transaction we completed the

refinancing process of the debt incurred in connection with the RMC acquisition.

- On March 17, 2006, we issued two tranches in Mexico under our Medium-Term Promissory Notes Program (Certificados Bursatiles). The first tranche of notes was issued in a principal amount of Ps1,750 million with a maturity of five years at an interest rate equal to the 91- day Mexican treasury rate (CETES) plus 60 basis points. The second tranche of notes was issued in a principal amount of Ps750 million with a maturity of five years at a fixed interest rate of 8.7%. Both tranches were swapped to Dollars at floating rates of close to 6-month LIBOR.

- During the second quarter of 2006, under our Medium-Term Promissory Notes Program, we issued notes in a principal amount of Ps1.5 billion with a maturity of five years at an interest rate equal to the 91-day Mexican treasury rate (CETES) plus 53 basis points. We also issued various short-term notes under our Short-Term Promissory Notes Program (Certificados Bursatiles de Corto Plazo). We also entered into currency swaps to swap Peso obligations under the notes to Dollars at rates lower than LIBOR.

- During the third quarter of 2006, we issued additional notes under our Medium-Term Promissory Notes Program in a principal amount of Ps2.5 billion with a maturity of five years at an interest rate equal to the 91-day Mexican treasury rate (CETES) plus 46 basis points, which issuance was reopened with the same terms and conditions in October 2006 for an additional Ps.1.5 billion. We also issued various short-term notes under our Short-Term Promissory Notes Program, having an outstanding amount of Ps1.4 billion at the end of the quarter. We also entered into currency swaps to swap Peso obligations under the notes to U.S. dollars at an average LIBO rate plus 7 basis points.

- During the fourth quarter of 2006, we issued additional notes under our Medium-Term Promissory Notes Program. On October 13, 2006, we issued notes in a principal amount of Ps1.5 billion with a maturity of approximately five years at an interest rate equal to the 91-day Mexican treasury rate (CETES) plus 46 basis points, and on December 15, 2006, we issued notes in a principal amount of Ps2.95 billion with a maturity of approximately five years at an interest rate equal to the 91-day TIIE rate plus 9 basis points. Both series of notes issued were swapped to Dollars at a weighted-average rate of LIBOR plus 3 basis points.

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

Funding for the Rinker acquisition is sourced from a combination of up to U.S.$1,700 million in cash and cash equivalents, as well as drawdowns under the following unsecured loan facilities, or the Loan Facilities:

(a) a U.S.$6 billion acquisition facility, dated as of December 6, 2006, or the Acquisition Facility, arranged by CEMEX Espana, as borrower, with Citigroup Global Markets Limited, The Royal Bank of Scotland plc and Banco Bilbao Vizcaya Argentaria, S.A., as arrangers, comprising:

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

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

for each facility, the interest rate is the aggregate of: (a) the applicable LIBO rate, (b) a margin, calculated on the basis of net borrowings to adjusted EBITDA, and (c) certain mandatory costs. The margin of the 364-day

facility is increased if this facility is extended. 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, or the Newly Committed Facility, arranged by CEMEX, S.A.B. de C.V., as borrower, with BBVA Bancomer, S.A., which is currently available for drawdowns and matures 12 months from the date of the initial drawing (unless extended). The Newly Committed Facility comprises a bridge loan and a back stop or stand-by loan and is guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The interest rates are as follows: (a) for Mexican peso loans, the applicable domestic rate known as Tasa de Interes Interbancaria de Equilibrio plus the applicable margin (which is based on the date of funding) and (b) for Dollar loans, the applicable LIBO rate plus the applicable margin (which is based on the date of funding);

(c) an existing committed revolving credit facility, dated May 31, 2005, and amended on June 19, 2006, November 11, 2006 and May 9, 2007, or the U.S.$1.2 billion Existing Committed Facility, arranged by CEMEX, S.A.B. de C.V., as borrower, with the lenders referred to in such facility including Barclays Bank PLC and Citigroup Global Markets Inc. The interest rates under this facility are as follows: (a) for LIBO rate loans, the applicable LIBO rate plus any mandatory costs and (b) for EURIBO rate loans, the applicable EURIBO rate plus any mandatory costs. All such interest rates are increased by the applicable margin, which is calculated on the basis of CEMEX, S.A.B. de C.V.'s net debt/EBITDA ratio. An aggregate amount of at least U.S.$1.2 billion is available for drawdown as at the date of this annual report.

(d) an existing committed revolving loan facility, dated September 24, 2004 (as amended and restated), or the CEMEX Espana Facility, arranged by CEMEX Espana, as borrower, with the lenders referred to in such facility including Banco Bilbao Vizcaya Argentaria S.A., Banco Santander Central Hispano, S.A., Calyon Corporate and Investment Bank and Citigroup Global Markets Limited. The interest rates under this facility are as follows: (a) for LIBO rate loans, the applicable LIBO rate plus any mandatory costs and (b) for EURIBO rate loans, the applicable EURIBO rate plus any mandatory costs. All such interest rates are increased by the applicable margin, which is calculated on the basis of CEMEX, S.A.B. de C.V.'s net debt/EBITDA ratio. An aggregate amount of at least U.S.$2.1 billion is available for drawdown as at the date of this annual report.

(e) an existing revolving credit facility arranged by CEMEX, S.A.B. de C.V., as borrower, and guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico, originally dated as of June 23, 2004. 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, December 1, 2006 and May 9, 2007, the revolving credit facility was further amended. An aggregate amount of U.S.$700 million is available for drawdown as at the date of this annual report.

(f) a new U.S.$1.5 billion committed facility, to be arranged by CEMEX Espana, S.A., as borrower, with The Royal Bank of Scotland plc. as lender, which is subject to the satisfaction of certain customary conditions. This committed facility will be a 364-day term loan facility with an option for the borrower to extend for 180 days.

Rinker's reported debt as of March 31, 2007, based on information submitted by Rinker to the Australian Securities Exchange, was approximately U.S.$1.1 billion. The following is a description of Rinker's material debt instruments as of March 31, 2006:

- a U.S. commercial paper program, with Rinker Materials as borrower. The program has no maturity and allows for a maximum of U.S.$1 billion of notes to be issued and outstanding at any one time. The notes have maturities up to 365 days (366 days in a leap year) from the date of issuance;

- revolving cash advance credit facilities of U.S.$1,177.5 million;
- a private placement of U.S.$200 million in senior notes, in two series of U.S.$100 million each, maturing on August 8, 2010 and December 1, 2010; and
- U.S.$149.9 million in bonds, paying annual interest of 7.70% and due on July 21, 2025.

OUR EQUITY FORWARD ARRANGEMENTS

As of December 31, 2004, we had forward contracts covering a total of 30,644,267 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 (Ps524 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 (Ps4,886 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 Ps1,781 million to a financial institution. On the same date, we negotiated a forward contract for the same number of CPOs with maturity in December 2009. The notional amount of the contract as of December 31, 2006 was approximately U.S.$171 million (Ps1,847 million). This equity forward contract provides for net cash settlement at its maturity. See note 12D to our consolidated financial statements included elsewhere in this annual report. As of March 31, 2007, we had settled in cash approximately 37.7 million CPOs covered by this agreement.

OUR MINORITY INTEREST ARRANGEMENTS

As of December 31, 2006, minority interest stockholders' equity includes U.S.$1,250 million (Ps13,500 million) aggregate principal amount of the perpetual debentures referred to below, which were issued by consolidated entities. For accounting purposes, these debentures represent equity instruments.

On December 18, 2006, by means of two special purpose vehicles, or SPVs, we issued perpetual debentures for an aggregate amount of U.S.$1,250 million (Ps13,500 million). These debentures have no fixed maturity date and do not represent a contractual payment obligation for CEMEX. The first SPV, C5 Capital (SPV) Limited, issued debentures for a principal amount of U.S.$350 million bearing a fixed annual interest rate of 6.196% from their issuance date to December 31, 2011, and thereafter an annual interest rate equal to the 3-month Dollar LIBO Rate plus 4.277%, reset quarterly, payable quarterly in arrears beginning March 31, 2012. These debentures include an option that allows C5 Capital (SPV) Limited to redeem the debentures at par (including all accrued and unpaid interest) on and after December 31, 2011. The second SPV, C10 Capital (SPV) Limited, issued debentures for a principal amount of U.S.$900 million bearing an annual interest rate of 6.722% from their issuance date to

December 31, 2016, and thereafter an annual interest rate equal to the 3-month Dollar LIBO Rate plus 4.710%, reset quarterly, payable quarterly in arrears beginning March 31, 2017. These debentures include an option that allows C10 Capital (SPV) Limited to redeem the debentures at par (including all accrued and unpaid interest) on and after December 31, 2016. The interest rate on both debentures may be increased upon the occurrence of certain change of control events. Interest otherwise due on both debentures on any payment date may be deferred indefinitely by the issuers. There is no limit on the amount of interest that may be deferred, and no requirement that deferred interest be paid at any time prior to the redemption or repayment of the debentures. Deferred amounts will accumulate but will not bear interest. The weighted cost to CEMEX in Dollars for these perpetual debentures for the first two years has been fixed at 2.85% and 4.27% for year one and year two, respectively.

The two SPVs, which were established solely for purposes of issuing the perpetual debentures, are included in our consolidated financial statements. Based on their characteristics, the debentures qualify for accounting purposes as equity instruments and are classified within minority interest as they were issued by consolidated entities. The treatment of the debentures as equity instruments was made under applicable International Financing Reporting Standards, or IFRS, which were applied to these transactions in compliance with the supplementary application of IFRS in Mexico. Issuance costs for these debentures of approximately U.S.$10 million (Ps108 million), as well as the interest expense, which is recognized based on the principal amount, are included within "Other capital reserves." Under U.S. GAAP, these perpetual debentures are recognized as debt and interest payments are included as financing expense in the income statement.

As described below, there are derivative instruments associated with the debentures issued by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited, through which we have changed the risk profile associated with interest rates and foreign exchange rates in respect of these debentures.

For a description of our recent minority interest arrangements, see "-- Recent Developments" below.

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 to 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, 2004, 2005 and 2006 were Ps7,437 million (U.S.$688 million), Ps7,996 million (U.S.$740 million), and Ps11,738 million (U.S.$1,087 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 and were approximately Ps132 million (U.S.$12 million) in 2004, Ps229 million (U.S.$21 million) in 2005 and Ps438 million (U.S.$41 million) in 2006. 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 2004 and 2005 annual shareholders' meetings held on April 28, 2005, and April 27, 2006, respectively, our shareholders approved stock repurchase programs in an amount of up to Ps6,000 million (nominal amount) implemented between April 2005 and April 2007. No shares were purchased under these programs.

In connection with our 2006 annual shareholders' meeting held on April 26, 2007, 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 February 2, 2007, we issued notes under our Medium-Term Promissory Notes Program in a principal amount of Ps3 billion (approximately U.S.$272 million) with a maturity of approximately five years at an interest rate equal to the 28-day TIIE plus 10 basis points (equivalent to LIBOR plus 9 basis points).

On February 12, 2007, by means of an SPV named C8 Capital (SPV) Limited, we issued a third tranche of perpetual debentures for a principal amount of U.S.$750 million, which do not have a fixed maturity date and do not represent a contractual payment obligation for CEMEX. These debentures bear a fixed annual interest rate of 6.640% from their issuance date to December 31, 2014, and thereafter an annual interest rate equal to the 3-month Dollar LIBO Rate plus 4.400%, reset quarterly, payable quarterly in arrears beginning March 31, 2015. These debentures include an option that allows the issuer to redeem the debentures at par (including all accrued and unpaid interest) on and after December 31, 2014. The interest rate on the debentures may be increased upon the occurrence of certain change of control events. Interest otherwise due on the debentures on any payment date may be deferred indefinitely by the issuer. There is no limit on the amount of interest that may be deferred, and no requirement that deferred interest be paid at any time prior to the redemption or repayment of the debentures. Deferred amounts will accumulate but will not bear interest. The weighted cost to CEMEX in Dollars for these perpetual debentures for the first two years has been fixed at 2.53% and 4.06% for year one and year two, respectively.

On May 9, 2007, by means of an SPV named C10-EUR Capital (SPV) Limited, we issued a fourth tranche of perpetual debentures for a principal amount of (euro)730 (approximately U.S.$946), which do not have a fixed maturity date and do not represent a contractual payment obligation for CEMEX. These debentures bear a fixed annual interest rate of 6.277% from their issuance date to June 30, 2017, and thereafter an annual interest rate equal to the 3-month Euribo Rate plus 4.790%, reset quarterly, payable quarterly in arrears beginning September 30, 2017. These debentures include an option that allows the issuer to redeem the debentures at par (including all accrued and unpaid interest) on and after June 30, 2017. The interest rate on the debentures may be increased upon the occurrence of certain change of control events. Interest otherwise due on the debentures on any payment date may be deferred indefinitely by the issuer. There is no limit on the amount of interest that may be deferred, and no requirement that deferred interest be paid at any time prior to the redemption or repayment of the debentures. Deferred amounts will accumulate but will not bear interest. The weighted cost to CEMEX in Dollars for these perpetual debentures for the first year has been fixed at 2.925%.

C8 Capital (SPV) Limited and C10-EUR Capital (SPV) Limited were established solely for purposes of issuing the perpetual debentures described above, and are included in our consolidated financial statements. Under Mexican FRS, these perpetual debentures qualify as equity instruments and are classified within minority interest as they were issued by consolidated entities. Interest due on the debentures is recognized within "Other capital reserves". Under U.S. GAAP, these perpetual debentures are recognized as debt and interest payments

are included as financing expense in the income statement.

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 2004, 2005 and 2006, 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.$34 million, U.S.$38 million and U.S.$43 million, respectively. In addition, in 2004, 2005 and 2006, we capitalized approximately U.S.$10 million, U.S.$18 million and U.S.$203 million, respectively, related to internal use software development. The increase in 2006 was attributable to our decision to initiate the replacement of the technological platform in which we execute the most important processes of our business model. The replacement of systems under this project started in the subsidiaries located in the United Kingdom, Germany and France, obtained through the acquisition of RMC in 2005. 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 2007 and 2008 we plan to continue the development of the new technological platform in the rest of our subsidiaries. See note 11 to our consolidated financial statements included elsewhere in this annual report.

As of March 31, 2006, Rinker did not report any material R&D costs.

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 2006, we posted our strongest financial results ever. This achievement comes primarily from the consolidation of RMC'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 2007, we expect to further improve our financial results through higher domestic sales volumes and positive supply-demand dynamics in most of our markets.

In addition, we accomplished the full integration of RMC's operations. We estimate that we realized approximately U.S.$240 million of additional cost savings through synergies during 2006, not including cost-saving synergies from initiatives implemented near the end of the year, which we expect will allow us to realize an additional U.S.$60 million in savings by the end of 2007, leading to approximately U.S.$360 million of total savings through synergies by December 31, 2007. Our target return-on-capital ratio of 10% or more for the RMC acquisition and this total amount of savings is being reached one year earlier than originally expected.

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 58% of our net sales in 2006.

United States

In the United States, we experienced a decline in sales volume for all our products during 2006. This decline is explained by the downturn in the residential sector, which accelerated throughout the year and resulted in very weak demand in the fourth quarter of 2006 compared to the peak demand levels of the prior year. For 2007, we expect the infrastructure, industrial and commercial sectors to continue to be the main drivers of demand for our industry, and continue to partially compensate for weakness in the residential sector.

Non-residential construction spending, which grew by 10% in 2006, is expected to grow an additional 4% to 5% during 2007. The U.S.$287 billion, six-year surface-transportation program known as SAFETEA-LU, together with the improving economic environment and fiscal condition of the states, are the forces behind this continued strength.

The industrial and commercial sectors are also expected to continue their growth trend due to a continued economic expansion.

In the residential sector, construction spending was down 1% during 2006. For 2007, there is continued uncertainty about the depth and duration of the ongoing correction. As such, our guidance is particularly sensitive to changes in the outlook for construction spending. We expect cement sales volumes in the residential sector to decline by about 15% to 16% during 2007 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 1% to 2% for 2007. We expect our ready-mix concrete sales volumes to decline by about 4% because of our higher exposure to the residential market.

As a result of our acquisition of Rinker, the size of our U.S. operations has recently increased significantly.

Mexico

In Mexico, we expect GDP growth of about 3.2%, driven in part by increased government spending as a result of improved government finances due to overall increased economic activity. For 2007, foreign direct investment and remittances from workers abroad should remain at about the same levels as 2006.

We see two main factors driving cement sales volumes during 2007. The first is government spending on streets and highways, public buildings, and other infrastructure projects. Total federal spending on public works is expected to reach U.S.$5 billion during 2007. 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, which are expected to grow by 80,000, or an increase of 11%. Of these 80,000 mortgages, 62,000 are expected to come from public institutions such as Infonavit, representing a growth of 10%. Mortgages sponsored by commercial banks and SOFOLES are expected to increase by 18,000, or an increase of 15%. While this last number may seem small relative to the total amount of expected mortgages, please consider that commercial banks and SOFOLES together fund more than 40% 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.

We expect sales volumes in the self-construction sector to increase. We believe this sector is growing below the overall economic growth rate because the higher availability of mortgage financing has enabled the residential construction sector to satisfy some of the housing demand.

Overall, we expect that cement consumption from government and other ready-mix concrete-intensive projects will likely bring an increase in our ready-mix concrete sales volumes of approximately 16% for 2007. We are optimistic about the trend in cement demand in Mexico, and we expect cement sales volumes to rise more than 4% in 2007.

Spain

In Spain, performance for the year 2006 exceeded our initial expectations. All segments of demand remained strong throughout the year, driven by a robust construction sector. For 2007, we expect that GDP growth will be more moderate at about 1%.

In 2006, the residential sector in Spain experienced its strongest year ever, with the number of housing starts in excess of 850,000. Housing starts reached very high levels during the summer in anticipation of the changes in the residential building code that took effect in October. Accordingly, we expect housing starts to be more moderate in 2007 and to cause a deceleration in this sector, especially in the second half of the year.

Performance of the public-works sector is expected to be positive in 2007. Most of the growth in this sector in 2006 came from local municipalities in anticipation of the local elections held in May 2007. This year, new projects currently being initiated under the government's new infrastructure plan will more than compensate for the expected decline in activity by local municipalities. 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 2007. Overall, we estimate cement sales volumes in Spain to grow about 3% during 2007.

United Kingdom

In the United Kingdom, cement sales volumes declined 4% during 2006. 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, rose by 1% during 2006. Ready-mix concrete sales volumes decreased by 1% and aggregates sales volumes increased by 3% during 2006.

During 2006, cement demand was driven mainly by a good performance of the industrial, commercial, and public-housing sectors. These sectors, together with improved performance of the infrastructure sector, will drive cement consumption during 2007, while the private new housing sector and the repair-maintenance-and-improvement sector will remain subdued during the year.

For 2007, we expect cement sales volumes in the United Kingdom to increase around 7%.

SUMMARY OF MATERIAL CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

As of December 31, 2006, our subsidiaries had future commitments for the purchase of raw materials for an approximate amount of U.S.$225 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.

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 "Termoelectrica 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 Penoles, 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 Termoelectrica 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 and to provide approximately 80% of CEMEX Mexico's electricity needs. The power plant commenced commercial operations on May 1, 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. As of December 31, 2006, after 32 months of operations, the power plant has supplied electricity to 10 of our cement plants in Mexico covering approximately 77% of their needs for electricity and has represented a decrease of approximately 34% in the cost of electricity at these plants.

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, 2006:

	PAYMENTS DUE BY PERIOD				
	(in millions of U.S. Dollars)				
CONTRACTUAL OBLIGATIONS	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS
Long-term bank loans and notes payable	6,537	296	2,913	2,385	943
Capital lease obligations	68	20	28	17	3
Total debt(1)	6,605	316	2,941	2,402	946
Operating leases(2)	653	166	241	135	111
Interest payments on our indebtedness(3)	1,418	411	603	304	100
Estimated cash flows under interest rate derivatives(4)	311	93	127	83	8
Planned funding of pension plans and other post-retirement benefits(5)	1,773	157	321	353	942
Total	10,760	1,143	4,233	3,277	2,107

(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, 2006, we had lines of credit totaling approximately U.S.$6.7 billion, of which the available portion amounted to approximately U.S.$2.4 billion. The scheduling of debt payments does not consider the effect of any refinancing that may occur on 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.$1,250 (Ps13,500), issued by C5 Capital (SPV) Limited and C10 Capital (SPV) Limited on December 18, 2006, as they do not represent contractual payment obligations for CEMEX.

(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 21B 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, 2006.

(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, 2006.

(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, 2006, 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 procedures and controls established by our risk management committee, we have entered into various derivative financial instrument transactions in order to manage our exposure to market risks resulting from changes in interest rates, foreign exchange rates and the price

of our common stock. 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.

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, 2005		AT DECEMBER 31, 2006		
DERIVATIVE INSTRUMENTS	NOTIONAL AMOUNT	ESTIMATED FAIR VALUE	NOTIONAL AMOUNT	ESTIMATED FAIR VALUE	MATURITY DATE
Equity forward contracts	--	--	171	--	Dec '09
Foreign exchange forward contracts	3,200	173	5,908	127	Jan '07 - Jan '10
Derivatives related to perpetual equity instruments	--	--	1,250	46	Dec '11 - Dec '16
Interest rate swaps	2,725	52	3,184	39	Jul '08 - Aug '10
Cross currency swaps	2,290	212	2,144	154	Jan '07 - Mar '12
Derivatives related to energy	159	(4)	159	(4)	Dec '07 - May '17

Our Equity Derivative Forward Contracts

On December 20, 2006, we sold 50 million CPOs which had previously been held by a subsidiary of ours for approximately Ps1,781 million. On that date, we also entered into a forward purchase agreement with a financial institution which relates to the same number of CPOs and matures on December 20, 2009. At maturity, settlement of the agreement will be made in cash. As of March 31, 2007, we had settled in cash approximately 37.7 million CPOs covered by this agreement.

Our Foreign Exchange Forward Contracts

A portion of our foreign exchange forward contracts held as of December 31, 2005 and 2006, with notional amounts of U.S.$3,137 million and U.S.$5,034 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.

As of December 31, 2004, we held structured foreign exchange forward contracts, collars and digital options for a notional amount of U.S.$3,453 million in connection with our commitment to purchase RMC. The derivatives were entered into to hedge the variability in cash flows associated with exchange fluctuations between the Dollar, the currency in which we obtained the funds to purchase, and Pounds, the currency in which our firm commitment was denominated. These contracts were designated as accounting hedges of the foreign exchange risk associated with the firm commitment agreed to on November 17, 2004, the date on which RMC's shareholders committed to sell their shares at a fixed price. Changes in the estimated fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132 million (Ps1,537 million), was recognized in stockholders' equity in 2004, and was reclassified to earnings in March 2005, the month in which the final purchase occurred. The change in the estimated fair value of these contracts from their origination until their designation as

hedges in 2004 was a gain of approximately U.S.$102 million (Ps1,188 million) and was recognized in earnings in 2004. See note 12C to our consolidated

financial statements included elsewhere in this annual report.

Our Interest Rate Swaps

As of December 31, 2005 and 2006, we held interest rate swaps for notional amounts of approximately U.S.$2,725 million and U.S.$3,184 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, 2005 and 2006, several of our interest rate swap contracts, with an aggregate notional amount of approximately U.S.$1.5 billion and U.S.$1.4 billion, respectively, 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. 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, 2005 and 2006, 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, 2005 and 2006, we recognized net assets of U.S.$212 million (Ps2,453 million) and U.S.$154 million (Ps1,663 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.$212 million (Ps2,453 million) and U.S.$154 million (Ps1,663 million) as of December 31, 2005 and 2006, respectively, represented the contracts' estimated fair value, before prepayment effects, and includes:

- Gains of approximately U.S.$135 million (Ps1,563 million) and U.S.$60 million (Ps648 million) as of December 31, 2005 and 2006, 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.$15 million (Ps173 million) and U.S.$16 million (Ps173 million) as of December 31, 2005 and 2006, 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.$69 million (Ps799 million) and approximately U.S.$78 million (Ps842 million) as of December 31, 2005, and 2006, 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, 2006, 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, 2004, 2005 and 2006, changes in the estimated fair value of the cross-currency swaps, before prepayments, resulted in gains of U.S.$10 million (Ps116 million), U.S.$3 million (Ps35 million) and a loss of U.S.$58 million (Ps626 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, 2005 and 2006, we had an interest rate swap maturing in May 2017, for notional amounts of U.S.$150 million and U.S.$141 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 7.53% fixed rate until maturity in May 2017. In addition, during 2001 we sold a floor option for a notional amount of U.S.$159 million and U.S.$149 million as of December 31, 2005 and 2006, respectively, related to the interest rate swap contract, pursuant to which, commencing in 2003 and until 2017, we pay the difference between the 7.53% fixed rate and LIBO rates. Through the sale of this option, we received a premium of approximately U.S.$22 million (Ps276 million) in 2001. As of December 31, 2005 and 2006, the combined estimated fair value of the swap and floor contracts, amounting to approximate losses of U.S.$4 million (Ps46 million) and U.S.$3 million (Ps32 million), respectively, were recorded in the comprehensive financing result for each period. As of December 31, 2005 and 2006, the notional amount of both contracts is not aggregated, considering that there is only one notional amount with exposure to changes in interest rates and the effects of one instrument are proportionally inverse to the changes in the other one. See note 12D to our consolidated financial statements included elsewhere in this annual report.

In addition, in December 2006, CEMEX negotiated a derivative instrument based on gas prices for a notional amount of U.S.$9 million (Ps97 million). The instrument matures in December 2007.

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 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. We have entered into similar hedging instruments in connection with the issuance of the perpetual debentures debentures by C8 Capital (SPV) Limited and C10-EUR Capital (SPV) Limited in February and May 2007, respectively.

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, 2006. 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, 2006. 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, 2006 and is summarized as follows:

	EXPECTED MATURITY DATES AS OF DECEMBER 31, 2006							
DEBT	2007	2008	2009	2010	2011	AFTER 2012	TOTAL	FAIR VALUE
	(Millions of Dollars equivalents of debt denominated in foreign currencies)							
Variable rate	123	563	290	768	1,262	317	3,323	3,278
Average interest rate	5.49%	5.28%	5.20%	5.24%	5.26%	5.30%		
Fixed rate	192	795	1,293	313	60	628	3,282	3,228
Average interest rate	4.31%	4.44%	4.36%	4.62%	4.52%	4.86%		

As of December 31, 2006, 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, 2006, 47% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR minus 91 basis points, after giving effect to our interest rate swaps and cross currency swaps. As of December 31, 2006, we also held interest rate swaps for a notional amount of U.S.$3,184 million and with a fair value gain of approximately U.S.$39 million during 2006. 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, 2006 of these contracts that would result from a hypothetical, instantaneous decrease of 50

basis points in the interest rates would be a loss of approximately U.S.$21 million (Ps226 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, 2006, approximately 18% of our net sales, before eliminations resulting from consolidation, were generated in Mexico, 21% in the United States, 9% in Spain, 10% in the United Kingdom, 20% in our Rest of Europe segment, 8% in South America, Central America and the Caribbean, 4% in Africa and the Middle East, 2% in Asia and 8% from other regions and our cement and clinker trading activities. As of December 31, 2006, our debt amounted to Ps81.4 billion, of which approximately 33% was Dollar-denominated, 30% was Euro-denominated, 30% was Peso-denominated, 6% was Yen-denominated and 1% was Pound-denominated; therefore, we had a foreign currency exposure arising from the Dollar-denominated debt, the Euro-denominated debt, the Yen-denominated debt and the Pound-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 "Risk Factors -- We have to service our Dollar-denominated debt 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 debt. This could adversely affect our ability to service our debt 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." 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, 2006, the estimated fair value of these instruments was a gain of approximately U.S.$154 million (Ps1,663 million). The potential change in the fair value of these contracts as of December 31, 2006 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.$193 million (Ps2,089 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, 2006 was a gain of approximately U.S.$127 million (Ps1,372 million). The potential change in the fair value of these derivatives as of December 31, 2006 that would result from a hypothetical, instantaneous depreciation of 10% in the exchange rate of the Peso combined with a appreciation of 10% of the Euro against the Dollar would be a loss of approximately U.S.$730 million (Ps7,884 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 2004, 2005 and 2006. For a description of our acquisition of Rinker, see Item 4 -- "Information on the Company -- Recent Developments -- Rinker Acquisition."

Investments and Acquisitions

On September 27, 2004, in connection with a public offer to purchase RMC's outstanding shares, CEMEX UK Limited, our indirect wholly-owned subsidiary, acquired 50 million shares of RMC for approximately (pound)432 million (U.S.$786 million, based on a Pound/Dollar exchange rate of (pound)0.5496 to U.S.$1.00 on September 27, 2004), which represented approximately 18.8% of RMC's outstanding shares. On March 1, 2005, following board and shareholder approval and clearance from applicable regulators, CEMEX UK Limited purchased the remaining 81.2% of RMC's outstanding shares and completed the acquisition of RMC. The total purchase price for RMC was approximately U.S.$6.5 billion, which included approximately U.S.$2.2 billion of assumed debt. We accounted for the acquisition as a purchase under Mexican FRS, which means that our consolidated financial statements only include RMC from March 1, 2005.

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 Ps301 million (U.S.$28 million). The resulting goodwill arising from this acquisition was approximately Ps161 million.

In January 2006, we acquired a grinding mill with a grinding capacity of 500,000 tons per year in Guatemala for approximately U.S.$17.4 million. We entered into an agreement to purchase these operations in September 2005 and completed the acquisition on January 1, 2006.

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 (euro)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 Ps5,055 million (U.S.$468 million) in 2004, Ps9,093 million (U.S.$842 million) in 2005, and Ps14,814 million (U.S.$1,372 million) in 2006. 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 2006 we invested U.S.$731 million in expansion capital expenditures in different projects around the world to increase our production capacity. In 2007, we have allocated over U.S.$1 billion 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

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 Participacoes S.A., a cement company in Brazil, for an aggregate purchase price of 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 April 26, 2005, we divested our 11.9% interest in Cementos Bio Bio, S.A., a cement company in Chile, for approximately U.S.$65 million.

On June 1, 2005, we sold a cement terminal adjacent to the Detroit river to the City of Detroit for a purchase price of approximately U.S.$24 million.

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 in the Tucson, Arizona area. Following FTC approval, we sold RMC's operations in the Tucson area to California Portland Cement Company for a purchase price of approximately U.S.$16 million on August 29, 2005.

On July 1, 2005, we and Ready Mix USA, Inc. 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 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. 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.

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. The Spanish joint venture operated 122 ready-mix concrete plants and 12 aggregates, and the Portuguese joint venture operated 31 ready-mix concrete plants and five aggregates quarries. Under the terms of the termination agreement, Lafarge Asland received a 100% interest in both joint ventures and we received (euro)50 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 concrete and related assets in the Tucson, Arizona area. Following FTC approval, 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.

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 (euro)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 (euro)12 million. We received net cash proceeds of approximately (euro)6 million, after cash and debt adjustments, from this transaction.

On July 27, 2006, we divested a 24.9% interest in Gresik for approximately U.S.$337 million, and we have subsequently divested our remaining interest in Gresik.

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. The Mexican FRS consolidated financial statements include the effects of inflation as provided for under Bulletin B-10 and Bulletin B-15 and are 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 24 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 inflationary 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, 2004, 2005, and 2006 amounted to Ps19,260 million, Ps23,017 million and Ps25,374 million, respectively, compared to majority net income under Mexican FRS for the years ended December 31, 2004, 2005, and 2006 of approximately Ps15,224 million, Ps24,450 million and Ps25,682 million, respectively. See note 24 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 March 2006, the FASB issued SFAS 156, Accounting for Servicing of Financial Assets an amendment of FASB Statement No.140 ("SFAS 156"). This Statement 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. CEMEX is required to adopt SFAS 156 beginning on January 1, 2007. 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 is currently evaluating the impact of adopting SFAS 156 on its results of operations and financial position 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. 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 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 will be effective for reporting periods beginning after December 15, 2006. The provisions of the Staff Position are consistent with CEMEX's current policies and CEMEX does not anticipate that the adoption of the provisions of this guidance will have a material impact on its results of operations and financial position under U.S. GAAP.

In July 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement 109 ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a threshold of more-likely-than-not for recognition of tax benefits of uncertain tax positions taken or expected to be taken in a tax return. FIN 48 also provides related guidance on measurement, derecognition, classification, interest and penalties, and disclosure. The provisions of FIN 48 will be effective for CEMEX on January 1, 2007, with any cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. CEMEX is in the process of assessing the impact of adopting FIN 48 on its results of operations and financial position under U.S. GAAP.

ITEM 6 - DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

SENIOR MANAGEMENT AND DIRECTORS

Senior Management

Set forth below is the name and position of each of our executive officers as of December 31, 2006. 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 Tecnologico 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 Economico Mexicano, S.A.B. de C.V., Alfa, 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 Ensenanza e Investigacion Superior, A.C., which manages ITESM, and a member of the board of directors of Museo de Arte Contemporaneo de Monterrey A.C. (MARCO). Until July 2005, Mr. Zambrano participated in the Chairman's Council of Daimler Chrysler AG and until January 2006, Mr. Zambrano was a member of the Stanford University's Graduate School of Business Advisory Council. In recognition of his business and philantrophic 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 Trevino, our chief financial officer. He is also a second cousin of Roberto Zambrano Villarreal and Mauricio Zambrano Villarreal, both members of our board of directors.
Hector 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 Mexico 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 Organizacion Industrial in Spain in 1975. 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. In March 2006, Mr. Medina was appointed chairman of the board of Universidad Regimontana, a private university located in Monterrey, Mexico. Mr. Medina is a member of the board of directors of Cementos Chihuahua, Compania Minera Autlan, Mexifrutas, S.A. de C.V. and Chocota Productos del Mar, S.A. de C.V. and member of the "consejo de vigilancia" of Ensenanza e Investigacion Superior A.C. and ITESM. Mr. Medina is also a member of the Advisory Board of Nacional Monte de Piedad.
Armando J. Garcia 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. Garcia 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 Confederacion Patronal de la Republica Mexicana. He is a member of the board and former chairman of 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 Garcia Segovia, an alternate member of our board of directors, and a first cousin of Rodolfo Garcia 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 Espana from 1992 to 1994, general director of administration and finance of CEMEX Espana 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 graduate in public accounting 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 and Cemento Bayano from 1994 to 1996, and president of CEMEX Mexico 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 vice-president-human resources from 1992 to 1994, vice-president-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 and Asia Region. Mr. Gonzalez is a graduate in business administration and holds a master's degree in administration from ITESM.
Juan Romero, President of CEMEX South America and the Caribbean	Joined CEMEX in 1989 and has occupied several senior management positions, including commercial director for CEMEX Espana, president of CEMEX, Colombia, commercial director for CEMEX Mexico, and president of CEMEX Mexico. In March 2005, Mr. Romero became president of the South America and Caribbean Regions. Mr. Romero graduated from Universidad de Comillas in Spain, where he studied Law and Economics and Enterprise Sciences.
Rodrigo Trevino, 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 prior to that, he worked at Citibank, N.A. from 1979 to 1994. Rodrigo Trevino 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 Autonoma de Nuevo Leon 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 2006 annual shareholders' meeting held on April 26, 2007, 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. Garcia Segovia	See "- Senior Management."
Rodolfo Garcia Muriel	Has been a member of our board of directors since 1985. He is the chief executive officer of Compania Industrial de Parras, S.A. de C.V. and Parras Cone de Mexico, S.A. de C.V. He is 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 Inversion, S.A. de C.V., and Cambridge Lee Industries, Inc. Mr. Garcia Muriel is also vice president of Camara Nacional de la Industria Textil. He is a first cousin of Armando J. Garcia Segovia, executive vice president of development of CEMEX and a member of our board of directors, and Jorge Garcia 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 Jose, 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 Tomas 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 Mexico, S.A. de C.V. He is chairman of the board of directors of Desarrollo Integrado, S.A. de C.V., Administracion 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 Tecnicos Hidraulicos, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., , Pilatus PC-12 Center de Mexico, S.A. de C.V., and Pronatura, A.C. He is a member of the board of directors of S.L.I. de Mexico, S.A. de C.V., and Compania de Vidrio Industrial, S.A. de C.V. He is a brother of Mauricio Zambrano Villarreal, a member of our board of directors.
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 a member of the board of directors of Telefonos de Mexico, S.A. de C.V., Grupo Financiero Banamex, S.A. de C.V., Banco Nacional de Mexico, S.A., Grupo Aeroportuario del Centro Norte, S.A. de C.V., and Grupo Maseca, S.A. de C.V. He is also a member of Consejo Mexicano de Hombres de Negocios, Fundacion UNAM, Fundacion ICA, and Patronato UNAM, and founding associate of Fundacion para las Letras Mexicanas.
Dionisio Garza Medina	Has been a member of our board of directors since 1995. He is also chairman of the board and chief executive officer of Alfa, S.A.B. de C.V. He is a member of the board of directors of Vitro, S.A., Cydsa, S.A., and ING Mexico. He is also chairman of the executive board of the Universidad de Monterrey and a member of Consejo Mexicano de

	Hombres de Negocios, the advisory committee of the David Rockefeller Center for Latin American Studies of Harvard University, the board of Harvard Business 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. de C.V. and member of the boards of Grupo Maseca, S.A. 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. 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 Falcon, S.A. de C.V. and Trek Associates, Inc., secretary of the board of directors of Administracion 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., Compania 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 Tecnicos Hidraulicos, S.A. de C.V., and a 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.
Tomas 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.
Jose Manuel Rincon 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 Mexico, 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 Pacifico, and member of the board of directors of Laboratorio Sanfer-Hormona, and Lockton de Mexico. Mr. Rincon Gallardo is a member of Instituto Mexicano de Contadores Publicos, A.C., and Instituto Mexicano de Ejecutivos de Finanzas, A.C. Mr. Rincon Gallardo was managing partner of KPMG Mexico, and was a member of the board of directors of KPMG United States and KPMG International.
Tomas 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. 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 Mexico, HSBC Mexico, and ITESM. Mr. Milmo Santos holds a degree in economics

	from Stanford University. 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 Rapido Nuevo Laredo, S.A. de C.V., Consorcio Industrial de Exportacion, S.A. de C.V., and an alternate member of the board of directors of Vitro, S.A.B. He is the father of Tomas Brittingham Longoria, a member of our board of directors.

Jorge Garcia Segovia	Has been an alternate member of our board of directors since 1985. He is also a member of the board of directors of Compania Industrial de Parras, S.A.B. de C.V., Compania Minera Autlan, S.A.B. de C.V., and Hoteles City Express, S.A. de C.V. He is a brother of Armando J. Garcia Segovia, our executive vice president of development and a member of our board of directors, and first cousin of Rodolfo Garcia 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 Leon, 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-Cantu-Rivera-Gonzalez-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. Jose Manuel Rincon Gallardo qualifies as an "audit committee financial expert." See "Item 16A--Audit Committee Financial Expert."

Roberto Zambrano Villarreal President	See "--Board of Directors."
Jose Manuel Rincon Gallardo	See "--Board of Directors."
Tomas 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, 2006, 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.$41.4 million. Approximately U.S.$11.4 million of this amount was paid as base compensation, U.S.$27.2 million was paid to purchase 7,560,034 CPOs pursuant to the Restricted Stock Incentive Plan, or RSIP, described below under "-- Restricted Stock Incentive Plan (RSIP)," and approximately U.S.$2.9 million as executive performance bonuses. In 2006, as a result of our strategy to reduce the volatility of our RSIP, the nominal

compensation received by eligible employees, including our directors and senior managers, increased in proportion to the additional number of CPOs required to be purchased. For more information about our revised RSIP strategy, see "-- Restricted Stock Incentive Plan (RSIP)."

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, 2006, 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 5,075,073 CPOs remained outstanding, with a weighted average exercise price of approximately Ps7.12 per CPO, and a weighted average remaining tenure of approximately 2.1 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, 2006, 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, 2006, considering the options granted since 2001, and the exercise of options that has occurred through that date, options to acquire 2,459,906 ADSs remained outstanding under this program. These options have a weighted average exercise price of approximately U.S.$1.33 per CPO, or U.S.$13.30 per ADS as each ADS currently represents 10 CPOs.

Stock options activity during 2005 and 2006, the balance of options outstanding as of December 31, 2005 and 2006 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, 2006, 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)	5,075,073	2007 - 2011	Ps5.2 - Ps8.9
CPOs (Dollars) (may be instantly cash-settled)	7,387,468	2011 - 2013	U.S.$1.10 - U.S.$1.60
CPOs (Dollars) (receive restricted CPOs)	66,410,081	2012	U.S.$1.90
CEMEX, Inc. ESOP	24,599,060	2011 - 2015	U.S.$1.00 - U.S.$1.90

As of December 31, 2006, 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)	26,318,362	2012	U.S.$1.90

As of December 31, 2006, 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)	5,075,073	2007 - 2011	Ps5.2 - Ps8.9
CPOs (Dollars) (may be instantly cash-settled)	7,387,468	2011 - 2013	U.S.$1.10 - U.S.$1.60
CPOs (Dollars) (receive restricted CPOs)	40,091,719	2012	U.S.$1.90
CEMEX, Inc. ESOP	24,599,060	2011 - 2015	U.S.$1.00 - U.S.$1.90

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, 2006, 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, 1,555,114 options to acquire 7,387,468 CPOs remained outstanding under this program, with a weighted average exercise price of approximately U.S.$1.36 per CPO. As of December 31,

2006, the outstanding options under this program had a remaining tenure of approximately 5.3 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, 2006, 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, 2006, there were 5,000 options to acquire 24,431 CPOs, with an exercise price of U.S.$1.5860 per CPO and a remaining life of approximately five years, outstanding from options sold to executives under a VESOP in April 2002.

As of December 31, 2006, 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 2006, approximately 29.9 million CPOs were purchased by the trust on behalf of eligible employees pursuant to the Restricted Stock Incentive Plan, of which approximately 7.56 million were purchased for members of our senior management and board of directors.

EMPLOYEES

The information set forth in this section does not take into account the Rinker acquisition, which occurred after December 31, 2006.

As of December 31, 2006, we had approximately 54,635 employees worldwide, which represented an increase of 3.7% from year-end 2005. This increase was mainly attributable to additional hiring in Mexico during 2006.

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:

	2004	2005	2006
North America			
Mexico	11,689	13,044	15,130
United States	5,010	9,657	9,109
Europe			
Spain	2,851	2,838	3,102
United Kingdom	--	6,237	6,020
Rest of Europe	135	10,714	11,034

South America, Central America and the Caribbean....	5,108	6,309	6,376
Africa and the Middle East.....	929	2,364	2,416
Asia.....	957	1,511	1,448

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 2006, more than 300 contracts with different labor unions were renewed.

Approximately one-fifth of our employees in the United States are represented by unions, with the largest number being members of the International Brotherhood of Boilermakers and the International Brotherhood of Teamsters. Collective bargaining agreements are in effect at all our U.S. plants and have various expiration dates from 2007 through 2013. As of March 31, 2006, Rinker Materials had approximately 46 different collective bargaining agreements with a number of unions, covering approximately 4,400 of its employees.

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 and logistics operations have collective bargaining agreements with the Transport & General Workers Union (TGWU) and Amicus. The rest of our operations in the United Kingdom are not part of a collective bargaining agreement; however, there are local recognition agreements for consultation and employee representation with the TGWU 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 (Comite 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/Ibague cement plant, Santa Rosa cement plant and all ready-mix concrete plants in Colombia.

As of March 31, 2006, Rinker had approximately 61 enterprise bargaining agreements and certified agreements in Australia, covering approximately 2,300 of its employees.

Overall, we consider our relationships with labor unions representing our employees to be satisfactory.

SHARE OWNERSHIP

As of March 31, 2007, our senior management and directors and their immediate families owned, collectively, approximately 4.74% 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

MAJOR SHAREHOLDERS

Based upon information contained in a statement on Schedule 13G filed with the Securities and Exchange Commission on February 12, 2007, as of December 31, 2006, Southeastern Asset Management, Inc., an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, beneficially owned 53,455,500 ADSs and 15,276,032 CPOs, representing a total 549,831,032 CPOs or approximately 7% of our outstanding capital stock. Southeastern Asset Management, Inc. does not have voting rights different from our other non-Mexican holders of CPOs.

Other than Southeastern Asset Management, Inc., 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, 2007, our outstanding capital stock consisted of 15,778,133,836 Series A shares and 7,889,066,918 Series B shares, in each case including shares held by our subsidiaries.

As of March 31, 2007, a total of 15,295,243,004 Series A shares and 7,647,621,502 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, 2007, through our subsidiaries, we owned approximately 558.2 million CPOs, representing approximately 7.3% of our outstanding CPOs and 7.1% 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 58.7 million CPOs, representing approximately 0.8% of our outstanding CPOs and 0.7% 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 26, 2007, we had 147,713 ADS holders of record in the United States, holding approximately 62% 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 2006 and as of March 31, 2007, we did not have any outstanding loans to any of our directors or members of senior management.

ITEM 8 - FINANCIAL INFORMATION

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,

2006, 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, 2006:

	DIVIDENDS PER SHARE	
	CONSTANT PESOS	DOLLARS
2002.....	0.21	0.02
2003.....	0.22	0.02
2004.....	0.21	0.02
2005.....	0.45	0.04
2006.....	0.25	0.02

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, 2006, were as follows: 2002, Ps0.64 per CPO (or Ps0.21 per share); 2003, Ps0.67 per CPO (or Ps0.22 per share); 2004, Ps0.64 per CPO (or Ps0.21 per share); 2005, Ps1.36 per CPO (or Ps0.45 per share); and 2006, Ps0.75 per CPO (or Ps0.25 per share). As a result of dividend elections made by shareholders, in

2002, Ps286 million in cash was paid and approximately 256 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; in 2003, Ps74 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, Ps176 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, Ps414 million in cash was paid and approximately 266 million additional CPOs were issued in respect of dividends declared for the 2004 fiscal year; and in 2006, Ps148 million in cash was paid and approximately 212 million additional CPOs were issued in respect of dividends declared for the 2005 fiscal year.

At our 2006 annual shareholders' meeting, which was held on April 26, 2007, our shareholders approved a dividend for the 2006 fiscal year of the Peso equivalent of U.S.$0.0745 per CPO (U.S.$0.02483 per share) or Ps0.80 (Ps0.27 per share), based on the Peso/Dollar exchange rate in effect for May 31, 2007 of Ps10.7873 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 2007, approximately Ps140 million in cash was paid and approximately 189 million additional CPOs were issued in respect of dividends declared for the 2006 fiscal year. The final amount of the increase in the variable part of our capital stock, based on the number of stock dividend election decisions, was approximately Ps6,199 million.

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
2002	Ps15.46	Ps9.77	U.S.$16.50	U.S.$9.63
2003	14.88	8.91	13.32	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
Quarterly				
2005				
First quarter	23.38	19.50	21.26	17.27
Second quarter	23.51	18.88	21.86	17.06
Third quarter	28.65	22.45	26.90	20.93
Fourth quarter	33.25	25.60	30.99	23.39
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
Monthly				
2006-2007				
November	36.00	32.50	32.81	30.07
December	36.85	34.68	33.99	32.00
January	39.70	35.10	36.37	31.71
February	41.60	37.00	38.01	32.71
March	38.95	35.01	35.42	31.20
April	39.41	35.10	35.94	32.16
May	42.69	35.33	39.80	31.97

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Source: Based on data of the Mexican Stock Exchange and the NYSE.

(1) As of December 31, 2006, approximately 96.9% of our outstanding share capital was represented by CPOs.

On June 19, 2007, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps41.85 per CPO, and the last reported closing price for ADSs on the NYSE was U.S.$38.88 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, Oceania 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 Anonima Bursatil 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, 2006, our capital stock consisted of 25,110,308,208 issued shares. As of December 31, 2006, series A shares represented 66.67% of our capital stock, or 16,740,205,472 shares, of which 15,778,133,836 shares were subscribed and paid, 536,248,572 shares were treasury shares and 425,823,064 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, 2006, series B shares represented 33.33% of our capital stock, or 8,370,102,736 shares, of which 7,889,066,918 shares were subscribed and paid, 268,124,286 shares were treasury shares and 212,911,532 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, 2006, 13,068,000,000 shares corresponded to the fixed portion of our capital stock and 10,599,200,754 shares corresponded to the variable portion of our capital stock.

At the 2006 annual shareholders' meeting held on April 26, 2007, in connection with their approval of a dividend for the 2006 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 Ps7,889 million, through the issuance of up to 960 million series A shares and 480 million series B shares, to be represented by new CPOs. The final amount of the increase in the variable part of our capital stock, based on the number of stock dividend election decisions, was approximately Ps6,199 million. See Item 8 -- "Financial Information -- Dividends" above. In addition, at the 2006 annual shareholders' meeting, our shareholders approved the cancellation of 536,248,572 series A treasury shares and 268,124,286 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 (Comision 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 Anonima Bursatil 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 Periodico Oficial del Estado de Nuevo Leon.

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 Inversion), 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 Leon, Mexico or any major newspaper published and distributed in the City of Monterrey, Nuevo Leon, 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 change 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 Espana Finance LLC, as issuer, CEMEX Espana, 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 Espana Finance, LLC. CEMEX Espana 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 Espana) were removed as guarantors under this agreement.

On March 30, 2004, CEMEX Espana, 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 with Banco Bilbao Vizcaya Argentaria, S.A. and Societe Generale, as mandated lead arrangers, relating to three credit facilities with an aggregate amount of (euro)250 million and (Y)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 Espana's outstanding debt as of that date and for general corporate purposes. On March 18, 2005, the term of the 364-day multi-currency revolving credit facility (up to an aggregate amount of (euro)100 million) was extended for an additional year and on March 31, 2006, all outstanding amounts under this multi-currency revolving credit facility were paid and the multi-currency revolving credit facility expired. On August 5, 2006, (euro)150,000,000 of the multi-currency loan facility was prepaid. On October 30, 2006, all guarantors (other than CEMEX Espana) were removed as

guarantors under this agreement. As of December 31, 2006, the (Y)19,308,000,000 credit facility remains outstanding.

On April 15, 2004, CEMEX Espana Finance LLC, as issuer, CEMEX Espana, 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 Espana Finance, LLC. CEMEX Espana Finance, LLC issued to the institutional purchasers (Y)4,980,600,000 aggregate principal amount of 1.79% Senior Notes due 2010 and (Y)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 Espana) 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 Mexico and Empresas Tolteca de Mexico. The facility consists of credit lines with two different sublimits. The facility provides for swing line loan availability of U.S.$100 million and has a sublimit for standby letters of credit of U.S.$200 million. 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. The sublimits of the swing line and standby letters of credit were left unchanged. On May 9, 2007, the revolving credit facility was extended from a four-year to a five-year period.

On September 24, 2004, CEMEX Espana (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. As of March 31, 2007, the amended facility is made up of a U.S.$525 million term loan maturing in September 2007, a U.S.$1.05 billion amortizing loan maturing in September 2009 and a U.S.$525 million term loan maturing in July 2011, with a one year extension option. All borrowings under the amended and restated facilities agreement can be denominated in Dollars, Euros, or Pounds, or a combination thereof. On October 30, 2006, all guarantors (other than CEMEX Espana) were removed as guarantors under this agreement. As of the date of this annual report, the maturity of U.S.$512.5 million under the term loan maturing in 2011 has been extended to July 2012.

On May 31, 2005, we entered into a multi-credit five-year U.S.$1.2 billion revolving credit agreement guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The multi-currency credit facility was entered into to fund the repayment of amounts outstanding under the credit agreement of CEMEX, S.A.B. de C.V. dated April 5, 2005. On June 19, 2006, the agreement was amended to, among other things, create an option for us to request a one-year credit extension. On May 9, 2007, the revolving credit facility was extended from a five-year to a six-year period.

On June 27, 2005, New Sunward Holding B.V. entered into a U.S.$700 million Term and Revolving Facilities Agreement with several lenders, Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas and Citigroup Global Markets as mandated lead arrangers and Citibank, N.A., as agent. This agreement is guaranteed by CEMEX, CEMEX Mexico and Empresas Tolteca de Mexico. The facility consists of two separate U.S.$350 million facilities. The proceeds from this Term and Revolving Facilities Agreement was used to repay all amounts due and payable under the U.S.$1.15 billion term loan agreement dated October 15, 2003 and to pay other debt 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 Espana Finance LLC, as issuer, CEMEX Espana,

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 Espana 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 Espana) 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 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 acquisition facility, guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The interest rates are as follows: (a) for Mexican Peso loans, the applicable TIIE plus the applicable margin (which ranges from 0.175% to 0.40% based on the date of funding) and (b) for Dollar loans, the applicable LIBO rate plus the applicable margin (which ranges from 0.20% to 0.35% based on the date of funding). This facility will mature 12 months from the date of the initial drawing, unless extended.

On December 6, 2006, CEMEX Espana entered into a U.S.$9 billion committed acquisition facilities agreement. 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 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 (euro)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 Espana.

On May 9, 2007 CEMEX, by means of a special purpose vehicle, issued a fourth tranche of fixed-to-floating rate callable perpetual debentures. (euro)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.

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: o 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 state thereof (including the District of Columbia);
- 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 "financial services" 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. Pursuant to changes in U.S. tax law applicable to tax years beginning after December 31, 2006, payments that would have been treated as "financial services" income for these purposes will be treated as "general category" income. 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

See Item 5 -- "Operating and Financial Review and Prospects -- Derivatives and Other Hedging Instruments."

ITEM 12 - DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13 - DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

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, 2006.

MANAGEMENT'S 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, 2006. Management's assessment of the effectiveness of our internal control over financial reporting as December 31, 2006 has been audited by KPMG, an independent registered public accounting firm, as stated in their report, which can be found on page F-3 below.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.

In 2006, we begun the implementation of an IT platform supporting our business model, that includes 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 few years, where we consider appropriate. This business model is intended to improve the efficiency of our operations and financial information process. There were no other changes in our internal control over financial reporting during 2006 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. Jose Manuel Rincon 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 Margain Zozaya #325
Colonia Valle del Campestre
Garza Garcia, Nuevo Leon, Mexico 66265.
Attn: Luis Hernandez or Javier Amaya
Telephone: (011-5281) 8888-8888

ITEM 16C - PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps179 million in fiscal year 2006 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 2005, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps138 million for these services.

Audit-Related Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps3 million in fiscal year 2006 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2005, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps6 million for audit-related services.

Tax Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps25 million in fiscal year 2006 for tax compliance, tax advice and tax planning. KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps32 million for tax-related services in fiscal year 2005.

All Other Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps4 million in fiscal year 2006 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2005, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps1 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 2006, 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 2004 and 2005 annual shareholders' meetings held on April 28, 2005, and April 27, 2006, respectively, our shareholders approved stock repurchase programs in an amount of up to Ps6,000 million (nominal amount) implemented between April 2005 and April 2007. No shares were purchased under this program.

In connection with our 2006 annual shareholders' meeting held on April 26, 2007, 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. 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 Mexico, 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 Mexico, 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 Espana Finance, LLC, as issuer, and several institutional purchasers named therein, in connection with the issuance by CEMEX Espana 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	Euro250,000,000 and Yen19,308,000,000 Term and Revolving Facilities Agreement, dated as of March 30, 2004, by and among CEMEX Espana, as borrower, Banco Bilbao Vizcaya Argentaria, S.A. and Societe Generale, as mandated lead arrangers, and the several banks and other financial institutions named therein, as lenders. (d)
4.3	CEMEX Espana Finance LLC Note Purchase Agreement, dated as of April 15, 2004 for Yen4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010 and Yen6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011. (e)
4.3.1	Amendment No. 1 to CEMEX Espana 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 Mexico, 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 Espana, 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 Participacoes 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 Participacocoes 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 Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, 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 Mexico, S.A. de C.V. and Empresas Tolteca De Mexico, 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 Espana Finance LLC, as issuer, and several institutional purchasers, relating to the private placement by CEMEX Espana 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 Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V., as Guarantors, and BBVA Bancomer, S.A. Institucion de Banca Multiple, 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 Espana, 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 Mexico, 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 Mexico, 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 Mexico, 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 Euro900,000,000 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 Mexico, 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 Euro730,000,000 aggregate principal amount of 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)

8.1 List of subsidiaries of CEMEX, S.A.B. de C.V. (g)

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. (g)

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. (g)

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. (g)

14.1 Consent of KPMG Cardenas 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. (g)

(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) Filed herewith.

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 29, 2007

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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, 2005 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, 2004, 2005 and 2006. 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, 2005 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, 2004, 2005 and 2006, in conformity with Mexican Financial Reporting Standards.

The accompanying consolidated financial statements as of and for the year ended December 31, 2006 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, 2004, 2005, and 2006, and stockholders' equity as of December 31, 2005 and 2006, to the extent summarized in note 24 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, 2006, 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 26, 2007 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

KPMG Cardenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
June 26, 2007

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 management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that CEMEX, S.A.B. de C.V. (the Company) maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company'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 management's assessment and an opinion on the effectiveness of 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, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and 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, management's assessment that CEMEX, S.A.B. de C.V. maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, 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, 2006, 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, 2006 and 2005, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2004, 2005 and 2006, and our report dated June 26, 2007 expressed an unqualified opinion on those consolidated financial statements.

KPMG Cardenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
June 26, 2007

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(MILLIONS OF CONSTANT MEXICAN PESOS AS OF DECEMBER 31, 2006)

		DECEMBER 31,		
	NOTES	2005	2006	2006 CONVENIENCE TRANSLATION (note 3A)
ASSETS				

CURRENT ASSETS						
Cash and investments	4	Ps	6,963	17,051	U.S.$	1,579
Trade receivables less allowance for doubtful accounts	5		18,440	15,236		1,411
Other accounts receivable	6		8,979	8,488		786
Inventories	7		12,009	12,884		1,193
Other current assets	8		1,850	2,079		192
Total current assets			48,241	55,738		5,161
NON-CURRENT ASSETS						
Investments in associates	9A		9,728	7,654		709
Other investments and non-current accounts receivable	9B		8,324	9,567		886
Properties, machinery and equipment, net	10		179,942	185,714		17,196
Goodwill, intangible assets and deferred charges	11		63,631	65,025		6,020
Total non-current assets			261,625	267,960		24,811
TOTAL ASSETS		Ps	309,866	323,698	U.S.$	29,972
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term debt including current maturities of long-term debt	12	Ps	13,788	13,514	U.S.$	1,252
Trade payables			15,771	18,541		1,717
Other accounts payable and accrued expenses	13		18,070	15,861		1,468
Total current liabilities			47,629	47,916		4,437
NON-CURRENT LIABILITIES						
Long-term debt	12		95,944	67,927		6,290
Pension and other postretirement benefits	14		6,966	6,900		639
Deferred income taxes	15B		28,224	27,770		2,571
Other non-current liabilities	13		11,227	13,576		1,256
Total non-current liabilities			142,361	116,173		10,756
TOTAL LIABILITIES			189,990	164,089		15,193
STOCKHOLDERS' EQUITY						
Majority interest:						
Common stock	16A		3,954	3,956		366
Additional paid-in capital	16A		49,056	54,801		5,074
Other equity reserves	16B		(85,986)	(86,554)		(8,014)
Retained earnings	16C		122,283	140,993		13,055
Net income			24,450	25,682		2,378
Total majority interest			113,757	138,878		12,859
Minority interest	16F		6,119	20,731		1,920
TOTAL STOCKHOLDERS' EQUITY			119,876	159,609		14,779
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Ps	309,866	323,698	U.S.$	29,972

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, 2006, except for earnings per share)

			YEARS ENDED DECEMBER 31,			
	NOTES		2004	2005	2006	2006 CONVENIENCE TRANSLATION (note 3A)
Net sales	3Q	Ps	94,915	177,385	197,093	U.S.$ 18,249
Cost of sales	3G		(53,417)	(107,341)	(125,804)	(11,649)
GROSS PROFIT			41,498	70,044	71,289	6,600
Administrative, selling and distribution expenses			(19,931)	(41,253)	(39,475)	(3,655)
OPERATING INCOME			21,567	28,791	31,814	2,945
Comprehensive financing result:						
Financial expense			(4,336)	(6,092)	(5,334)	(494)
Financial income			273	455	494	46
Results from valuation and liquidation of financial instruments			1,395	4,471	(148)	(14)
Foreign exchange result			(275)	(912)	219	20
Monetary position result			4,495	4,914	4,303	398
Net comprehensive financing result			1,552	2,836	(466)	(44)
Other expenses, net	3S		(5,635)	(3,676)	(369)	(34)
INCOME BEFORE INCOME TAXES, EMPLOYEES' STATUTORY PROFIT SHARING AND EQUITY IN INCOME OF ASSOCIATES			17,484	27,951	30,979	2,867
Income taxes, net	15		(2,137)	(3,885)	(5,254)	(486)
Employees' statutory profit sharing	15		(346)	10	(166)	(15)
Total income taxes and employees' statutory profit sharing			(2,483)	(3,875)	(5,420)	(501)
INCOME BEFORE EQUITY IN INCOME OF ASSOCIATES			15,001	24,076	25,559	2,366
Equity in income of associates			467	1,012	1,314	122

Consolidated net income			15,468	25,088	26,873		2,488
Minority interest net income			244	638	1,191		110
MAJORITY INTEREST NET INCOME		Ps	15,224	24,450	25,682	U.S.$	2,378
BASIC EARNINGS PER SHARE	20	Ps	0.77	1.18	1.19	U.S.$	0.11
DILUTED EARNINGS PER SHARE	20	Ps	0.76	1.17	1.19	U.S.$	0.11

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Statement of Changes in Stockholder's Equity
((Millions of constant Mexican pesos as of December 31, 2006

	NOTES	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	OTHER EQUITY RESERVES	RETAINED EARNINGS	TOTAL MAJORITY INTEREST	MINORITY INTEREST	TOTAL STOCKHOLDERS' EQUITY
BALANCES AT DECEMBER 31, 2003		Ps 3,949	40,921	(83,915)	116,877	77,832	6,642	84,474
Results for holding non-monetary assets	16B	-	-	(3,005)	-	(3,005)	-	(3,005)
Currency translation of foreign subsidiaries	16B	-	-	3,568	-	3,568	-	3,568
Hedge derivative financial instruments	12	-	-	2,507	-	2,507	-	2,507
Deferred income taxes in equity	15	-	-	747	-	747	-	747
Goodwill for acquisition of minority interest	9A	-	-	(1,044)	-	(1,044)	-	(1,044)
Net income		-	-	-	15,224	15,224	244	15,468
Comprehensive income for the period		-	-	2,773	15,224	17,997	244	18,241
Dividends (Ps0.21 pesos per share)	16A	-	-	-	(4,516)	(4,516)	-	(4,516)
Issuance of common stock	16A	3	4,525	-	-	4,528	-	4,528
Liquidation of optional instruments	16E	-	(1,129)	-	-	(1,129)	-	(1,129)
Treasury shares owned by subsidiaries	16B	-	-	(3,510)	-	(3,510)	-	(3,510)
Changes and transactions relating to minority interest	16F	-	-	-	-	-	(2,356)	(2,356)
BALANCES AT DECEMBER 31, 2004		3,952	44,317	(84,652)	127,585	91,202	4,530	95,732
Results for holding non-monetary assets	16B	-	-	10,532	-	10,532	-	10,532
Currency translation of foreign subsidiaries	16B	-	-	(4,099)	-	(4,099)	-	(4,099)
Hedge derivative financial instruments	12	-	-	(1,482)	-	(1,482)	-	(1,482)
Deferred income taxes in equity	15	-	-	1,902	-	1,902	-	1,902
Net income		-	-	-	24,450	24,450	638	25,088
Comprehensive income for the period		-	-	6,853	24,450	31,303	638	31,941
Dividends (Ps0.45 pesos per share)	16A	-	-	-	(5,302)	(5,302)	-	(5,302)
Issuance of common stock	16A	2	4,739	-	-	4,741	-	4,741
Treasury shares owned by subsidiaries	16B	-	-	(8,187)	-	(8,187)	-	(8,187)
Changes and transactions relating to minority interest	16F	-	-	-	-	-	951	951
BALANCES AT DECEMBER 31, 2005		3,954	49,056	(85,986)	146,733	113,757	6,119	119,876
Results for holding non-monetary assets	16B	-	-	(4,338)	-	(4,338)	-	(4,338)
Currency translation of foreign subsidiaries	16B	-	-	3,071	-	3,071	-	3,071
Hedge derivative financial instruments	12	-	-	136	-	136	-	136
Deferred income taxes in equity	15	-	-	(591)	-	(591)	-	(591)
Net income		-	-	-	25,682	25,682	1,191	26,873
Comprehensive income for the period		-	-	(1,722)	25,682	23,960	1,191	25,151
Dividends (Ps0.25 pesos per share)	16A	-	-	-	(5,740)	(5,740)	-	(5,740)
Issuance of common stock	16A	2	5,745	-		5,747	-	5,747
Treasury shares owned by subsidiaries	16B	-	-	1,154	-	1,154	-	1,154
Changes and transactions relating to minority interest	16F	-	-	-	-	-	13,421	13,421
BALANCES AT DECEMBER 31, 2006		Ps 3,956	54,801	(86,554)	166,675	138,878	20,731	159,609

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The accompanying notes are part of these consolidated 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, 2006)

		YEARS ENDED DECEMBER 31,			
	NOTES	2004	2005	2006	2006 CONVENIENCE TRANSLATION (note 3A)

OPERATING ACTIVITIES						
MAJORITY INTEREST NET INCOME		Ps 15,224	24,450	25,682	U.S.$	2,378
Adjustments to reconcile majority interest net income to resources provided by operating activities:						
Depreciation of properties, machinery and equipment	10	6,985	10,887	11,393		1,055
Amortization of intangible assets and deferred charges	11	3,000	1,750	1,479		137
Impairment of assets	10,11	1,641	181	649		60
Pensions and other postretirement benefits	14	492	2,181	844		78
Deferred income taxes charged to results	15	1,097	1,225	1,160		107
Equity in income of associates	9B	(467)	(1,012)	(1,314)		(122)
Minority interest		244	638	1,191		110
RESOURCES PROVIDED BY OPERATING ACTIVITIES		28,216	40,300	41,084		3,803
Changes in working capital, excluding acquisition effects:						
Trade receivables, net		770	(504)	3,222		298
Other accounts receivable and other assets		(348)	(1,496)	266		25
Inventories		(158)	1,718	(962)		(89)
Trade payables		164	1,990	2,761		256
Other accounts payable and accrued expenses		(2,906)	(2,094)	(2,260)		(209)
Net change in working capital		(2,478)	(386)	3,027		281
NET RESOURCES PROVIDED BY OPERATING ACTIVITIES		25,738	39,914	44,111		4,084
FINANCING ACTIVITIES						
Proceeds from debt (repayments), net, excluding the effect of business acquisitions		(4,254)	14,618	(28,799)		(2,667)
Decrease of treasury shares owned by subsidiaries		-	-	1,781		165
Liquidation of optional instruments		(1,129)	-	-		
Dividends paid		(4,516)	(5,302)	(5,740)		(531)
Issuance of common stock from stock dividend elections		4,456	4,722	5,742		532
Issuance of common stock under stock option programs		72	19	5		
Issuance (repurchase) of equity instruments by subsidiaries	16F	(827)	-	13,500		1,250
Other financing activities, net		(1,686)	(6,413)	1,594		148
RESOURCES (USED IN) PROVIDED BY FINANCING ACTIVITIES		(7,884)	7,644	(11,917)		(1,103)
INVESTING ACTIVITIES						
Properties, machinery and equipment, net	10	(5,055)	(9,093)	(14,814)		(1,372)
Disposal (acquisition) of subsidiaries and associates	9A,11	(8,608)	(44,928)	2,727		253
Minority interest		(1,528)	(169)	(79)		(7)
Goodwill, intangible assets and other deferred charges	11	1,622	11,205	(2,424)		(224)
Other investments and monetary foreign currency effect		(3,936)	(1,597)	(7,516)		(697)
RESOURCES USED IN INVESTING ACTIVITIES		(17,505)	(44,582)	(22,106)		(2,047)
Increase in cash and investments		349	2,976	10,088		934
Cash and investments at beginning of year		3,638	3,987	6,963		645
CASH AND INVESTMENTS AT END OF YEAR	4	Ps 3,987	6,963	17,051	U.S.$	1,579

The accompanying notes are part of these consolidated financial statements.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2004, 2005 AND 2006
((Millions of constant Mexican pesos as of December 31, 2006

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.

At the annual stockholders' meeting held on April 27, 2006, the entity's legal name was changed from CEMEX, Sociedad Anonima de Capital Variable, or S.A. de C.V., to CEMEX, Sociedad Anonima Bursatil de Capital Variable or S.A.B. de C.V., effective from July 3, 2006. The inclusion of the word "Bursatil" to the entity's legal name indicates that the shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange; therefore, the entity is a publicly held company. The change in the legal name was made to comply with requirements of the new Mexican Securities Law, enacted on December 28, 2005.

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. On April 27, 2006, the stockholders of CEMEX, S.A.B. de C.V. approved a new two-for-one stock split, which became effective on July 17, 2006. 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. The proportional equity interest participation of existing stockholders did not change as a result of the stock split (note 16).

Concurrent with the stock split mentioned above, two new CPOs were issued in exchange for each of the existing CPOs, with each new CPO representing two new series "A" shares and one new series "B" share. 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". As a result of the stock split, one additional ADS was issued in exchange for each existing ADS, each ADS representing ten (10) CPOs. Unless otherwise indicated, all amounts in CPOs, shares and prices per share for 2004 and 2005 included in these notes to the financial statements have been adjusted to give retroactive effect to the new 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, 2007 and approved by the stockholders at the annual ordinary stockholders' meeting held on April 26, 2007.

2. OUTSTANDING EVENT IN 2006

On October 27, 2006, CEMEX announced a cash offer to acquire all of the outstanding shares of the Australian building material company, Rinker Group Limited ("Rinker"), for 13 U.S. dollars per share, equivalent to 17 Australian dollars per share as of the offer date. The offer represents a 27% premium over the closing price of the share as of the announcement day. The total amount of the transaction, including the outstanding debt of Rinker, is approximately 12.8 billion U.S. dollars, equivalent to approximately 16.8 billion Australian dollars. The purchase offer expired originally on December 27, 2006, but was initially extended by CEMEX to January 31, 2007 and subsequently extended until March 31, 2007. The combination of CEMEX and Rinker, if consummated, would create one of world's largest building materials companies. As of the date of these financial statements, CEMEX cannot anticipate the decision of Rinker's stockholders in response to the purchase offer.

3. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND DISCLOSURE

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 ("Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, A.C.", or CINIF). The MFRS, which replaced the Generally Accepted Accounting Principles in Mexico ("Mexican GAAP") issued by the Mexican Institute of Public Accountants ("IMCP"), recognize 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 in 2004 and 2005; therefore, there were no effects in CEMEX's financial statements resulting from the adoption of the MFRS.

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 "(pound)" or "pounds", it means British Pounds Sterling. When reference is made to "(euro)" 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 consolidated balance sheet as of December 31, 2006, as well as the statement of income and the statement of changes in financial position for the year ended December 31, 2006, 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 Ps10.80 pesos per dollar, the CEMEX accounting exchange rate as of December 31, 2006. These translations are informative data and should not be constructed as representations that the amounts in pesos actually represent those dollar amounts or could be converted into dollars at the rate indicated.

Likewise, in the accompanying notes to the financial statements, when it 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 disclosed in the notes also appears on the face of financial statements; or b) the amount was originally generated in pesos or in a currency other than the dollar. When the amount between parentheses is in pesos, it means that the amount in dollars was originated from a transaction denominated in dollars. These convenience translations were calculated dividing the peso amounts by the closing accounting exchange rate of the respective year and restated into constant pesos as of December 31, 2006.

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.

	WEIGHTED AVERAGE RESTATEMENT FACTOR	MEXICAN INFLATION RESTATEMENT FACTOR
2003 to 2004.....	1.0624	1.0539
2004 to 2005.....	0.9590	1.0300
2005 to 2006.....	1.0902	1.0408

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 AND MAIN SUBSIDIARIES

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 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 the Company 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 affiliate's equity and earnings, considering the effects of inflation.

All significant balances and transactions between related parties have been eliminated in consolidation.

The main operating subsidiaries as of December 31, 2005 and 2006, ordered by holding company, are as follows:

SUBSIDIARY	COUNTRY	% INTEREST 2005	% INTEREST 2006
CEMEX Mexico, S. A. de C.V.(1)	Mexico	100.0	100.0
CEMEX Espana, S.A. 2	Spain	99.7	99.7
CEMEX Venezuela, S.A.C.A.	Venezuela	75.7	75.7
CEMEX, Inc.	United States	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	99.3	99.3
CEMEX Dominicana, S.A.	Dominican Republic	99.9	99.9
CEMEX de Puerto Rico, Inc.	Puerto Rico	100.0	100.0
RMC France, S.A.S.	France	100.0	100.0
CEMEX Asia Holdings Ltd.(3)	Singapore	100.0	100.0
Solid Cement Corporation(3)	Philippines	100.0	100.0
APO Cement Corporation(3)	Philippines	100.0	100.0
CEMEX (Thailand) Co. Ltd.(3)	Thailand	100.0	100.0
CEMEX U.K. Ltd.	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 p.l.c.	Austria	100.0	100.0
Dalmacijacement d.d.	Croatia	99.2	99.2
CEMEX Czech Republic, s.r.o.	Czech Republic	100.0	100.0
CEMEX Polska sp. z.o.o.	Poland	100.0	100.0
Danubiusbeton Betonkeszito Kft.	Hungary	100.0	100.0
Readymix Plc.(4)	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 Company LLC, CEMEX Supermix LLC and Falcon Cement LLC(5)	United Arab Emirates	100.0	100.0

1. CEMEX Mexico, S.A. de C.V., the entity that indirectly holds CEMEX Espana, S.A. and subsidiaries, also holds 100% of the shares of Empresas Tolteca de Mexico, S.A. de C.V. and Centro Distribuidor de Cemento, S.A. de C.V.

2. CEMEX Espana, S.A. is the indirect holding company of all CEMEX's international operations.

3. Represents CEMEX's indirect interest in the economic benefits of these entities.

4. The Irish subsidiary is a public company, whose main minority shareholder is the Bank of Ireland Nominees Ltd., which owns approximately 14.2% of the subsidiary's common stock.

5. CEMEX owns 49% of the common stock and obtains 100% of the economic benefits of the operating subsidiaries in that country, through an agreement with other stockholders.

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 assets for deferred income taxes, 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 foreign currency indebtedness directly related to the acquisition of foreign entities and the 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, which 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, 2004, 2005 and 2006, are as follows:

	PESOS PER 1 UNIT OF FOREIGN CURRENCY		
Currency	2004	2005	2006
United States Dollar	11.1400	10.6200	10.8000
Euro	15.0887	12.5829	14.2612
British Pound Sterling	21.3492	18.2725	21.1557
Colombian Peso	0.0047	0.0046	0.0048
Venezuelan Bolivar	0.0058	0.0049	0.0050
Egyptian Pound	1.8258	1.8452	1.8888
Philippine Peso	0.1979	0.2000	0.2203

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 Mexico" or "Banxico") publishes exchange rates of the U.S. dollar, the pound sterling and the euro, among others, vis-a-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 AND COST OF SALES (NOTE 7)

Inventories are recognized at the lower of replacement cost or market value. Replacement cost is based upon the latest purchase price, the average price of the last purchases or the last production cost. Cost of sales reflects replacement cost of inventories at the time of sale, expressed in constant pesos as of the balance sheet date.

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 that 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) PROPERTIES, MACHINERY AND EQUIPMENT (NOTE 10)

Properties, 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, selling and distibution 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 useful lives by category of assets are as follows:

	YEARS
Administrative buildings	50
Industrial buildings	35
Machinery and equipment in plant	20
Ready-mix trucks and motor vehicles	8
Office equipment and other assets	10

The Comprehensive Financing 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.

Costs incurred on 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", effective from January 1, 2005, 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) goodwill is not amortized and is subject to periodic impairment evaluations; d) intangible assets acquired are identified, valued and recognized; and e) any unallocated portion of the purchase price is recognized as goodwill.

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. Other costs not meeting these requirements are expensed as incurred. 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 fair value at the acquisition date. Begining January 1, 2005, goodwill is not amortized. In 2004, goodwill was amortized under the present worth or sinking fund method, which was intended to provide a better matching of goodwill amortization with the revenues generated from the acquired companies. Goodwill generated from 1992 to 2004 was amortized over a maximum period of 20 years, while goodwill generated before 1992 was amortized over a maximum period of 40 years.

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 discounts, 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.

Preoperational expenses are recognized in the income statement as they are incurred. Those preoperational expenses which had been deferred through December 31, 2003, in compliance with regulations effective as of that date, continue to be amortized over their original periods. Costs associated to research and development activities ("R&D"), performed by CEMEX to create new products and

services, as well as to develop processes, equipments 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 2004, 2005 and 2006, total combined expenses of these departments were approximately Ps396 (U.S.$34), Ps440 (U.S.$38) and Ps464 (U.S.$43), respectively.

K) IMPAIRMENT OF LONG LIVED ASSETS (NOTES 10 AND 11)

PROPERTY, MACHINERY AND EQUIPMENT, INTANGIBLE ASSETS OF DEFINITE LIFE AND OTHER INVESTMENTS

The Company evaluates its fixed assets, intangible assets of definite life and other investments to establish if factors such as the occurrence of a significant adverse event, changes in the operating environment in which the Company operates, changes in projected use or in technology, as well as expectations of operating results for each cash generating unit, provide elements indicating that the 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, resulting 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 evaluated 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 such reporting units to which those assets relate. A reporting unit refers to a group of one or more cash generating units, which, for purposes of the impairment evaluation, each reporting unit is considered to comprise the entire 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, CEMEX determines the discounted amount of estimated future cash flows over a period of 5 years.

At December 31, 2004, 2005 and 2006, the geographic segments reported by CEMEX (note 18), each integrated by multiple cash generating units, also represent CEMEX's reporting units for purposes of testing goodwill for impairment. Based on the Company's management analysis, it was concluded that the operating components that integrate the reported segment have similar economic characteristics, by considering: a) 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, evidenced by the adoption of shared service centers; and f) 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 evaluations 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 evaluations. CEMEX uses specific discount rates for each reporting unit, which considers the weighted average cost of capital of each geographic segment.

L) DERIVATIVE FINANCIAL INSTRUMENTS (NOTES 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 foreign currency denominated 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) the Company's net assets in foreign subsidiaries, and (iii) executive stock option programs.

In accordance with MFRS C-10, "Derivative Financial Instruments and Hedging Activities" ("MFRS C-10"), 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 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 impact the income statement. Some of our instruments have been designated as hedges of debt or equity instruments.

Until December 31, 2004, no specific rules existed in Mexico for hedging transactions; therefore, CEMEX applied international accounting rules, which in most cases complied with the rules set forth in MFRS C-10. During 2004, 2005 and 2006, 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 the Company's net investments in foreign subsidiaries, 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.

c) Beginning on January 1, 2005, changes in the estimated fair value of forward contracts in the Company's own shares are recognized in the income statement. In 2004, only the effects of those contracts designated as hedges for executive stock option programs were recognized in earnings as part of the costs related to such programs. The results derived from equity forward contracts not designated as hedges of the stock option programs were recognized in stockholders' equity upon settlement (note 12D).

d) 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, following the cash flow hedging model, 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.

e) Changes in fair value generated by derivative instruments not designated as cash flow hedges are recognized in the income statement as they occur within "Results from valuation and liquidation of financial instruments".

Interests accruals generated by interest rate swaps and cross currency swaps ("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 where the effects of the primary instrument subject to the hedging relation are recognized.

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 to the CCS is presented in the currencies originally negotiated.

Derivative instruments are negotiated with institutions with significant financial capacity; therefore, the Company 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 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 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, which 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 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 at the end of their operation, the sites for the extraction of raw materials, the maritime terminals and other production

sites are left in acceptable condition.

COSTS RELATED TO REMEDIATION OF THE ENVIRONMENT (NOTES 13 AND 22)

Likewise, 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 21 AND 22)

Obligations or losses, related to contingencies, are recognized as liabilities in the balance sheet when present obligations exist resulting from past events, 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, 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

Costs of defined contribution pension plans are recognized in the operating results as they are incurred.

DEFINED BENEFIT PLANS, OTHER POSTRETIREMENT BENEFITS AND TERMINATION BENEFITS

In accordance with MFRS D-3, "Labor Obligations", amended beginning January 1, 2005 to incorporate the requirement to accrue those costs associated to termination benefits not associated to a restructuring event, 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, which mainly represent ordinary severance payments, 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). Actuarial gains and losses, outside a 10% corridor of the greater of plan assets and plan obligations, 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.

In 2004, termination benefits, consisting basically of ordinary severance payments, were recognized in the income statement as they were incurred. The liability associated with the initial accrual resulting from the accounting change was measured as of January 1, 2005 and recognized as part of the net transition liability.

O) INCOME TAX, BUSINESS ASSETS TAX, EMPLOYEES' STATUTORY PROFIT SHARING AND DEFERRED INCOME TAXES (NOTE 15)

The Income Tax ("IT"), Business Assets Tax ("BAT") and Employees' Statutory Profit Sharing ("ESPS"), reflected in the income statements, include amounts incurred during the period and the amounts of deferred IT and ESPS. Consolidated deferred IT represents the summary 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, considering when the amounts became 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 declared.

Management analyzes projections of future taxable income in each consolidated entity, to sustain 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 enough taxable income, or that tax strategies are no longer viable, the valuation allowance on such assets would be increased against the income statement.

The effect of deferred ESPS is recognized for those temporary differences, which are of a non-recurring nature, arising from the reconciliation of the net income for the period and the taxable income for the period for ESPS.

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, except for net income for the period, the elements of "Comprehensive income", which are presented in the statement of changes in stockholders' equity. Comprehensive income includes all 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 which effects are directly recognized in stockholders' equity.

ITEMS FROM "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 adjustment related to the cancellation of own shares held in the Parent Company's treasury, as well as those held by consolidated subsidiaries; and

- Likewise, "Other equity reserves" include 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 (NOTE 16F)

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 for accounting purposes. 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 other 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.

Revenue is recognized upon delivery of products to customers, and they assume the risk of loss. Income from activities other than the Company's main line of business is recognized when the revenue has been realized, through goods delivered or services rendered, and there is no condition or uncertainty

implying a reversal thereof. Income is quantified at the fair value of the consideration received or receivable, decreased by any trade discounts or volume rebates granted to customers.

R) 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).

S) OTHER EXPENSES, NET

The caption "Other expenses, net" in the statements of income, consists primarily of revenue and expense derived from transactions or events not directly related to the Company's main activity, or which are of unusual or non-recurring nature. The most significant items included under this caption are: a) goodwill amortization until 2004; b) anti-dumping duties paid and reimbursement obtained of duties previously paid; c) results from the sale of fixed assets and long-term investments; d) impairment losses of long-lived assets; and e) net results from the early extinguishment of debt.

T) EXECUTIVE STOCK OPTION PROGRAMS (NOTE 17)

Beginning in 2005, considering its mandatory application under MFRS, CEMEX adopted the International Financial Reporting Standard No. 2, "Share-based Payment" ("IFRS 2"). In accordance with 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 intrinsic value represents the existing appreciation between the market price of the share and the exercise price of such share established in the option. Under IFRS 2, the cost of equity instruments represents their estimated fair value at the date of grant and is recognized in earnings during the instruments' vesting periods. In respect to liability instruments, 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.

The Company determined that the options in its "fixed program" (note 17A) are defined as equity instruments considering that the exercise price was equal to the CPO price at the option's date of grant, remained fixed for the life of the option and implied the issuance of new shares upon exercise. CEMEX considers that the options granted under its other programs (note 17B, C and D) are defined as liability instruments.

Upon adoption of IFRS 2 in 2005, the Company did not recognize cost for those options classified as equity instruments, considering that, as of the adoption date, the executives' exercise rights were fully vested. In respect to the options classified as liability instruments, CEMEX determined the estimated fair value of the outstanding options in the different programs and recognized in the income statement in 2005 an expense, before the related income tax benefit, of approximately Ps1,081, 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, which represented the cumulative initial effect arising from the change in accounting estimate, was recognized in the caption "Results from valuation and liquidation of financial instruments". At December 31, 2005, in accordance with

the then effective Bulletin A-7, "Comparability", the Company did not restate the financial information of prior years.

Until 2004, in connection with those options that are classified as liability instruments under IFRS 2, CEMEX recognized the cost associated to these options using the intrinsic value method. In addition, until 2004, CEMEX did not recognize cost for those options classified as equity instruments under IFRS 2.

Had the Company used during the year ended December 31, 2004, the same accounting rules it applied in 2005 and 2006 to measure and recognize the cost associated with executives' stock option programs, net income and basic earnings per share would have been as follows:

		2004
Majority interest net income as reported.....	Ps	15,224
Difference between the options' fair value and their intrinsic value(1).....		(396)
Majority interest net income pro forma.....	Ps	14,828
Basic earnings per share as reported.....	Ps	0.77
Basic earnings per share pro forma.....	Ps	0.74

(1) In order to determine fair value in 2004, considering the different exchanges of options which had previously occurred, CEMEX opted for simplicity to value the same portfolio of options outstanding as of the adoption date in 2005, as if it had been in effect in 2004, using the market prices and other assumptions prevailing during 2004 in the option pricing models.

U) EMISSION RIGHTS: EUROPEAN EMISSION TRADING SYSTEM TO REDUCE GREENHOUSE GAS EMISSIONS

CEMEX, as a cement producer, is involved in the European Emission Trading System, which aims to reduce carbon-dioxide emissions ("CO2"), also known as "cap and trade" scheme. Under this directive, considering historical levels of emissions, governments of the European Union ("EU") countries have imposed limits to the total tons of CO2 that industries can release into the atmosphere by granting, currently at nil cost, CO2 emission allowances ("EUAs"). If upon conclusion of an annual review period, CO2 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. Considering this is a EU initiative, the emission allowances granted by any member state of the EU can be used to settle emissions in another member state. Consequently, CEMEX analyzes its portfolio of CO2 emissions and EUAs held on a consolidated basis for its cement production operations in Europe.

CEMEX's accounting policy to recognize the effects derived from the CO2 European Emission Trading System is the following: a) emission rights received from different EU country members 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) purchases of EUAs in the market are recognized at cost within "Cost of sales", when they are acquired to cover current CO2 emissions for the period, or as intangible assets, when they are acquired to cover emissions for future periods or for trading purposes; d) a provision is recognized against "Cost of sales" when the estimated annual emissions of CO2 are expected to exceed the number of emission rights received for the period.

As of December 31, 2005 and 2006, CEMEX maintained a consolidated surplus of EUAs held over the total tons of CO2 emissions released through the production process. CEMEX anticipates that it will have a consolidated surplus of EUAs during the reminder of the first allocation period (2005-2007). During 2006, sales or purchases of EUAs were not significant.

V) CONCENTRATION OF CREDIT

CEMEX sells its products primarily to distributors in the construction industry, with no specific geographic concentration within the countries in which the Company operates. No single customer individually accounted for a significant amount of the Company's sales in 2004, 2005 and 2006, and there were no significant accounts receivable from a single customer for the same periods. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

W) NEWLY ISSUED FINANCIAL REPORTING STANDARDS WITH IMPACT IN 2007

In 2006, CINIF issued the following Mexican Financial Reporting Standards ("MFRS") that will have an effect on the Company's financial statements starting on January 1, 2007:

MFRS B-3, "Income statement". This standard modifies the current structure of the income statement by requiring entities to present two segments on the face of such statement. The first segment, or "Income from ordinary operations", must include all revenues and expenses originated by the entity's main activities. This segment could be compared to the existing "Operating income". The second segment corresponds to the "Result from non-ordinary operations", which will include all revenues, expenses, gains and/or losses generated by transactions or activities other than the entity's main activities, regardless of their unusual or non-frequent nature. This second segment would comprise the existing captions of "Comprehensive financing result", "Other expenses, net", as well as "Equity in income of associates". The sum of the two new segments will represent "Income before income tax". The new MFRS B-3 eliminates the caption "Extraordinary items". CEMEX does not anticipate a material impact on its operating results from the adoption of MFRS B-3.

MFRS B-13, "Events subsequent to the balance sheet date". Beginning on January 1, 2007, according to MFRS B-13, certain events that occur subsequent to the balance sheet date but before the financial statements are issued, such as debt refinancing, are considered for disclosure but not for recognition. New MFRS B-13 will not affect CEMEX's reported financial statements.

MFRS C-13, "Related parties". In connection with disclosure requirements in the notes to the financial statements of transactions occurring during the period, from January 1, 2007, the current definition of related parties is broadened to include: a) joint ventures; b) immediate family of stockholders, members of the Board of Directors and key management personnel or top executives; c) companies in which people mentioned in the previous clause (b) have control or significant influence, or the enterprise exercises significant influence on the voting rights of the reporting entity; and d) pension funds. Key management personnel or top executives are defined as any persons with authority and responsibility to plan and execute, directly or indirectly, the business activities of the reporting entity. When transactions exist, MFRS C-13 requires the disclosure of payment conditions, balances, guarantees given (received), uncollected balances and charges to results. Likewise, if applicable, MFRS C-13 requires disclosing the reasons leading to transactions with related parties not being executed on the same conditions as those entered with other independent third parties. CEMEX does not anticipate any material impact on its current disclosures in connection with related party transactions resulting from the adoption of MFRS C-13.

MFRS D-6, "Capitalization of comprehensive financing results". Starting on January 1, 2007, it is mandatory to capitalize the comprehensive financing

results (interest expense, foreign exchange fluctuations and the result from holding monetary assets) of debt associated with significant investments in qualifying construction projects. CEMEX does not anticipate any material impact on its operating results and net income as a result of the adoption of MFRS D-6, considering that is the Company's current policy to capitalize the comprehensive financing result from debt associated with significant construction projects.

4. CASH AND INVESTMENTS

Consolidated cash and investments as of December, 31 2005 and 2006 consists of:

		2005	2006
Cash and bank accounts	Ps	3,851	13,241
Fixed-income securities		2,599	3,800
Investments in marketable securities		513	10
	Ps	6,963	17,051

The increase in cash and bank accounts in 2006 is mainly due to proceeds obtained from the issuance of perpetual notes on December 18, 2006 for U.S.$1,250 (note 16F). These proceeds will be used to reduce debt.

5. TRADE ACCOUNTS RECEIVABLE

Consolidated trade accounts receivable as of December 31, 2005 and 2006 consist of:

		2005	2006
Trade accounts receivable	Ps	19,794	16,643
Allowances for doubtful accounts		(1,354)	(1,407)
	Ps	18,440	15,236

Allowances for doubtful accounts are established according to the credit history and risk profile of each customer.

As of December 31, 2005 and 2006, trade receivables exclude accounts for Ps7,996 (U.S.$740) and Ps11,738 (U.S.$1,087), respectively, that were sold to financial institutions under securitization programs for the sale of trade receivables, established in Mexico, United States, Spain and France. Under these programs, CEMEX effectively surrenders control, risks and the benefits associated with the trade receivables sold; therefore, the amount of receivables sold is recognized as a sale and 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 an expense in the income statements and amounted to approximately Ps132 (U.S.$12) in 2004, Ps229 (U.S.$21) in 2005 and Ps438 (U.S.$41) in 2006.

Changes in the valuation allowance for doubtful accounts in 2005 and 2006 are as follows:

		2005	2006
Allowances for doubtful accounts at beginning of period	Ps	790	1,354
Charged to selling expenses		303	254
Deductions		(280)	(176)
Business combinations		504	-
Foreign currency translation and inflation effects		37	(25)
Allowances for doubtful accounts at end of period	Ps	1,354	1,407

6. OTHER ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of December 31, 2005 and 2006 consist of:

		2005	2006
Non-trade accounts receivable	Ps	5,286	5,440
Current portion for valuation of derivative instruments		1,051	345
Interest and notes receivable		1,514	1,179
Loans to employees and others		286	874
Refundable taxes		842	650
	Ps	8,979	8,488

Non-trade accounts receivable are mainly originated by the sale of assets. Interest and notes receivable include Ps1,493 (U.S.$138) in 2005 and Ps1,103 (U.S.$102) in 2006, arising from securitization programs (note 5).

7. INVENTORIES

Consolidated balances of inventories as of December 31, 2005 and 2006 are summarized as follows:

		2005	2006
Finished goods	Ps	3,630	4,321
Work-in-process		1,866	2,131
Raw materials		2,794	2,106
Materials and spare parts		3,296	3,718
Advances to suppliers		383	528
Inventory in transit		584	601
Reserve for obsolescence provision		(544)	(521)
	Ps	12,009	12,884

Impairment losses of approximately Ps198 in 2004 and Ps86 in 2006 were recognized within other expenses, net.

8. OTHER CURRENT ASSETS

Other current assets in the consolidated balance sheets of as of December 31, 2005 and 2006 consist of:

		2005	2006
Advance payments	Ps	1,141	1,583
Assets held for sale		709	496

	Ps 1,850	2,079

Assets held for sale are stated at their estimated realizable value, and consist of diverse assets, including properties acquired in business combinations or received from customers as payment of trade receivables.

9. INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

9A) INVESTMENTS IN ASSOCIATES

Consolidated investments in shares of associates as of December 31, 2005 and 2006 are summarized as follows:

	2005	2006
Book value at acquisition date	Ps 5,488	3,490
Revaluation by equity method	4,240	4,164
	Ps 9,728	7,654

As of December 31, 2005 and 2006, CEMEX's main investments in associates are as follows:

	ACTIVITY	COUNTRY	%	2005	2006
PT Semen Gresik, Tbk	Cement	Indonesia	25.5	Ps 2,770	-
Control Administrativo Mexicano, S.A. de C.V.	Cement	Mexico	49.0	2,716	3,162
Trinidad Cement Ltd.	Cement	Trinidad	20.0	354	378
Huttig Building Products Inc.	Materials	United States	28.1	235	345
Cancem, S.A. de C.V.	Cement	Mexico	10.0	278	322
Lime & Stone Production Co. Ltd.	Aggregates	Israel	50.0	175	312
Ready Mix USA	Concrete	United States	49.9	372	287
Societe des Ciments Antillais	Cement	French Antilles	26.1	193	206
Societe Meridionale de Carrieres	Aggregates	France	33.3	185	191
Lehigh White Cement Company	Cement	United States	24.5	161	173
Societe D'exploitation de Carrieres	Aggregates	France	50.0	169	136
Other companies	-	-		2,120	2,142
				Ps 9,728	7,654

In transactions which took place in July, September and October 2006, CEMEX sold its 25.5% equity interest in PT Semen Gresik ("Gresik") for approximately U.S.$346 (Ps3,737), including dividends declared for approximately U.S.$7 (Ps76). The sale of Gresik's shares generated a gain, net of selling expenses and the write off of related goodwill, of approximately Ps963 (U.S.$90), which was recognized within other expenses, net.

In connection with the sale of the Company'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.

9B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

As of December 31, 2005 and 2006, consolidated other investments and non-current accounts receivable are summarized as follows:

	2005	2006
Non-current portion from valuation of derivative instruments	Ps 4,568	5,294
Non-current accounts receivable	2,913	3,590
Investments in private funds	221	323
Other investments	622	360

Ps	8,324	9,567

In 2005 and 2006, the amounts contributed to private funds were approximately U.S.$9 (Ps104) and U.S.$14 (Ps151), respectively.

10. PROPERTIES, MACHINERY AND EQUIPMENT

Consolidated properties, machinery and equipment as of December 31, 2005 and 2006 consist of:

	2005	2006
Land and mineral reserves	Ps 44,130	47,596
Buildings	52,418	55,629
Machinery and equipment	197,697	200,958
Construction in progress	5,757	9,541
Accumulated depreciation	(120,060)	(128,010)
	Ps 179,942	185,714

Changes in properties, machinery and equipment in 2005 and 2006 are as follows:

	2005	2006
Cost of properties, machinery and equipment at beginning of period	Ps 223,895	300,002
Accumulated depreciation at beginning of period	(111,929)	(120,060)
NET BOOK VALUE AT BEGINNING OF PERIOD	111,966	179,942
Capital investments	9,221	16,637
Disposals	(128)	(1,823)
Acquisition through business combinations	76,660	315
Depreciation and depletion for the period	(10,887)	(11,393)
Impairment losses	(181)	(563)
Foreign currency translation and inflation effects	(6,709)	2,599
Cost of properties, machinery and equipment at end of period	300,002	313,724
Accumulated depreciation at end of period	(120,060)	(128,010)
NET BOOK VALUE AT END OF PERIOD	Ps 179,942	185,714

During 2004, 2005 and 2006, impairment losses of fixed assets for approximately Ps1,182, Ps181 and Ps563, respectively, were recognized within other expenses, 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, 2005 and 2006 are summarized as follows:

	2005			2006		
	Cost	Accumulated Amortization	Carrying Amount	Cost	Accumulated Amortization	Carrying Amount
Intangible assets of indefinite useful life:						
Goodwill	Ps 62,502	(10,458)	52,044	Ps 61,651	(9,516)	52,135
Intangible assets of definite useful life:						
Cost of internally developed software	3,524	(2,812)	712	5,341	(2,540)	2,801
Industrial property and trademarks	2,233	(378)	1,855	1,976	(779)	1,197
Mining projects	651	(43)	608	1,057	(72)	985
Concessions	299	(151)	148	607	(316)	291
Other intangible assets	4,945	(1,833)	3,112	4,387	(1,722)	2,665
Deferred Charges and others:						
Deferred income taxes (note 15B)	3,998	-	3,998	3,797	-	3,797
Intangible asset for pensions (note14)	659	-	659	735	-	735
Deferred financing costs	576	(81)	495	517	(98)	419
	Ps 79,387	(15,756)	63,631	Ps 80,068	(15,043)	65,025

The amortization of intangible assets and deferred charges was approximately Ps3,000 in 2004, Ps1,750 in 2005 and Ps1,479 in 2006, of which a portion of approximately 66% in 2004 and 14% in 2005 were recognized in other expenses, net, and the rest within operating results. In 2006, 100% of such amortization was recognized as part of the operating results.

INTANGIBLE ASSETS OF DEFINITE LIFE

During 2005 and 2006, CEMEX capitalized the costs incurred in the development stage of internal-use software for Ps194 and Ps2,197, respectively. The increase in 2006 was attributable to the Company's decision to initiate the replacement of the technological platform in which CEMEX executes the most important processes of its business model. The replacement of systems under this relevant project for the Company started in the subsidiaries located in the United Kingdom, Germany and France, obtained through the acquisition of RMC Group p.l.c. in 2005. 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 2007 and 2008 CEMEX will continue the development of the new technological platform in the rest of its subsidiaries.

GOODWILL

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.

Changes in goodwill by reporting unit as of December 31, 2005 and 2006 are summarized as follows:

	2004	ACQUISITIONS (DISPOSALS)	ADJUSTMENTS(1)	2005	ACQUISITIONS (DISPOSALS)	ADJUSTMENTS(1)	2006
NORTH AMERICA							
United States	Ps 16,809	5,721	(62)	22,468	205	(1,556)	21,117
Mexico	6,158	-	405	6,563	-	82	6,645
EUROPE							
Spain	8,117	69	(4)	8,182	530	(764)	7,948
France	-	2,408	-	2,408	305	55	2,768
United Kingdom	-	706	924	1,630	1,440	211	3,281
Other Europe(2)	77	812	(6)	883	97	32	1,012
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN							
Colombia	3,785	-	227	4,012	-	(121)	3,891
Venezuela	692	-	(150)	542	-	20	562

Dominican Republic.....	186	-	(30)	156	-	11	167
Costa Rica.....	51	-	3	54	-	(24)	30
Other Central and South America and the Caribbean(3).	598	349	(16)	931	-	(148)	783
AFRICA AND MIDDLE EAST							
Egypt.....	231	-	10	241	-	(13)	228
United Arab Emirates.....	-	1,502	-	1,502	-	(75)	1,427
ASIA							
Philippines.....	1,383	-	(201)	1,182	-	2	1,184
Thailand.....	391	-	7	398	-	(40)	358
Other Asia.....	13	-	-	13	-	(1)	12
OTHERS							
Other reporting units(4).....	718	-	45	763	-	(41)	722
Associates.....	123	(14)	7	116	(108)	(8)	-
Ps	39,332	11,553	1,159	52,044	2,469	(2,378)	52,135

(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.

A) PRINCIPAL ACQUISITIONS AND DIVESTITURES DURING 2005 AND 2006

In January 2006, CEMEX acquired an equity interest of 51% in a cement-grinding mill facility with capacity of 400,000 tons per year in Guatemala for approximately U.S.$17.4 (Ps188).

SALE OF GRESIK

As mentioned in note 9A, during 2006, CEMEX sold the equity interest that it held in Gresik. The resulting goodwill write off recognized in 2006 associated to the sale of Gresik was of approximately Ps108.

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, considering the 18.8% equity interest acquired in 2004, net from the sale of certain assets in 2005, and considering acquisition expenses incurred in 2005, amounted to approximately U.S.$4,301 (Ps46,451). This amount does not include approximately U.S.$2,249 (Ps26,039) 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. The accompanying consolidated financial statements of CEMEX at December 31, 2005, include the balance of RMC at December 31, 2005 and the results of operations of the acquired businesses for the ten-month period ended December 31, 2005.

The preliminary goodwill arising from the RMC transaction in 2005 was approximately Ps13,535 (U.S.$1,169). In 2006, CEMEX identified other costs directly related to the purchase of approximately Ps907 (U.S.$84). Consequently, the final price amounted to approximately U.S.$4,301 (Ps46,451). In 2006, CEMEX concluded the allocation of the additional direct costs to the fair values of the assets acquired and liabilities assumed, and made certain modifications to the amounts determined during the preliminary allocation, resulting in adjustments to the preliminary goodwill associated with this acquisition, which

at December 31, 2006 amounted to Ps14,576 (U.S.$1,350).

The final allocation of the purchase price of RMC to the fair value, as of March 1, 2005, of the assets acquired and liabilities is presented below:

	FINAL ALLOCATION RMC
Current assets	Ps 22,355
Investments and other non-current assets	2,429
Properties, machinery and equipment	71,144
Other assets(A)	994
Intangible assets(B)	1,879
Goodwill	14,576
TOTAL ASSETS ACQUIRED	113,377
Current liabilities(C)	27,653
Non-current liabilities(C)	14,451
Remediation liabilities	4,828
Pensions and other postretirement benefits	5,851
Deferred income tax liabilities	13,502
Other non-current liabilities	641
TOTAL LIABILITIES ASSUMED	66,926
TOTAL NET ASSETS	Ps 46,451

(A) The final allocation in 2006 includes Ps730 of deferred income tax assets.

(B) Identified intangible assets refer mainly to trade names and brands which have been assigned with an average useful life of approximately 5 years.

(C) Current liabilities include Ps13,064 of short-term debt, while long-term liabilities include Ps12,975 of debt.

ACQUISITION OF CONCRETERA MAYAGUEZANA

In July 2005, CEMEX acquired 15 ready-mix concrete plants through the purchase of Concretera Mayaguezana ("Mayaguezana"), a ready-mix concrete producer located in Puerto Rico, for approximately Ps301 (U.S.$28). The consolidated financial statements of CEMEX as of December 31, 2005 include the balance sheet of Mayaguezana at December 31, 2005 and its operating results for the six-month period ended December 31, 2005. The resulting goodwill arising from this acquisition was approximately Ps161.

OTHER ACQUISITIONS

During 2005, CEMEX made other minor acquisitions in Central America for an aggregate purchase price of approximately Ps231 (U.S.$21), resulting in goodwill of approximately Ps167. The acquired entities are consolidated from the date of acquisition.

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 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 (Ps706). 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).

In addition, in connection with clearances of antitrust authorities in the United States related to the acquisition of RMC, in August 2005, ready-mix assets were sold to California Portland Cement Company in the area of Tucson, AZ, for an approximate amount of U.S.$16.

DIVESTITURE OF CHARLEVOIX AND DIXON IN THE UNITED STATES

In March 2005, CEMEX sold to Votorantim Participacoes S.A. the cement plants in Charlevoix, MI, and Dixon, IL, both in the United States. In July 2005, CEMEX sold a cement terminal located in the Great Lakes region to the City of Detroit. The aggregate sale price of both transactions was approximately U.S.$413. 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 acquisition. 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. As a result of the sale of these assets, goodwill previously generated in the purchase of CEMEX's operations in the U.S. was reduced by approximately Ps1,712.

ALLIANCE WITH READY MIX USA, INC. ("READY MIX USA")

In July 2005, in order to satisfy construction needs in the Southeastern United States, CEMEX Inc., the Company's subsidiary in the United States, and Ready Mix USA, Inc. 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. CEMEX's contributions to CEMEX Southeast, LLC represented 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, aggregates and concrete block plants in Florida and Georgia, while Ready Mix USA contributed all 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. CEMEX's contributions to Ready Mix USA, LLC represented approximately 9% of the contributed capital, while Ready Mix USA's contributions represented 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.

After the third year of the strategic alliance and for an approximate 22-year period, Ready Mix USA will have the right, but not the obligation, to sell CEMEX its interests in both entities. As of December 31, 2005 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 plants and 4 concrete block facilities located in the Atlanta, GA area, as well as working capital related to these assets, in exchange for approximately U.S.$125 (Ps1,443).

DIVESTITURE OF CEMENTOS BIO BIO

In April 2005, CEMEX divested its 11.9% interest in Cementos Bio Bio, S.A., a cement company in Chile, for approximately U.S.$65 million (Ps753), resulting in

a net gain of Ps226 recorded within "Other expenses, net" and in the cancellation of goodwill of approximately Ps14. Until the sale, this investment was accounted for by the equity method.

PURCHASE OF MINORITY INTEREST IN CEMEX ASIA HOLDINGS ("CAH")

In December 2005, for approximately U.S$8 (Ps93), CEMEX acquired the 0.9% equity interest in CAH that remained as property of third parties. In 2004, CEMEX acquired 20.6% of CAH common stock in exchange for a cash payment of approximately U.S.$70 and 27,850,713 CPOs, with a value of approximately U.S.$172 (Ps1,991), resulting in goodwill of approximately Ps1,044. In accordance with MFRS, this goodwill was charged to equity within "Comprehensive income", considering it was a transaction between stockholders. CAH is the holding company of CEMEX's subsidiaries in the Philippines, Thailand and Bangladesh, and had been the owner of the Company's equity interest in Gresik. Through these operations, the Company's interest in CAH increased to 100%.

B) CONDENSED PRO FORMA INCOME STATEMENT

In order to comply with disclosure requirements pertaining to significant acquisitions, CEMEX presents condensed pro forma income statements for the twelve-month periods ended December 31, 2004 and 2005, giving effect to the RMC acquisition as if it had occurred on January 1, 2004.

The pro forma financial information is not indicative of the results that CEMEX would have reported, nor should such information be taken as representative of the Company's future results. Pro forma adjustments consider the fair values of the net assets acquired, under certain assumptions that CEMEX considered reasonable.

YEAR ENDED DECEMBER 31, 2004	CEMEX 1	RMC 2	ADJUSTMENTS 3	CEMEX PRO FORMA
Sales.....Ps	94,915	89,573	-	184,488
Operating income.....	21,567	2,736	(830)	23,473
Comprehensive financing result.....	1,552	(1,059)	4,198	4,691
Other expenses, net.....	(5,635)	(5,709)	(911)	(12,255)
Income taxes.....	(2,483)	(687)	(411)	(3,581)
Equity in income of associates.....	467	549	-	1,016
CONSOLIDATED NET INCOME.....	15,468	(4,170)	2,046	13,344
Minority interest.....	244	249	-	493
MAJORITY INTEREST NET INCOME.....Ps	15,224	(4,419)	2,046	12,851
BASIC EPS.....Ps	0.77			0.65
DILUTED EPS.....	0.76			0.64

YEAR ENDED DECEMBER 31, 2005	CEMEX 1	RMC 2	ADJUSTMENTS 3	CEMEX PRO FORMA
Sales.....Ps	177,385	10,995	-	188,380
Operating income.....	28,791	(319)	(125)	28,347
Comprehensive financing result.....	2,836	(117)	(1,951)	768
Other expenses, net.....	(3,676)	2	(41)	(3,715)
Income taxes.....	(3,875)	(50)	289	(3,636)
Equity in income of associates.....	1,012	11	-	1,023

CONSOLIDATED NET INCOME	25,088	(473)	(1,828)	22,787
Minority interest	638	14	-	652
MAJORITY INTEREST NET INCOME Ps	24,450	(487)	(1,828)	22,135
BASIC EPS Ps	1.18			1.07
DILUTED EPS	1.17			1.06

1 Information derived from the consolidated income statements for the years 2004 and 2005, as reported. In 2005, includes RMC's operating results for the ten-month period ended December 31, 2005.

2 In 2005, the information relates to the two-month period ended on February 28, 2005 (unaudited), prepared under IFRS. In 2004, the information was obtained from the audited consolidated financial statements, prepared under generally accepted accounting principles in the United Kingdom ("UK GAAP") and include reclassifications to conform RMC amounts to CEMEX's presentation. RMC's information was translated into pesos at the exchange rates of Ps18.27 and Ps21.30, effective as of December 31, 2004 and February 28, 2005, respectively, per (pound)1, and was restated to constant pesos at December 31, 2006.

3 The pro forma adjustments determined for the two-month period of RMC in pro forma 2005 and the twelve-month period of RMC in pro forma 2004 include adjustments related to the purchase price allocation, and in 2004, adjustments resulting from the relevant differences between UK GAAP and MFRS. The main adjustments as of December 31, 2004 and February 28, 2005 consist of:

ITEM	2004	2005
Depreciation expense Ps	(830)	(125)
Financial expense D	(1,214)	(183)
Valuation of derivative instruments	1,608	(1,431)
Foreign exchange fluctuations D	1,406	(383)
Monetary position result	2,398	46
Intangible assets amortization	(268)	(41)
Goodwill amortization	(643)	-
Deferred income tax	(411)	289
Ps	2,046	(1,828)

D Pro forma financial expense for the two-month period was determined on the basis of the U.S.$3,326 in 2004 and U.S.$3,311 in 2005 of average debt incurred in connection with the purchase, using the interest rates of 2.4% in 2004 and 2.8% in 2005.

C) ANALYSIS OF GOODWILL IMPAIRMENT

For the years ended December 31, 2005 and 2006, CEMEX did not recognize impairment losses of goodwill, considering that all the annual evaluations presented an excess of the value in use over the net book value of the reporting units. In 2004 it was determined that the net book value of the information technology business exceeded the amount of expected discounted cash flows; therefore, an impairment loss of goodwill was recognized within "Other expenses,

net" for Ps261.

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. The Company'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 2005 and 2006:

	DISCOUNT RATES		PERPETUAL GROWTH RATES	
REPORTING UNITS	2005	2006	2005	2006
United States	8.5%	8.9%	1.0%	2.5%
Spain	8.6%	9.1%	1.5%	2.5%
Mexico	9.1%	10.1%	2.5%	2.5%
Colombia	9.7%	10.4%	2.0%	2.5%
France	N/A	9.0%	N/A	2.5%
United Arab Emirates	N/A	9.4%	N/A	2.5%
United Kingdom	N/A	9.0%	N/A	2.5%

The reporting units acquired from RMC were not tested for impairment in 2005 considering that the related net assets were recorded at their estimated fair values as of the acquisition date.

The main assumption used in the impairment testing of CEMEX's other cash generating units, which account for the remaining portion of goodwill in 2005 and 2006, are summarized as follows:

	2005	2006
Range of discount rates	8.5% - 11.4%	8.9% - 12.7%
Range of perpetual growth rates	1.0% - 2.5%	2.5%

12. FINANCIAL INSTRUMENTS

A) SHORT-TERM AND LONG-TERM DEBT

As of December 31, 2005 and 2006, short-term and long-term consolidated debt by interest rate, by currency (excluding effects of derivative instruments associated to such debt) and by instrument type and maturity, are summarized as follows:

DEBT ACCORDING TO THE INTEREST RATE IN WHICH DEBT WAS CONTRACTED:

	CARRYING AMOUNT	EFFECTIVE RATE 1

	2005	2006	2005	2006
SHORT-TERM				
Floating rate....Ps	12,884	10,901	4.65%	4.14%
Fixed rate....	904	2,613	11.08%	3.09%
	13,788	13,514		
LONG-TERM				
Fixed rate....	46,082	36,103	5.14%	4.72%
Floating rate....	49,862	31,824	4.01%	4.45%
	95,944	67,927		
Ps	109,732	81,441		

DEBT ACCORDING TO CURRENCY CONTRACTED:

	2005			
CURRENCY	SHORT-TERM	LONG-TERM	TOTAL	EFFECTIVE RATE 1
Dollar....Ps	5,972	50,063	56,035	5.2%
Pesos	4,431	18,716	23,147	10.4%
Euros....	2,237	20,465	22,702	2.9%
Japanese yen....	367	4,605	4,972	1.1%
Pounds sterling....	585	2,041	2,626	5.5%
Other currencies....	196	54	250	10.4%
Ps	13,788	95,944	109,732	

	2006			
CURRENCY	SHORT-TERM	LONG-TERM	TOTAL	EFFECTIVE RATE 1
Dollar....Ps	536	26,310	26,846	5.0%
Pesos	4,502	20,187	24,689	5.0%
Euros....	7,943	16,416	24,359	3.8%
Japanese yen....	352	4,251	4,603	1.2%
Pounds sterling....	174	728	902	5.0%
Other currencies....	7	35	42	4.0%
Ps	13,514	67,927	81,441	

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:

2005	Short-term	Long-term
Bank loans		
Lines of credit in Mexico....Ps	2,223	-
Lines of credit in foreign countries....	4,319	-
Syndicated loans, 2006 to 2010....	-	56,394
Other bank loans, 2006 to 2007....	-	9,535
	6,542	65,929
Notes payable		
Euro medium-term notes, 2006 to 2009....	-	1,313
Medium-term notes, 2006 to 2008....	-	6,343
Medium-term notes, 2006 to 2015....	-	26,261
Other notes payable....	710	2,634

	710	36,551
Total bank loans and notes payable.....	7,252	102,480
Current maturities.....	6,536	(6,536)
Ps	13,788	95,944

2006	Short-term	Long-term
Bank loans		
Lines of credit in Mexico.....Ps	216	-
Lines of credit in foreign countries.....	8,227	-
Syndicated loans, 2007 to 2011.....	-	34,175
Other bank loans, 2007 to 2016.....	-	2,646
	8,443	36,821
Notes payable		
Euro medium-term notes, 2007 to 2009.....	-	664
Medium-term notes, 2007 to 2012.....	-	31,678
Other notes payable.....	1,663	2,172
	1,663	34,514
Total bank loans and notes payable.....	10,106	71,335
Current maturities.....	3,408	(3,408)
Ps	13,514	67,927

The most representative exchange rates to the financial debt as of December 31, 2005 and 2006 are as follows:

	2005	2006
Mexican pesos per dollar.....	10.62	10.80
Japanese yen per dollar.....	117.81	119.05
Euros per dollar.....	0.8440	0.7573
Pounds sterling per dollar.....	0.5812	0.5105

Changes in consolidated debt during 2005 and 2006 are as follows:

	2005	2006
Debt at beginning of year.....Ps	69,073	109,732
Proceeds from new credits.....	104,522	34,297
Debt repayments.....	(82,819)	(58,254)
Increase from business combinations.....	26,041	508
Foreign currency translation and inflation effects.	(7,085)	(4,842)
Debt at end of year.....Ps	109,732	81,441

The maturities of consolidated long-term debt as of December 31, 2006 are as follows:

	2006
2008	Ps 14,672
2009	17,090
2010	11,679
2011	14,273
2012 and thereafter	10,213
	Ps 67,927

As of December 31, 2005 and 2006, there were short-term debt transactions amounting to U.S.$505 (Ps5,847) and U.S.$110 (Ps1,188), respectively, classified as long-term debt due to the Company's ability and the intention to refinance such indebtedness with the available amounts of committed and unused long-term lines of credit.

As of December 31, 2006, CEMEX has the following lines of credit, both committed and subject to the banks' availability, at annual interest rates ranging between 0.6% and 15.5%, depending on the negotiated currency:

	Lines of Credit	Available
Revolving credit facilities (U.S.$1,400)	Ps 15,120	3,802
Multi-currency revolving credit facility (U.S.$1,200)	12,960	8,986
Other lines of credit in foreign subsidiaries	39,332	10,245
Other lines of credit from banks	4,914	3,063
	Ps 72,326	26,096

In addition to the amounts mentioned above, as of December 31, 2006, CEMEX has committed lines of credit for approximately U.S.$11,200 (Ps120,960) that would be used for future business combinations.

COVENANTS

Certain debt contracts of CEMEX contain restrictive covenants limiting sale of assets and requiring maintenance of a controlling interest in certain subsidiaries. As of December 31, 2005 and 2006, CEMEX was in compliance with such covenants.

B) FAIR VALUE OF ASSETS AND FINANCIAL INSTRUMENTS

The Company'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 value 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 carrying amounts of long-term debt and the related fair value is based on

estimated market prices for equal or similar instruments or on interest rates currently available for CEMEX to negotiate debt with the same maturities, or it is determined by discounting future cash flows using interest rates currently available to CEMEX. The information is summarized as follows:

		Carrying Amount	Fair Value
Bank loans.....	Ps	45,264	45,093
Notes payable.....		36,177	35,274

C) DERIVATIVE FINANCIAL INSTRUMENTS RELATED TO DEBT

As described in CEMEX's accounting policy for derivative instruments in note 3L, derivative instruments are recognized as assets or liabilities in the balance sheet 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 designated in 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, 2005 and 2006, derivative instruments related to short-term and long-term debt are summarized as follows:

		2005		2006	
U.S. DOLLARS MILLIONS		NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
Interest rate swaps.....	U.S.$	2,725	52	3,184	39
Cross currency swaps.....		2,290	212	2,144	154
Foreign exchange forward contracts.		-		703	(3)
	U.S.$	5,015	264	6,031	190

INTEREST RATE SWAP CONTRACTS

As of December 31, 2005 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:

		2005			2006		
U.S. DOLLARS MILLIONS		NOTIONAL AMOUNT	FAIR VALUE	EFFECTIVE RATE	NOTIONAL AMOUNT	FAIR VALUE	EFFECTIVE RATE
Swaps related to long-term debt 1.....	U.S.$	387	6	4.4%	363	6	4.2%
Swaps related to long-term debt 2.....		1,113	6	4.5%	1,037	10	4.9%
Swaps related to long-term debt 3.....		1,000	37	4.9%	1,584	21	4.5%
Swaps related to long-term debt 4.....		225	3	4.9%	200	2	4.5%
	U.S.$	2,725	52		3,184	39	

1 CEMEX receives a floating LIBOR* rate and pays a fixed rate of 4.0%. These contracts were designated as hedges of contractual cash flows (interest payments) of the related underlying U.S. dollar floating rate debt, and mature in June 2009.

2 CEMEX receives a floating LIBOR* rate and pays a fixed rate of 4.7%. These contracts were designated as hedges of contractual cash flows (interest payments) of the related underlying U.S. dollar floating rate debt, and mature in August 2009.

3 CEMEX receives a floating LIBOR* rate and pays a fixed rate of 5.0%. These contracts, which mature in August 2010, were not designed as accounting hedges since they have optionality; nevertheless, such contracts complement CEMEX's financial strategy.

4 CEMEX receives a floating LIBOR* rate and pays a fixed rate of 4.3% until maturity in March 2010. Likewise, these contracts were not designed as accounting hedges since they have optionality.

* LIBOR represents the London Interbank Offering Rate used in international markets for debt denominated in U.S. dollars.

During 2005 and 2006, due to changes in the interest rate mix of CEMEX's debt portfolio, interest rate swaps were settled for notional amounts of U.S.$775 and U.S.$459, respectively. As a result of these settlements, CEMEX recognized gains of U.S.$8 (Ps93) in 2004, U.S.$4 (Ps46) in 2005 and U.S.$48 (Ps518) in 2006, which were recognized in earnings of each period.

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 (Ps93) recognized in earnings of the period.

CROSS CURRENCY SWAP CONTRACTS

With the intention of reducing the 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 originally contracted in dollars or pesos. 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, 2005 and 2006, information with respect to the CCS is summarized as follows:

(U.S. DOLLARS MILLIONS)	2005			(U.S. DOLLARS MILLIONS)	2006		
	NOTIONAL AMOUNT	FAIR VALUE	EFFECTIVE RATE		NOTIONAL AMOUNT	FAIR VALUE	EFFECTIVE RATE
SHORT-TERM				SHORT-TERM			
Exchange Ps5,362 to dollars 1..	500	6	4.7%	Exchange Ps1,400 to dollars 1.....	126	4	5.3%
Exchange Ps2,800 to dollars 2..	260	5	4.9%	Exchange Ps3,213 to dollars 2.....	295	14	2.0%
-	-	-	-	Exchange Ps869 to dollars 3.....	65	17	5.1%
-	-	-	-	Exchange Ps800 to dollars 4.....	77	-	4.1%
	760	11			563	35	
LONG-TERM				LONG-TERM			
Exchange Ps2,488 to dollars 3..	142	100	4.8%	Exchange Ps3,126 to dollars 5.....	271	66	3.9%
Exchange Ps6,888 to dollars 4..	618	86	4.0%	Exchange Ps2,031 to dollars 6.....	181	17	7.1%
Exchange Ps2,940 to dollars 5..	270	17	4.8%	Exchange Ps2,140 to dollars 7	193	17	3.3%
Exchange Ps5,281 to dollars 6..	500	(2)	4.5%	Exchange Ps7,250 to dollars 8.....	664	14	5.4%
-	-	-	-	Exchange Ps2,950 to dollars 9.....	272	5	5.3%
	1,530	201			1,581	119	
	2,290	212			2,144	154	

	2005		2006	
MATURITY	CEMEX RECEIVES	CEMEX PAYS	CEMEX RECEIVES	CEMEX PAYS

1 June 2007.....	TIIE plus 25 bps	L plus 28 bps	TIIE minus 23 bps	L minus 13 bps
2 June 2007.....	TIIE plus 80 bps	L plus 55 bps	Peso 10.8%	Dollar 2.0%
3 April 2007.....	Peso 10.8%	L plus 96 bps	Peso 10.6%	L plus 23 bps
4 October 2007.....	Peso 9.2%	Dollar 5.1%	CETES plus 145 bps	Dollar 4.1%
5 April 2012.....CETES plus 112 bps		Dollar 4.8%	Peso 8.7%	Dollar 3.9%
6 March 2011.....	Peso 8.3%	L plus 25 bps	Peso 8.8%	L plus 162 bps
7 April 2009.....	-	-	CETES plus 99 bps	Dollar 3.3%
8 September 2011.....	-	-	CETES plus 52 bps	L minus 2 bps
9 March 2012.....	-	-	TIIE plus 9 bps	L minus 2.5 bps

* TIIE represents the Interbank Offering Rate in Mexico, and CETES are public debt instruments issued by the Mexican government. LIBOR or "L" represents the London Interbank Offering Rate used in international markets for debt denominated in U.S. dollars. As of December 31, 2005 and 2006, the LIBOR rate was 4.39% and 5.32%, respectively; the year-end TIIE was 8.56% in 2005 and 7.37% in 2006 and the year-end CETES yield was 8.01% in 2005 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, 2005 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, 2005 and 2006, related to the fair value of the CCS, the Company recognized net assets of U.S.$212 (Ps2,453) and U.S.$154 (Ps1,663), respectively, of which U.S.$138 (Ps1,598) in 2005 and U.S.$34 (Ps367) in 2006 relate to prepayments made of dollar denominated obligations under the contracts. The estimated fair value of CCS, excluding the effects of prepayments, resulted in a net asset of U.S.$74 (Ps857) in 2005 and a net asset of U.S.$120 (Ps1,296) in 2006. For the years ended December 31, 2004, 2005 and 2006, changes in the estimated fair value of the CCS, before prepayments, resulted in gains of U.S.$10 (Ps116) and U.S.$3 (Ps35) and a loss of U.S.$58 (Ps626), 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 (Ps243), which was recognized in earnings of the period.

FOREIGN EXCHANGE FORWARD CONTRACTS RELATED TO DEBT

During 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.$703. These contracts had a fair value of approximately U.S.$3 at December 31, 2006. Of the aggregate notional amount, U.S.$566 exchanges euros to dollars, U.S.$92 exchanges pounds sterling to dollars, and U.S.$45 exchanges Japanese yen to dollars. Changes in fair values of these contracts are recognized in the income statement.

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.$19 (Ps221) in 2004 and U.S.$6 (Ps69) in 2005, recognized in the income statement of the corresponding period.

In September 2004, in connection with the commitment to acquire RMC that was denominated in pounds sterling, the Company negotiated foreign exchange

forwards, collars and options, for a combined notional amount of U.S.$3,453 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. These contracts were designated as accounting hedges of the foreign exchange risk associated with the firm commitment agreed on November 17, 2004, the date on which RMC's stockholders committed to sell their shares at a fixed price. Changes in the estimated fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132 (Ps1,537), was recognized in stockholders' equity in 2004. This gain was reclassified to earnings in 2005 on the purchase date. Changes in fair value of these contracts from their origination until their designation as hedges, which resulted in a gain of approximately U.S.$102 (Ps1,188), was recognized in earnings in 2004.

D) OTHER DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2005 and 2006, outstanding derivative instruments, other than those related to debt (note 12C) and those related to equity items (note 12E), are detailed as follows:

U.S. DOLLARS MILLIONS		2005 NOTIONAL AMOUNT	2005 FAIR VALUE	2006 NOTIONAL AMOUNT	2006 FAIR VALUE
Equity forwards in the CEMEX's own shares.....	U.S.$	-	-	171	-
Other foreign exchange instruments.....		63	-	81	1
Derivatives related to energy projects.....		159	(4)	159	(4)
	U.S.$	222	(4)	411	(3)

EQUITY FORWARDS IN CEMEX'S OWN SHARES

For the years ended December 31, 2005 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 2004, changes in valuation were recognized in the income statement or as part of stockholders' equity, according to their characteristics and use.

On December 20, 2006, CEMEX sold in the market 50 million CPOs that it held in the Company's treasury for approximately Ps1,781. 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 as of December 31, 2006 is approximately U.S.$171 (Ps1,847). This equity forward contract provides for net cash settlement at its maturity.

On October 3, 2005, through a secondary equity offering agreed to by the Company, 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 U.S.$26.95 per CPO. Of the total consideration of approximately U.S.$1,500 (Ps17,367), net of the offering expenses, the financial institutions kept approximately U.S.$1,300 as payment for the liquidation of the related forward contracts. The ADSs and CPOs subject to the offer represented the entire amount of shares subject to the forward contracts in the Company'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 (Ps4,886), which offset the expenses generated by the stock option programs (note 17).

During 2004, forward contracts covering 52,264,048 CPOs were settled, generating a gain of approximately U.S.$18 (Ps210), which was recognized in stockholders' equity.

OTHER FOREIGN EXCHANGE INSTRUMENTS

As of December 31, 2005 and 2006, CEMEX had foreign exchange forward contracts for notional amounts of U.S.$63 and U.S.$81, respectively, not designated as hedges, which valuation effects are recognized in the income statement for the period.

DERIVATIVES RELATED TO ENERGY PROJECTS

As of December 31, 2005 and 2006, CEMEX had an interest rate swap maturing in May 2017 with notional amounts of U.S.$150 and U.S.$141, respectively, negotiated to exchange floating for fixed interest rates in connection with agreements entered into by CEMEX for the acquisition of electric energy (note 21D). During the life of the swap and based on its notional amount, CEMEX will pay a LIBOR rate and will receive a 7.53% fixed rate until 2017. In addition, during 2001, CEMEX sold a floor option with a notional amount of U.S.$159 in 2005 and U.S.$149 in 2006, related to the interest rate swap contract, pursuant to which, until 2017, CEMEX will pay the difference between the 7.53% fixed rate and the LIBOR rate. As of December 31, 2005 and 2006, the combined fair value of the interest rate swap and the floor option represented losses of approximately U.S.$4 (Ps46) and U.S.$3 (Ps32), respectively, recognized in earnings during the respective periods. The notional amount of these contracts is not aggregated, considering that there is only one notional amount with exposure to changes in interest rates and the effects of both contracts offset each other.

In addition, in December 2006, CEMEX negotiated a derivative instrument based on gas prices for a notional amount of U.S.$9. The instrument matures in December 2007.

E) DERIVATIVE FINANCIAL INSTRUMENTS RELATED TO EQUITY

As of December 31, 2005 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:

	2005		2006	
U.S. DOLLARS MILLIONS	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
Foreign exchange forward contracts....	U.S.$ 3,137	173	5,034	132
Derivatives related to perpetual equity instruments.....	-	-	1,250	46
	U.S.$ 3,137	173	6,284	178

FOREIGN EXCHANGE FORWARD CONTRACTS

At December 31, 2005 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-a-vis the peso, and consequently reducing volatility in the value of stockholders' equity in the reporting currency, CEMEX has negotiated foreign exchange forward contracts for notional

amounts of U.S.$3,137 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 EQUITY INSTRUMENTS

In connection with the issuance of U.S.$1,250 aggregate notional amount of perpetual debentures described in note 16F, pursuant to which CEMEX pays a fixed U.S. dollar rate of 6.196% on a notional amount of U.S.$350 and a fixed U.S. dollar rate of 6.722% on a notional amount of U.S.$900, CEMEX decided to change the foreign exchange exposure on the coupon payments from U.S. dollars to Japanese yen. In order to do so, on December 18, 2006, CEMEX entered into two CCS agreements: a U.S.$350 notional amount CCS, pursuant to which, for a five-year period, CEMEX receives a fixed rate in dollars of 6.196% of the notional amount and pays six-month Yen LIBOR multiplied by a factor of 4.3531, and a U.S.$900 notional amount CCS, pursuant to which, for a ten-year period, CEMEX receives a fixed rate in dollars of 6.722% of the notional amount and pays six-month Yen LIBOR multiplied by a factor of 3.3878. Each CCS include an extinguishable swap, which provides that if the relevant perpetual debentures are extinguished for certain 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 CCSs, CEMEX entered into foreign exchange forwards for a notional amount of U.S.$89, 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 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, 2005 and 2006, consolidated other accounts payable and accrued expenses are as follows:

	2005	2006
Provisions	Ps 7,165	8,520
Other accounts payable and accrued expenses	4,459	3,112
Tax payable	3,009	2,456
Current liabilities for valuation of derivative instruments	1,580	98
Advances from customers	1,228	1,282
Interest payable	593	393
Dividends payable	36	-

Ps	18,070	15,861

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 22C). These amounts are revolving in nature and are to be settled and replaced by similar amounts within the next 12 months.

As of December 31, 2005 and 2006, the carrying amounts of consolidated other non-current liabilities are detailed as follows:

	2005	2006
Asset retirement obligations.....Ps	1,254	1,315
Other remediation or environmental liabilities.....	3,869	3,178
Accruals for legal assessments and other responsibilities.....	2,249	1,658
Non-current liabilities for valuation of derivative instruments.....	2,067	1,859
Other non-current liabilities and provisions.....	1,788	5,566
Ps	11,227	13,576

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 twelve 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 live and charged to results of operations.

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, 2005 and 2006, the most significant legal proceedings that give rise to the carrying amounts of CEMEX's other non-current liabilities are detailed in note 22.

Changes in consolidated other non-current liabilities during 2005 and 2006 are as follows:

	2005	2006
Balance at beginning of period.....Ps	7,588	11,227
Current period additions due to new obligations or increase in estimates...	4,801	7,247
Current period releases due to payments or decrease in estimates.....	(5,845)	(6,257)
Additions through business combinations.....	4,366	204
Reclassification from current to non-current liabilities.....	-	1,104
Foreign currency translation effects.....	317	51
Balance at end of period.....Ps	11,227	13,576

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 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 2004, 2005 and 2006 are summarized as follows:

	PENSIONS			OTHER BENEFITS			TOTAL		
NET PERIODIC COST:	2004	2005	2006	2004	2005	2006	2004	2005	2006
Service cost	Ps 322	699	735	43	88	93	365	787	828
Interest cost	379	1,242	1,349	36	82	80	415	1,324	1,429
Actuarial return on plan assets	(415)	(1,174)	(1,449)	(1)	(1)	(2)	(416)	(1,175)	(1,451)
Amortization of prior service cost, transition liability and actuarial results	137	134	(15)	(9)	48	53	128	182	38
Settlements and curtailments	-	1,063	-	-	-	-	-	1,063	-
	Ps 423	1,964	620	69	217	224	492	2,181	844

The reconciliation of the actuarial benefits obligations, pension plan assets, and the carrying amounts as of December 31, 2005 and 2006, are presented as follows:

	PENSIONS		OTHER BENEFITS		TOTAL	
	2005	2006	2005	2006	2005	2006
CHANGE IN BENEFITS OBLIGATION:						
Projected benefit obligation at beginning of year	Ps 6,770	26,571	639	1,737	7,409	28,308
Service cost	699	735	88	93	787	828
Interest cost	1,242	1,349	82	80	1,324	1,429
Actuarial results	738	2,466	90	69	828	2,535
Employee contributions	70	75	-	-	70	75
Addition through business combinations	21,985	84	715	61	22,700	145
Initial valuation of other postretirement benefits	-	-	333	-	333	-
Foreign currency translation and inflation effects	(2,585)	843	(68)	(84)	(2,653)	759
Settlements and curtailments	(1,156)	(2)	-	(27)	(1,156)	(29)
Benefits paid	(1,192)	(1,485)	(142)	(112)	(1,334)	(1,597)
Projected benefit obligation at end of year	26,571	30,636	1,737	1,817	28,308	32,453
CHANGE IN PLAN ASSETS:						
Fair value of plan assets at beginning of year	6,228	21,966	22	29	6,250	21,995
Return on plan assets	3,329	2,102	7	2	3,336	2,104
Foreign currency translation and inflation effects	(1,995)	517	-	(2)	(1,995)	515
Addition through business combinations	15,753	51	-	-	15,753	51
Employer contributions	929	1,171	52	80	981	1,251
Employee contributions	70	75	-	-	70	75
Settlements and curtailments	(1,156)	(2)	-	(27)	(1,156)	(29)
Benefits paid	(1,192)	(1,485)	(52)	(57)	(1,244)	(1,542)
Fair value of plan assets at end of year	21,966	24,395	29	25	21,995	24,420
AMOUNTS RECOGNIZED IN THE BALANCE SHEETS:						
Funded status	4,605	6,241	1,708	1,792	6,313	8,033
Transition liability	(116)	(103)	(421)	(335)	(537)	(438)
Prior service cost and actuarial results	455	(1,456)	76	26	531	(1,430)
Accrued benefit liability	4,944	4,682	1,363	1,483	6,307	6,165
Additional minimum liability (note 11)	361	489	298	246	659	735
Net projected liability recognized	Ps 5,305	5,171	1,661	1,729	6,966	6,900

AS OF DECEMBER 31, 2004, 2005 AND 2006
((Millions of constant Mexican pesos as of December 31, 2006

CEMEX recognizes an additional minimum liability in those individual cases in which actual benefit obligations ("ABO") less the plan assets (net actual liability) is lower than the net projected liability. As of December 31, 2005 and 2006, the Company recognized minimum liabilities against intangible assets for approximately Ps659 and Ps735, 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, 2006, the average estimated service life for pension plans is approximately 12.2 years, and for other postretirement benefits is approximately 13.8 years.

As of December 31, 2005 and 2006, the projected benefit obligations ("PBO") derive from the following type of plans and benefits:

		2005	2006
Plans and benefits totally unfunded.....	Ps	1,592	1,586
Plans and benefits partially or totally funded...		26,716	30,867
PBO at end of the period.....	Ps	28,308	32,453

As of December 31, 2005 and 2006, the consolidated plan assets are valued at their estimated fair value and consist of:

		2005	2006
Fixed-income securities.....	Ps	9,434	8,944
Marketable securities.....		10,471	12,252
Private funds and other investments..		2,090	3,224
	Ps	21,995	24,420

As of December 31, 2006, estimated future benefit payments for pensions and other postretirement benefits during the next ten years are as follows:

		2006
2007.....	Ps	1,700
2008.....		1,750
2009.....		1,718
2010.....		1,875
2011.....		1,936
2012 - 2016.....		10,173

CEMEX applies real rates (nominal rates discounted for inflation) in the actuarial assumptions used to determine pensions and other postretirement benefit liabilities. The most significant assumptions used in the determination of the net periodic cost, are summarized as follows:

	2005				2006			
	MEXICO	UNITED STATES	UNITED KINGDOM	OTHER COUNTRIES 1	MEXICO	UNITED STATES	UNITED KINGDOM	OTHER COUNTRIES 1
Discount rates.....	5.5%	6.0%	5.3%	3.5%-12.0%	5.5%	5.8%	5.1%	3.5%-11.2%
Rate of return on plan assets..	6.5%	8.0%	6.5%	4.0%-8.3%	6.5%	8.0%	6.4%	4.0%-9.0%
Rate of salary increases.....	1.5%	3.5%	3.7%	2.0%-5.6%	1.5%	3.5%	3.6%	2.0%-4.0%

1 Range of rates.

As of December 31, 2005 and 2006, the aggregate PBO for pension plans and other benefits and the plan assets by country are as follows:

	2005			2006		
	PBO	ASSETS	DEFICIT (EXCESS)	PBO	ASSETS	DEFICIT (EXCESS)
Mexico	Ps 3,143	2,714	429	Ps 2,825	2,142	683
United States	4,326	4,076	250	4,023	4,100	(77)
United Kingdom	15,527	13,666	1,861	20,108	16,271	3,837
Other countries	5,312	1,539	3,773	5,497	1,907	3,590
	Ps 28,308	21,995	6,313	Ps 32,453	24,420	8,033

OTHER INFORMATION RELATED TO EMPLOYEES' BENEFITS AT RETIREMENT

The increase in the United Kingdom's PBO in 2006 results primarily from the growth in the life expectancy of the employees under the benefit plans, which grew by three years despite the fact that the defined benefit plan 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 plan in the following years. As presented in the table above, as of December 31, 2006, the deficit in the funded status amounted to Ps8,033. After reducing the deficit related to other postretirement benefits, which do not require mandatory funding, the deficit as of December 31, 2006 is approximately Ps6,241.

In January 2006, CEMEX communicated to its employees in Mexico subject to pension benefits a new defined contribution pension plan scheme, which, from the communication date, replaced the former defined benefit pension plan scheme. As part of the plan conversion process, CEMEX contributed to the employees' retirement individual accounts, with a private retirement funds manager, the actuarial value of the PBO as of the change date. Approximately 5% of the employees, or those with 50 years of age or more, had a period to elect between the defined benefit plan and their migration to 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 pension plan migration 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 Ps1,156, 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 Ps1,063 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 the migration to the defined contribution plan. Therefore, in 2006 the PBO decreased by approximately Ps439 in addition to the Ps1,156 recognized in 2005, while the total contribution to the individual accounts was approximately Ps1,499. 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.

In addition, 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, as in the case of Mexico and Austria. The PBO of these benefits as of December 31, 2005 and 2006 was approximately Ps464 and Ps472, 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, 2005 and 2006, the PBO related to these benefits, included in the table above, was approximately Ps1,174 and Ps1,183, respectively. The medical inflation rate used in 2006 to determine the PBO of these benefits was 3.0% in Mexico, 9.0% in Puerto Rico, 11.5% in the United States and 6.9% in the United Kingdom.

15. INCOME TAX (IT), BUSINESS ASSETS TAX (BAT), EMPLOYEES' STATUTORY PROFIT SHARING (ESPS) AND DEFERRED INCOME TAXES

For their Mexican operations, entities must pay the greater of IT and BAT, both of which recognize the effects of inflation, although in a manner different from MFRS. ESPS is calculated on similar basis as IT without recognizing the effects of inflation.

A) IT, BAT AND ESPS

CEMEX and its Mexican subsidiaries generate IT and BAT on a consolidated basis; therefore, the amounts of these items included in the financial statements, with respect to the Mexican subsidiaries, represent the consolidated result of these taxes. For ESPS purposes, the amount presented is the sum of the individual results of each company.

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 balance 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. The IT expense, presented in the income statements for the years ended December 31, 2004, 2005 and 2006, is

summarized as follows:

	2004	2005	2006
Current income tax..... Ps	(1,040)	(2,660)	(4,094)
Deferred income tax.....	(1,097)	(1,225)	(1,160)
Ps	(2,137)	(3,885)	(5,254)

In 2004, 2005 and 2006, consolidated IT includes expenses of Ps1,316, Ps1,540 and Ps7,455, respectively, from foreign subsidiaries, and expenses of Ps821and Ps2,345 and income of Ps2,201, respectively from Mexican subsidiaries. Current income tax expense includes the tax benefits resulting from the tax consolidation of Ps1,419 in 2004, Ps1,688 in 2005 and Ps2,044 in 2006. Tax loss carryforwards related to Mexican operations are restated for inflation and amortized against taxable income generated in the succeeding ten years. Tax loss carryforwards as of December 31, 2006 are as follows:

YEAR IN WHICH TAX LOSS OCCURRED	AMOUNT OF CARRYFORWARDS	YEAR OF EXPIRATION
2001..... Ps	936	2011
2002.....	4,362	2012
2003.....	620	2013
2006.....	3,312	2016
Ps	9,230	

Until December 2006, the BAT Law in Mexico established 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 exceeded the BAT in such period. The recoverable BAT as of December 31, 2006 is as follows:

YEAR IN WHICH BAT EXCEEDED IT	AMOUNT OF CARRYFORWARDS	YEAR OF EXPIRATION
1997..... Ps	152	2007

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. The tax authorities offered to clarify relevant aspects in connection with the deduction of liabilities; however, at December 31, 2006, there had not been any official communication. CEMEX considers that the BAT law, as amended, is unconstitutional, among other reasons, because it contravenes the required equilibrium between the tax burden and the entities' payment capacity. Therefore, CEMEX intends to challenge the BAT law amendments through appropriate judicial action (juicio de amparo).

Notwithstanding the intended challenge to the BAT law, CEMEX will be required to pay BAT as per the amended law, until the relevant judicial procedure is finally resolved. Likewise, if the challenge does not succeed and/or if the Mexican tax authorities do not modify the prohibition to offset liabilities, the BAT of CEMEX in Mexico will rise appreciably. BAT is complementary to IT incurred, and it is paid only when the BAT is levied in excess of the IT for the period.

((Millions of constant Mexican pesos as of December 31, 2006

B) DEFERRED IT AND ESPS

The valuation method for deferred income taxes is detailed in note 3O. 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, 2005 and 2006, the IT effects of the main temporary differences that generate the consolidated deferred IT assets and liabilities are presented below:

	2005	2006
DEFERRED TAX ASSETS:		
Tax loss and tax credits carryforwards	Ps 15,032	23,634
Accounts payable and accrued expenses	4,241	5,397
Trade accounts receivable	237	-
Inventories	-	57
Others	642	937
Total deferred tax assets	20,152	30,025
Less - Valuation allowance	(6,176)	(13,544)
Net deferred tax asset	13,976	16,481
DEFERRED TAX LIABILITIES:		
Properties, machinery and equipment	(30,479)	(36,846)
Trade account receivables	-	(703)
Others	(7,723)	(2,905)
Total deferred tax liabilities	(38,202)	(40,454)
Net deferred tax position (liability)	(24,226)	(23,973)
Less - Deferred IT of acquired subsidiaries at acquisition date	(18,954)	(18,954)
Total effect of deferred IT in stockholders' equity at end of year	(5,272)	(5,019)
Less - Total effect of deferred IT in stockholders' equity at beginning of year	(7,013)	(5,272)
Restatement effect of beginning balance	(920)	(2,004)
Change in deferred IT for the period	Ps 821	(1,751)

The change in consolidated deferred IT for the period in 2004, 2005 and 2006 is as follows:

	2004	2005	2006
Deferred IT charged to the income statement	Ps (1,097)	(1,225)	(1,160)
Changes in accounting principles	-	144	-
Deferred IT of the period applied directly to stockholders' equity	747	1,902	(591)
Change in deferred IT for the period	Ps (350)	821	(1,751)

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. 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.

Temporary differences between net income of the period and taxable income for ESPS generated expense of Ps221 in 2004 and an income of Ps194 in 2005, reflected in the income statement of such periods. Deferred ESPS was not generated in 2006.

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 2004, 2005 and 2006 are as follows:

	2004	2005	2006
	%	%	%
Approximate consolidated statutory tax rate	33.0	30.0	29.0
Non-taxable dividend income	(8.1)	(7.0)	(18.2)
Other non-taxable income	(13.5)	(3.7)	(3.8)
Expenses and other non-deductible items	1.9	(1.4)	13.4
Non-taxable sale of marketable securities and fixed assets	0.4	(0.3)	(3.5)
Difference between book and tax inflation	1.6	1.2	(2.7)
Others (1)	(3.1)	(4.9)	2.8
Effective consolidated tax rate	12.2	13.9	17.0

(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 new 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. Previously, on April 28, 2005, the annual extraordinary stockholders' meeting approved a two-for-one stock split, which became effective on July 1, 2005, by means of which each of the then existing series "A" shares was surrendered in exchange for two new series "A" shares, and each of the then existing series "B" shares was surrendered in exchange for two new series "B" shares. The proportional equity interest of the stockholders did not change as a result of these stock splits.

For the years 2005 and 2006, all amounts in CPOs, shares and prices per share disclosed in the stockholders' equity note, except as otherwise indicated, have been adjusted to retroactively reflect the stock splits of July 1, 2005 and July 17, 2006.

The carrying amounts of consolidated stockholders' equity as of December 31, 2005 and 2006 for Ps119,876 and Ps159,609, 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 Ps21,655 (628,617,040 CPOs) in 2005 and Ps20,501 (559,984,409 CPOs) in 2006. This reduction is included within "Other capital reserves".

A) COMMON STOCK

As of December 31, 2005 and 2006, the common stock of CEMEX, S.A.B. de C.V. was as follows:

	2005		2006	
SHARES	SERIES A (1)	SERIES B (2)	SERIES A (1)	SERIES B (2)

Subscribed and paid shares	15,353,143,508	7,676,571,754	15,778,133,836	7,889,066,918
Treasury shares (3)	426,174,000	213,087,000	536,248,572	268,124,286
Unissued shares authorized for stock option programs	427,061,964	213,530,982	425,823,064	212,911,532
	16,206,379,472	8,103,189,736	16,740,205,472	8,370,102,736

(1) Series "A" or Mexican shares must represent at least 64% of capital stock.

(2) Series "B" or free subscription shares must represent at most 36% of capital stock.

(3) Includes the shares issued as a stock dividend pursuant to the ordinary stockholders' meeting of April 27, 2006 that were not subscribed by stockholders that elected to receive the cash dividend.

Of the total number of shares, 13,068,000,000 in 2005 and 2006 correspond to the fixed portion and 11,241,569,208 in 2005 and 12,042,308,208 in 2006 to the variable portion.

On April 28, 2005, 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 Ps4,815 (nominal amount), issuing shares as a stock dividend for up to 360 million shares equivalent to up 120 million CPOs, based on a price of Ps66.448 (nominal amount) per CPO; or instead, stockholders could have chosen to receive Ps2.60 (nominal amount) in cash for each CPO. As a result, shares equivalent to 66,728,250 CPOs were issued, representing an increase in common stock of Ps2, considering a nominal value of Ps0.0333 per CPO, and additional paid-in capital of Ps4,535, while an approximate cash payment through December 31, 2005 was made for Ps380 (nominal amount); and (iii) the cancellation of the corresponding shares held in the Company's treasury. The amounts of CPOs and other prices per share related to the annual ordinary stockholders' meeting held on April 28, 2005 were not adjusted to retroactively reflect the stock splits of July 2005 and July 2006.

On April 27, 2006, the annual ordinary stockholders' meeting approved: (i) a reserve for share repurchases of 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 up 240 million CPOs, based on a price of Ps52.5368 (nominal amount) per CPO; or instead, stockholders could have chosen to receive Ps1.4887 (nominal amount) in cash for each CPO. As a result, shares equivalent to 105,937,857 CPOs were issued, representing an increase in common stock of Ps2, considering a nominal value of Ps0.01665 per CPO, and additional paid-in capital of Ps5,740, while and approximate cash payment through December 31, 2006 was made for Ps148 (nominal amount); and (iii) the cancellation of the corresponding shares held in the Company's treasury. The amounts of 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 2005 and 2006, the new CPOs issued pursuant the exercise of options under the "fixed program" (note 17) generated additional paid-in capital of approximately Ps19 and Ps5, respectively, and increased the number of shares outstanding.

B) OTHER EQUITY RESERVES

As of December 31, 2005 and 2006, other equity reserves are summarized as follows:

	2005	2006
Deficit in equity restatement	Ps (57,953)	(59,675)
Treasury shares	(21,655)	(20,501)
Cumulative initial deferred income tax effects	(6,378)	(6,378)
	Ps (85,986)	(86,554)

In 2004, 2005 and 2006, 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:

	2004	2005	2006
Foreign currency translation adjustment 1	Ps 3,398	(5,641)	3,606
Capitalized foreign exchange gain (loss) 2	170	1,542	(535)
Effects from holding non-monetary assets	(3,005)	10,532	(4,338)
Hedge derivative instruments (notes 12C and E)	2,507	(1,482)	136
Deferred IT for the period recorded in stockholders' equity (note 15B)	747	1,902	(591)
Results from the purchase of minority interests (note 11A)	(1,044)	-	-
	Ps 2,773	6,853	(1,722)

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 gain of Ps3 in 2004 and a loss of Ps11 in 2005. There were no exchange fluctuations in this subsidiary during 2006.

2 Generated by foreign exchange fluctuations of debt associated with the acquisition of foreign subsidiaries.

C) RETAINED EARNINGS

Retained earnings as of December 31, 2005 and 2006 include Ps108,515 and Ps134,298, 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 Ps6,254 in 2005 and Ps6,152 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, 2006, the legal reserve amounted to Ps1,663.

D) EFFECTS OF INFLATION

The effects of inflation on certain items of stockholders' equity as of December 31, 2006 are as follows:

	RESTATEMENT		TOTAL
Common stock	Ps 66	3,890	3,956
Additional paid-in-capital	34,074	20,727	54,801
Cumulative initial deferred income tax effects	(4,698)	(1,680)	(6,378)
Retained earnings	80,500	60,493	140,993
Net income	Ps 25,056	626	25,682

E) OTHER EQUITY TRANSACTIONS

In October 2004, CEMEX liquidated the remaining capital securities for approximately U.S.$66 (Ps769). The capital securities were issued in 1998 by a Spanish subsidiary for U.S.$250, with an annual dividend rate of 9.66%. In April 2002, through a tender offer, U.S.$184 of capital securities were repurchased. Pursuant to the early retirement, holders of the capital securities received a premium in cash of approximately U.S.$20 (Ps255), which was recognized in stockholders' equity. During 2004, resulting from the adoption of new accounting principles, the capital securities were treated as debt. Preferred dividends declared in 2004 of approximately U.S.$6 (Ps70) were recognized in the income statement as part of financial expenses.

In December 2004, CEMEX recognized a loss of Ps1,129 within "Other equity reserves" in connection with the settlement, upon maturity, of 13,772,903 appreciation warrants ("warrants") remaining from the public tender offer that took place in December 2003, in which CEMEX repurchased approximately 86.7% of the then outstanding warrants, including approximately 34.9 million warrants owned by or controlled by CEMEX and its subsidiaries. These financial instruments were originally issued in 1999 by means of a public offer on the MSE and the NYSE, in which 105 million warrants and warrants represented by ADWs were sold. Each ADW represented five warrants. The warrants permitted the holders to benefit from the future increases in the market price of the Company's CPOs above the strike price.

F) MINORITY INTEREST

As of December 31, 2006, minority interest stockholders' equity includes U.S.$1,250 (Ps13,500) aggregate principal amount of perpetual debentures issued by consolidated entities. For accounting purposes, these debentures represent equity instruments.

On December 18, 2006, two entities denominated as Special Purpose Vehicles or "SPVs" issued perpetual debentures for an aggregate amount of U.S.$1,250 (Ps13,500). These debentures have no fixed maturity date and do not represent a contractual payment obligation for CEMEX. The first SPV, C5 Capital (SPV) Limited, issued debentures for U.S.$350, which include an option that allows the issuer to redeem the debentures at the end of the fifth anniversary. The second SPV, C10 Capital (SPV) Limited, issued debentures for U.S.$900, which include an option that allows the issuer to redeem the debentures at the end of the tenth anniversary. The two SPVs have the unilateral right to indefinitely defer the payment of interest due on the debentures. The debentures for U.S.$350 bear interest at the annual rate of 6.196%, while the debentures for U.S.$900 bear interest at the annual rate of 6.722%. The two SPVs, which were established solely for purposes of issuing the perpetual debentures, are included in the Company's consolidated financial statements. Based on their characteristics, the debentures qualify for accounting purposes as equity instruments and are classified within minority interest as they were issued by consolidated entities. The definition of the debentures as equity instruments according was made under applicable International Financing Reporting Standards ("IFRS"), which were applied to these transactions in compliance with the supplementary application of IFRS in Mexico. Issuance costs of approximately U.S.$10 (Ps108), as well as the interest expense, which is recognized based on the principal amount, are included within "Other capital reserves".

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 to the yen.

17. EXECUTIVE STOCK OPTION PROGRAMS

Between 1995 and 2004, CEMEX granted to a group of executives different 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 statements during 2005 and 2006 arising from these bonuses was Ps334 and Ps397, respectively. 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 3T, 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 to 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 thorough the tenure of the award; and 3) the exercise of these options implied the issuance of new CPOs.

As of December 31, 2005 and 2006, CEMEX's subsidiary in Ireland has 1,640,000 and 1,230,000 options, respectively, under stock option programs in its own shares, with an average exercise price per share of approximately (euro)1.35 in 2005 and (euro)1.41 in 2006. As of December 31, 2005 and 2006, the market price per share of this subsidiary was (euro)2.35 and (euro)2.60, respectively. These programs are not periodically measured at fair value considering that the executives' exercise rights were fully vested as of the adoption of IFRS 2.

In May 2005, as a result of change of control clauses, except for the stock option programs of the Irish subsidiary, the existing stock option and share programs in RMC as of the acquisition date were liquidated through the payment of approximately (pound)40 (U.S.$69 or Ps 799). This amount was included as part of the purchase price of RMC.

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 2005.....	2,690,869	3,112,847	152,064,600	1,925,452
CHANGES IN 2005:				
Options cancelled.....	(1,141,345)	-	-	-
Options granted.....	-	-	-	185,900

Options exercised	(469,224)	(622,848)	(135,254,554)	(447,546)
Options at the end of 2005	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
Underlying CPOs 1	5,075,073	7,387,468	66,410,081	24,599,060
EXERCISE PRICE:				
Options outstanding at the beginning of 2006 1, 2	Ps7.27	U.S.$1.34	U.S.$1.90	U.S.$1.31
Options exercise in the year 1, 2	Ps7.36	U.S.$1.38	U.S.$1.93	U.S.$1.25
Options outstanding at the end of 2006 1, 2	Ps7.12	U.S.$1.36	U.S.$1.92	U.S.$1.33
AVERAGE USEFUL LIFE OF OPTIONS:	2.1 years	5.3 years	5.5 years	6.7 years
NUMBER OF OPTIONS PER EXERCISE PRICE:	266,385 - Ps5.2	965,190 - U.S.$1.4	15,601,673 - U.S.$1.9	143,868 - U.S.$1.1
	46,022 - Ps5.8	221,414 - U.S.$1.5	-	221,161 - U.S.$1.4
	134,295 - Ps7.6	67,295 - U.S.$1.2	-	296,839 - U.S.$1.0
	155,099 - Ps6.8	237,473 - U.S.$1.1	-	400,590 - U.S.$1.4
	149,314 - Ps8.5	58,742 - U.S.$1.3	-	167,495 - U.S.$1.9
	198,589 - Ps8.9	5,000 - U.S.$1.6	-	-
PERCENT OF OPTIONS FULLY VESTED:				
Options fully vested	100%	86.2%	100%	55.5%

1 Exercise prices and the number of underlying CPOs are technically adjusted for the effect of stock dividends.

2 Weighted average exercise prices per CPO. Prices include the effects of the stock splits detailed in note 16.

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 a tenure of 10 years. Exercise prices are adjusted for stock dividends. The employees' option rights vested up to 25% annually during the first four years after having been granted.

B) VARIABLE PROGRAM

In November 2001, by means of a voluntary exchange program for options granted under the fixed program, CEMEX initiated a stock option program with exercise prices denominated in U.S. dollars increasing annually at a 7% rate, through the payment of the options' intrinsic value and the issuance of new options. As a result of the exchanges of February and December 2004 described below, 129,075,815 options granted under the variable program were exercised.

C) RESTRICTED PROGRAM

In February 2004, through a voluntary exchange program, 112,495,811 options from the variable program and 1,625,547 options from other programs were redeemed through the payment of the options' intrinsic value and the grant of 122,708,146 new options with a remaining tenure of 8.4 years. These options had an initial exercise price of U.S.$1.265 per CPO (after the stock splits of 2005 and 2006), increasing annually at a 7% rate, and included a mandatory exercise condition when the CPO price reached U.S.$1.875 (after giving effect to the stock splits of 2005 and 2006). The mandatory exercise condition was satisfied in 2004, and the payment to the executives was made in the form of CPOs. These CPOs are restricted for sale for an approximate period of four years. This program was intended, by limiting the potential for gains, to be an improved hedge through equity forward contracts. As consideration to the executives resulting from the mandatory exercise condition and the sale restriction, CEMEX paid in 2004 U.S.$0.10 per option, net of taxes.

In addition, in December 2004, through a voluntary exercise program, 16,580,004 options from the variable program, 120,827,370 options from the exchange of February 2004 and 399,848 options from other programs were redeemed, through the payment of the options' intrinsic value, and the issuance of 139,151,236 new options with a remaining tenure of 7.5 years. These options had an initial exercise price of U.S.$1.865 per CPO (after giving effect to the stock splits of 2005 and 2006), increasing annually at a 5.5% rate, of which 120,827,370 options included a mandatory exercise condition when the CPO price reached U.S.$2.125 (after giving effect to the stock splits of 2005 and 2006), while the remaining 18,323,866 options did not have the exercise condition. The initial exercise price was U.S.$0.125 higher than the CPO market price at the exercise date. The mandatory exercise condition was satisfied in 2004, and the intrinsic value was paid in the form of CPOs, which were restricted for sale for a period of four years from the exercise date. This exercise program was intended to improve the hedge efficiency through equity forward contracts. The cost of the exercise of approximately U.S.$61 (Ps710) was recognized in earnings in the year 2004. As consideration to the employees resulting from the initial exercise price being above market, the mandatory exercise condition and the sale restriction, CEMEX paid in 2005 U.S.$0.11 per option, net of taxes.

In January 2005, the 1,190,224 options then outstanding from the February 2004 exchange program and that contained a mandatory exercise condition, were automatically exercised when the CPO market price reached the level of U.S.$1.875 (after giving effect to the stock splits of 2005 and 2006). Likewise, in June 2005, 131,996,243 options from the exchange program of December 2004 were automatically exercised when the CPO market price reached the level of U.S.$2.125 (after the stock splits of 2005 and 2006). As a result of the mandatory exercises of options occurred during 2005, CEMEX recognized a cost of approximately U.S.$177 (Ps2,049) in the income statement of the period.

D) SPECIAL PROGRAM

From June 2001 through June 2005, the Company'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 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).

In addition, as of December 31, 2006, there are 5,000 options with an exercise price of U.S.$1.56 (after giving effect to the stock splits of 2005 and 2006) and a remaining tenure of less than one year.

FAIR VALUE OF OPTIONS, ACCOUNTING RECOGNITION AND OPTIONS' HEDGING ACTIVITIES

VALUATION OF OPTIONS AT FAIR VALUE AND ACCOUNTING RECOGNITION

Upon adoption of IFRS 2 in 2005, no cost was recognized in connection with the fixed program, considering that all options were fully vested as of the adoption date. All other programs are measured at their estimated fair value as of the balance sheet date, recognizing changes in fair value through the income statement. The income statement for the year ended December 31, 2005, includes the cumulative effect from the adoption of IFRS 2, which represented a cost of Ps1,081 (Ps938 after tax).

Changes in the provision for the executive stock option programs in 2005 and 2006 are as follows:

	RESTRICTED PROGRAM	VARIABLE PROGRAM	SPECIAL PROGRAM	TOTAL
Provision as of December 31, 2004..... Ps	(235)	(126)	(228)	(589)

Net valuation effects in current period results.....	1,458	(109)	(373)	976
Cumulative effect from change to fair value method...	(937)	(101)	(43)	(1,081)
Estimated decrease from options' exercises.....	(2,063)	(7)	(142)	(2,212)
Foreign currency translation effect.....	8	-	1	9
Provision as of December 31, 2005.....	(1,769)	(343)	(785)	(2,897)
Net valuation effects in current period results.....	145	176	228	549
Estimated decrease from options' exercises.....	(86)	(68)	(128)	(282)
Foreign currency translation effect.....	119	23	53	195
Provision as of December 31, 2006..... Ps	(1,591)	(212)	(632)	(2,435)

The options' fair values were determined through the binomial option-pricing model. As of December 31, 2005 and 2006, the most significant assumptions used in the valuations are as follows:

ASSUMPTIONS	2005	2006
Expected dividend yield.....	3.8%	2.8%
Volatility.....	35%	35%
Interest rate.....	4.4%	4.7%
Weighted average remaining tenure.....	6.8 years	5.9 years

For the year ended December 31, 2004, the change of the provision under the intrinsic value method generated a cost of approximately U.S.$51 (Ps589).

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.$45 (Ps524) in 2004 and U.S.$422 (Ps4,886) in 2005, which were recognized in earnings, offsetting the cost related to stock option programs.

In December 2005, CEMEX negotiated a derivative instrument in its own shares, by means of which, through a prepayment of U.S.$145 (Ps1,679), CEMEX secured the appreciation rights over 25 million CPOs, sufficient to hedge cash flows from the exercise of options in the short and medium term. As of December 31, 2005 and 2006, changes in the fair value of this instrument generated gains of approximately U.S.$3 (Ps35) and U.S.$13 (Ps140), respectively, recognized in earnings.

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 to 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 the 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 tables below, in 2005, the segment "United States" and "Spain" includes the operations acquired from RMC for the 10-month ended as of December 31, 2005. In 2005 and 2006, the segment "Rest of Europe" refers primarily to CEMEX's operations in Germany, France, Ireland, Czech Republic, Austria, Poland, Croatia, Hungary and Latvia, acquired from RMC, in addition to CEMEX's operations in Italy, which were established before the acquisition of RMC.

In 2004, 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; in 2005, through the purchase of RMC, small ready-mix concrete operations in Jamaica and Argentina were incorporated into this segment; and, in 2006, a cement-grinding mill in Guatemala was incorporated. Likewise, in 2005 and 2006, the segment "Rest of Africa and Middle East" includes the operations in the United Arab Emirates and Israel, acquired from RMC. In addition, the segment "Rest of Asia" in 2004 includes the operations in Thailand and Bangladesh; and, in 2005 and 2006, the operations in Malaysia acquired from RMC. Finally, "Others" segment primarily refers to cement trade maritime operations, to the subsidiary (Neoris, S.A. de C.V.) involved in the development of information technology solutions, as well as to other minor subsidiaries.

Selected financial information of the income statement by geographic operating segment for the years ended December 31, 2004, 2005 and 2006 is as follows:

2004	NET SALES (INCLUDING RELATED PARTIES)	RELATED PARTIES	CONSOLIDATED NET SALES	OPERATING INCOME	DEPRECIATION AND AMORTIZATION	OPERATING CASH FLOW
NORTH AMERICA						
Mexico	Ps. 34,010	(765)	33,245	12,763	1,838	14,601
United States	23,000	-	23,000	3,026	2,042	5,068
EUROPE						
Spain	16,070	(243)	15,827	3,905	874	4,779
Rest of Europe	256	-	256	(45)	20	(25)
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	4,080	(962)	3,118	1,274	566	1,840

Colombia	2,856	-	2,856	1,302	348	1,650
Rest of Central and South America and the Caribbean	8,020	(452)	7,568	1,837	606	2,443
AFRICA AND MIDDLE EAST						
Egypt	2,211	(435)	1,776	668	208	876
ASIA						
Philippines	1,763	(300)	1,463	315	314	629
Rest of Asia	321	-	321	41	47	88
OTHERS	10,965	(5,480)	5,485	(3,519)	1,099	(2,420)
Total Consolidated 1	Ps. 103,552	(8,637)	94,915	21,567	7,962	29,529

2005	NET SALES (INCLUDING RELATED PARTIES)	RELATED PARTIES	CONSOLIDATED NET SALES	OPERATING INCOME	DEPRECIATION AND AMORTIZATION	OPERATING CASH FLOW
NORTH AMERICA						
Mexico	Ps 36,775	(1,055)	35,720	11,702	1,803	13,505
United States	47,359	-	47,359	7,790	3,493	11,283
EUROPE						
Spain	17,550	(120)	17,430	4,164	825	4,989
United Kingdom	17,769	-	17,769	618	1,075	1,693
Rest of Europe	31,594	(503)	31,091	1,969	1,949	3,918
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	4,795	(1,042)	3,753	1,561	611	2,172
Colombia	2,904	-	2,904	394	402	796
Rest of Central and South America and the Caribbean	7,844	(665)	7,179	747	658	1,405
AFRICA AND MIDDLE EAST						
Egypt	3,059	(160)	2,899	1,139	220	1,359
Rest of Africa and Middle East	3,250	-	3,250	109	107	216
ASIA						
Philippines	2,223	(245)	1,978	476	248	724
Rest of Asia	1,111	-	1,111	(19)	75	56
OTHERS	15,265	(10,323)	4,942	(1,859)	928	(931)
Total Consolidated 1	Ps 191,498	(14,113)	177,385	28,791	12,394	41,185

1 The consolidated amounts of depreciation and amortization in 2004 and 2005 do not include the portion of amortization recognized within "Other expenses, net".

Selected financial information of the income statement by geographic operating segment
- Continued

2006	NET SALES (INCLUDING RELATED PARTIES)	RELATED PARTIES	CONSOLIDATED NET SALES	OPERATING INCOME	DEPRECIATION AND AMORTIZATION	OPERATING CASH FLOW
Mexico	Ps 39,256	(970)	38,286	12,180	1,680	13,860
United States	45,096	(339)	44,757	9,305	3,261	12,566
EUROPE						
Spain	20,131	(191)	19,940	5,197	797	5,994
United Kingdom	21,993	(17)	21,976	142	1,303	1,445
Rest of Europe	41,205	(824)	40,381	2,047	2,338	4,385
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	5,732	(665)	5,067	1,659	541	2,200
Colombia	3,878	(2)	3,876	1,049	367	1,416
Rest of Central and South America and the Caribbean	8,340	(263)	8,077	1,219	644	1,863
AFRICA AND MIDDLE EAST						
Egypt	3,298	-	3,298	1,360	207	1,567
Rest of Africa and Middle East	4,420	-	4,420	111	82	193
ASIA						
Philippines	2,416	(428)	1,988	669	203	872
Rest of Asia	1,562	-	1,562	(57)	42	(15)
OTHERS	18,564	(15,099)	3,465	(3,067)	1,407	(1,660)
Total Consolidated	Ps 215,891	(18,798)	197,093	31,814	12,872	44,686

The selected financial information of balance sheet by geographic operating segments includes the elimination of balances between related parties. As of December 31, 2005 and 2006, the information is as follows:

DECEMBER 31, 2005	INVESTMENTS IN ASSOCIATES	OTHER SEGMENT ASSETS	TOTAL ASSETS	TOTAL LIABILITIES	NET ASSETS BY SEGMENT	CAPITAL EXPENDITURE

NORTH AMERICA						
Mexico	Ps 329	53,953	54,282	14,014	40,268	1,197
United States	535	71,414	71,949	25,982	45,967	1,876
EUROPE						
Spain	25	30,426	30,451	10,666	19,785	767
United Kingdom	-	27,637	27,637	19,722	7,915	629
Rest of Europe	931	33,831	34,762	12,712	22,050	1,599
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	208	9,868	10,076	715	9,361	263
Colombia	-	7,937	7,937	2,105	5,832	86
Rest of Central and South America and the Caribbean	15	14,155	14,170	3,368	10,802	1,378
AFRICA AND MIDDLE EAST						
Egypt	-	5,915	5,915	925	4,990	109
Rest of Africa and Middle East	325	2,425	2,750	1,232	1,518	80
ASIA						
Philippines	-	6,892	6,892	991	5,901	42
Rest of Asia	-	4,987	4,987	136	4,851	58
CORPORATE	2,724	5,032	7,756	89,883	(82,127)	-
OTHERS	4,636	25,666	30,302	7,539	22,763	1,137
Total Consolidated	Ps 9,728	300,138	309,866	189,990	119,876	9,221

The selected financial information of balance sheet by geographic operating segments - Continued

DECEMBER 31, 2005	INVESTMENTS IN ASSOCIATES	OTHER SEGMENT ASSETS	TOTAL ASSETS	TOTAL LIABILITIES	NET ASSETS BY SEGMENT	CAPITAL EXPENDITURE
NORTH AMERICA						
Mexico	Ps 405	57,674	58,079	13,803	44,276	3,908
United States	459	74,088	74,547	14,706	59,841	3,824
EUROPE						
Spain	23	32,852	32,875	18,549	14,326	1,790
United Kingdom	547	25,780	26,327	11,114	15,213	1,107
Rest of Europe	872	40,887	41,759	13,851	27,908	2,248
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	206	9,880	10,086	1,022	9,064	452
Colombia	-	8,539	8,539	2,215	6,324	343
Rest of Central and South America and the Caribbean	16	14,980	14,996	2,527	12,469	1,006
AFRICA AND MIDDLE EAST						
Egypt	-	5,919	5,919	1,279	4,640	175
Rest of Africa and Middle East	312	4,545	4,857	1,202	3,655	274
ASIA						
Philippines	-	6,645	6,645	1,256	5,389	115
Rest of Asia	-	1,987	1,987	334	1,653	71
CORPORATE	3,171	8,034	11,205	71,522	(60,317)	
OTHERS	1,643	24,234	25,877	10,709	15,168	1,324
Total Consolidated	Ps 7,654	316,044	323,698	164,089	159,609	16,637

Total consolidated liabilities include debt of Ps109,732 in 2005 and Ps81,441 in 2006. Of such debt, approximately 36% in 2005 and 42% in 2006 was in the Parent Company, 7% and 1% in the United States, 32% and 33% in Spain, 7% and 9% in a Dutch subsidiary, guaranteed by certain Mexican subsidiaries and the Parent Company, 9% and 11% in finance companies in the United States, guaranteed by the Spanish subsidiary, and 9% and 4% in other countries, respectively.

The information of net sales by sector for the years ended December 31, 2004, 2005 and 2006 is as follows:

2004	CEMENT	CONCRETE	AGGREGATES	OTHERS	ELIMINATIONS	NET SALES
NORTH AMERICA						
Mexico	Ps 24,963	8,374	289	5,011	(5,392)	33,245
United States	16,076	6,252	2,090	1,526	(2,944)	23,000
EUROPE						
Spain	11,599	4,026	713	2,196	(2,707)	15,827
Rest of Europe	-	155	92	62	(53)	256
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	3,540	814	61	64	(1,361)	3,118
Colombia	2,113	1,112	180	87	(636)	2,856
Rest of Central and South America and The Caribbean	6,678	1,217	32	224	(583)	7,568

AFRICA AND MIDDLE EAST						
Egypt	2,136	101	-	6	(467)	1,776
ASIA						
Philippines	1,759	1	8	1	(306)	1,463
Rest of Asia	321	-	-	-	-	321
OTHERS	-	-	-	10,912	(5,427)	5,485
Total Consolidated Ps	69,185	22,052	3,465	20,089	(19,876)	94,915

Net sales by sector - Continued

2005	CEMENT	CONCRETE	AGGREGATES	OTHERS	ELIMINATIONS	NET SALES
NORTH AMERICA						
Mexico Ps	26,873	10,231	425	5,548	(7,357)	35,720
United States	19,958	21,514	5,377	4,725	(4,215)	47,359
EUROPE						
Spain	11,143	5,590	1,232	2,804	(3,339)	17,430
United Kingdom	2,723	6,970	5,037	8,195	(5,156)	17,769
Rest of Europe	7,077	17,407	6,507	6,308	(6,208)	31,091
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	4,005	1,104	74	84	(1,514)	3,753
Colombia	2,022	1,277	209	161	(765)	2,904
Rest of Central and South America and the Caribbean	6,023	1,687	57	261	(849)	7,179
AFRICA AND MIDDLE EAST						
Egypt	2,889	183	-	9	(182)	2,899
Rest of Africa and Middle East	-	2,970	-	280	-	3,250
ASIA						
Philippines	2,223	-	1	1	(247)	1,978
Rest of Asia	319	565	117	113	(3)	1,111
OTHERS	-	-	-	15,246	(10,304)	4,942
Total Consolidated Ps	85,255	69,498	19,036	43,735	(40,139)	177,385

2006	CEMENT	CONCRETE	AGGREGATES	OTHERS	ELIMINATIONS	NET SALES
NORTH AMERICA						
Mexico Ps	27,734	11,960	618	6,805	(8,831)	38,286
United States	20,691	19,471	5,764	6,029	(7,198)	44,757
EUROPE						
Spain	13,647	5,907	1,253	5,123	(5,990)	19,940
United Kingdom	3,550	8,899	6,977	9,698	(7,148)	21,976
Rest of Europe	9,743	22,328	8,141	8,219	(8,050)	40,381
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	4,369	1,494	154	218	(1,168)	5,067
Colombia	2,758	1,424	246	678	(1,230)	3,876
Rest of Central and South America and the Caribbean	6,574	2,058	80	358	(993)	8,077
AFRICA AND MIDDLE EAST						
Egypt	3,076	216	-	30	(24)	3,298
Rest of Africa and Middle East	-	3,650	-	5,266	(4,496)	4,420
ASIA						
Philippines	2,415	-	-	1	(428)	1,988
Rest of Asia	683	648	128	177	(74)	1,562
OTHERS	-	-	-	18,564	(15,099)	3,465
Total Consolidated Ps	95,240	78,055	23,361	61,166	(60,729)	197,093

19. FOREIGN CURRENCY POSITION

As of December 31, 2006, the main balances denominated in foreign currencies are as follows:

		MEXICO	FOREIGN	TOTAL
Current assets	U.S.$	72	4,252	4,324
Non-current assets 1		2,663	15,011	17,674
Total assets	U.S.$	2,735	19,263	21,998
Current liabilities	U.S.$	85	3,159	3,244
Non-current liabilities		1,292	6,553	7,845
Total liabilities	U.S.$	1,377	9,712	11,089

1 In the case of Mexico the amounts refer primarily to machinery and equipment of foreign origin.

The peso to dollar exchange rate as of December 31, 2004, 2005 and 2006 was Ps11.14, Ps10.62 and Ps10.80 pesos per dollar, respectively. The exchange rate as of January 26, 2007 and June 26, 2007 was Ps11.05 and Ps10.86 pesos per dollar, respectively.

The portion of the Company's Mexican operations denominated in foreign currencies during 2004, 2005 and 2006 are summarized as follows:

U.S. DOLLARS MILLIONS	2004	2005	2006
Export sales	76	124	145
Import purchases	88	85	140
Financial income	13	16	26
Financial expense	338	337	291

20. EARNINGS PER SHARE

The amounts considered for calculations in 2004, 2005 and 2006 are summarized as follows:

		2004	2005	2006
NUMERATOR				
Majority interest net income	Ps	15,224	24,450	25,682
DENOMINATOR (THOUSANDS OF SHARES)				
Weighted average number of shares outstanding		19,974,730	20,757,180	21,552,250
Effect of dilutive instruments - executives' stock options		31,492	20,372	12,500
Effect of dilutive instruments - equity forwards on CEMEX's CPOs		72,308	44,224	2,379
Potentially dilutive shares		103,800	64,596	14,879
Weighted average number of shares outstanding - diluted		20,078,530	20,821,776	21,567,129
Basic earnings per share ("Basic EPS")	Ps	0.77	1.18	1.19
Diluted earnings per share ("Diluted EPS")	Ps	0.76	1.17	1.19

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 the Company 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 2004, 2005 and 2006 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.

21. CONTINGENCIES AND COMMITMENTS

A) GUARANTEES

As of December 31, 2005 and 2006, CEMEX, S.A.B. de C.V. had guaranteed loans made to certain subsidiaries for approximately U.S.$711 and U.S.$735, respectively.

B) CONTRACTUAL OBLIGATIONS

As of December 31, 2005 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					
	2005	2006				
CONTRACTUAL OBLIGATIONS	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Long-term debt..... U.S.$	8,745	296	2,913	2,385	943	6,537
Capital lease obligations.....	106	20	28	17	3	68
Total debt 1.....	8,851	316	2,941	2,402	946	6,605
Operating leases 2.....	634	166	241	135	111	653
Interest payments on debt 3.....	1,968	411	603	304	100	1,418
Estimated cash flows under interest rate derivatives 4.....	330	93	127	83	8	311
Planned funding of pension plans and other postretirement benefits 5.....	1,466	157	321	353	942	1,773
Total contractual obligations.....U.S.$	13,249	1,143	4,233	3,277	2,107	10,760
Ps	153,396	12,344	45,716	35,392	22,756	116,208

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.

2 The amounts of operating leases have been determined on the basis of nominal future cash flows. In 2005, operating leases included the lease of the Balcones cement plant in New Braunfels, Texas, which was scheduled to expire in September 2009. In March 2006, by agreement with the financial counterparties, CEMEX terminated this lease prior to its scheduled expiration and purchased the related assets for approximately U.S.$61 million (Ps659).

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, 2005 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, 2005 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, 2005 and 2006, and include the estimate of new retirees during such future years.

As mentioned in the table above, CEMEX has entered into various 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. As of December 31, 2006, future minimum rental payments due under such lease contracts are as follows:

FOR THE YEARS ENDED DECEMBER 31,	U.S. DOLLARS MILLIONS
2007	U.S.$ 166
2008	137
2009	104
2010	79
2011	56
2012 and thereafter	111
	U.S.$ 653

Rental expense for the years ended December 31, 2004, 2005 and 2006 was approximately U.S.$114 (Ps1,328), U.S.$152 (Ps1,760) and U.S.$178 (Ps1,922), respectively.

C) PLEDGED ASSETS

As of December 31, 2005 and 2006, there were liabilities amounting to U.S.$100 and U.S.$62, respectively, secured by properties, machinery and equipment.

D) COMMITMENTS

As of December 31, 2005 and 2006, the Company had commitments for the purchase of raw materials for an approximate amount of U.S.$169 and U.S.$225, respectively.

During 1999, CEMEX entered into agreements with an international partnership, which built and currently operates an electrical energy generating plant in Mexico called Termoelectrica del Golfo ("TEG"). According to the agreements, CEMEX is 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. In addition, as part of the agreements, CEMEX has 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 the Company with Petroleos Mexicanos. Through these arrangements CEMEX expects to decrease its energy costs. CEMEX is not required to make any capital investment in the project. By means of this transaction, for the years ended December 31, 2004, 2005 and 2006, TEG delivered energy to CEMEX Mexico's 15 cement plants, supplying 46.9%, 57.5% and 57.1%, respectively, of such year's needs, decreasing electricity costs by 21.2%, 28.2% and 29.1%, respectively, as compared to industrial tariffs from the Comision Federal de Electricidad, which is the supplier in Mexico.

22. LEGAL PROCEDURES

A) TAX ASSESSMENTS

CEMEX and some of its subsidiaries in Mexico have been notified by the Mexican tax authorities of several tax assessments related to different tax periods in a total amount of approximately Ps4,000 as of December 31, 2006. The tax assessments are based primarily on: (i) disallowed restatement of tax loss carryforwards in the same period in which they occurred, (ii) disallowed determination of cumulative tax loss carryforwards, and (iii) investments made in entities incorporated in foreign countries with preferential tax regimes. The companies involved are using the available defense actions granted by law in order to cancel the tax claims. 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 in respect of the 2005 tax year pursuant to these amendments will be due upon filing their annual tax returns in 2006. CEMEX believes these amendments are contrary to Mexican constitutional principles; consequently, on August 8, 2005 the Company filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. In this endeavor, the Company obtained a favorable ruling on December 23, 2005 in the first stage; 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, 2006, the Philippine Bureau of Internal Revenue assessed the Company's subsidiaries in the Philippines, for deficiencies in the amount of income tax paid in prior tax years amounting to a total of approximately 1,947 million Philippine pesos (approximately U.S.$40). 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.

In addition to the assessments mentioned above, 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.$26.0 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 will bring 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%. 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 U.S.$3.0 per ton from the previous amount of approximately U.S.$26.0 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 historic anti-dumping duties of approximately U.S.$111 (Ps1,198) and eliminated a provision of approximately U.S.$65, both of which were recognized in 2006 within "Other expenses, net". At December 31, 2005, CEMEX had accrued a provision of U.S.$68, including accrued interest, for the difference between the anti-dumping duties paid on imports and the latest findings of the DOC in its administrative reviews for all periods under review.

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 the Company's Philippine subsidiaries. In September 2002, these entities appealed the anti-dumping duty before the Taipei High Administrative Council ("THAC"). In August 2004, the Company received an adverse response to its requests from the THAC. CEMEX did not appeal this resolution, which became final.

C) OTHER LEGAL PROCEEDINGS AND CONTINGENCIES

In December 2006, the Polish Competition and Consumers Protection Office (the "Protection Office") notified CEMEX Polska, a subsidiary of the Company 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 in respect of the production and sale of cement. According to the Polish competition law, the maximum fine may reach 10% of the total revenues of a fined company from the previous year to the year, in which a fine is imposed. The theoretical estimated penalty applicable to the Polish subsidiaries would amount to approximately U.S.$32 (Ps346). As of December 31, 2006, 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 United States District Court, District of Puerto Rico, notified CEMEX's subsidiary in Puerto Rico in connection with a civil action in the amount of approximately U.S.$21 (Ps227) derived from injuries caused to an individual by a truck owned by the Puerto Rican subsidiary. At this stage of the proceeding it is not possible for CEMEX to predict that there would not be an adverse result in the proceeding.

In 2005, through the acquisition of RMC, the Company assumed environmental remediation liabilities in the United Kingdom, for which, as of December 31, 2006, CEMEX has generated a provision of approximately (pound)117 (U.S.$229 or Ps2,473). 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.

On August 5, 2005, Cartel Damages Claims, S.A. ("CDC"), filed a lawsuit in the District Court in Dusseldorf, Germany against CEMEX Deutschland AG, the Company's German subsidiary, and other German cement companies. By means of this lawsuit, CDC is seeking (euro)102 (approximately U.S.$135 or Ps1,455) 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 (euro)113.5 (approximately U.S.$150 or Ps1,619) plus interest. The District Court in Dusseldorf will issue a final decision on February 21, 2007. As of December 31, 2006, CEMEX Deutschland AG has accrued liabilities relating this matter for approximately (euro)20 (approximately U.S.$26 or Ps285). Based on the information developed to date, the subsidiary does not believe it will be required to spend significant sums on these matters in excess of the amounts previously recorded.

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 Asociacion Colombiana de Productores de Concreto, or ASOCRETO, a union formed by all the ready-mix producers in Colombia, for the premature distress of the roads built for the mass public transportation system in Bogota 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. 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. 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. Typically, proceedings of this nature continue for several years before final resolution.

As of December 31, 2006, CEMEX Inc., the Company's subsidiary in the United States, has accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$44 (Ps475). 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 Inc., 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, the subsidiary 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 the information developed to date, the subsidiary does not believe it 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, a subsidiary of the Company in Colombia received a civil liability suit from 42 transporters, alleging that this subsidiary is responsible for alleged damages caused by the alleged breach of provision of raw materials contracts. The plaintiffs have asked for relief in an amount in Colombian pesos equivalent, as of December 31, 2006, to approximately U.S.$57. 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 lawsuit against two subsidiaries of the Company in Colombia, alleging that the Ibague plants were causing damage to their lands due to the pollution they generate. In January 2004, CEMEX Colombia, S.A. was notified that the court's decision was that plaintiffs should be paid in the amount in Colombian pesos equivalent, as of December 31 2006, to approximately U.S.$9. The Company's subsidiary appealed the judgment. The appeal was accepted and the case was sent to the Superior Court of Ibague. 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 the balance sheet date, 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.

23. 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 names 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. The 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., until December 31, 2006, was chief executive officer and chairman of the board of directors of Empresas ICA, S.A.B de C.V., or Empresas ICA, a large Mexican construction company. In the ordinary course of business, CEMEX extends financing to Empresas ICA for varying amounts at market rates, as CEMEX does for other customers.

- In the past, CEMEX extended loans of varying amounts and interest rates to its directors and executives. During 2005 the maximum aggregate amount of loans to such persons was approximately Ps11. In 2006 these loans were fully paid.

24. 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 include the effects of inflation as provided for under Financial Reporting Standard B-10, Recognition of Inflation Effects on the Financial Information (integrated document) ("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 for the years ended December 31, 2004 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 represent a comprehensive measure of the effects of price level changes in the inflationary 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. The other principal differences between Mexican FRS and U.S. GAAP for the years ended December 31, 2004, 2005 and 2006, and their effect on consolidated net income and earnings per share, are presented below:

		YEARS ENDED DECEMBER 31,		
		2004	2005	2006
	Net income reported under Mexican FRS	Ps 15,224	24,450	25,682
	Inflation adjustment (1)	387	(1,110)	-
	Net income reported under Mexican FRS after inflation adjustment.....	15,611	23,340	25,682
	U.S. GAAP ADJUSTMENTS:			
1.	Goodwill (note 24(a))	947	-	-
2.	Deferred income taxes (note 24(b))	410	(208)	967
3.	Employees' statutory profit sharing (note 24(b))	(60)	155	(107)
4.	Employee benefits (note 24(c))	29	(826)	131
5.	Minority interest - financing transactions (note 24(d)).....	-	-	(137)
6.	Minority interest - effect of U.S. GAAP adjustments (note 24(d)).....	(33)	9	13
7.	Hedge accounting (note 24(j)).....	198	1,119	(437)
8.	Depreciation (note 24(e)).....	21	19	54
9.	Accruals for contingencies (note 24(f)).....	(34)	-	-
10.	Equity in net income of affiliated companies (note 24(g)).....	(8)	4	117
11.	Inflation adjustment of fixed assets (note 24(h)).....	(257)	(318)	(295)
12.	Derivative instruments (note 24(j)).....	1,577	(1,531)	-
13.	Equity forward contracts in CEMEX's stock (note 24(k)).....	462	-	-
14.	Employee stock option programs (note 24 (o)).....	-	895	-
15.	Other adjustments - Computer software development (note 24(i)).....	(30)	-	-
16.	Other adjustments - Deferred charges (note 24(i)).....	97	174	115
17.	Other adjustments - Capitalized interest (note 24(i)).....	10	4	3
18.	Other adjustments - Monetary position result (note 24(i)).....	320	181	163
	U.S. GAAP adjustments before cumulative effect of accounting change.....	3,649	(323)	587
	Net income under U.S. GAAP before cumulative effect of accounting change....	19,260	23,017	26,269
	Cumulative effect of accounting change (SFAS 123R - note 24 (o)).....	-	-	(895)
	Net income under U.S. GAAP after cumulative effect of accounting change.....	Ps 19,260	23,017	25,374

Basic EPS under U.S. GAAP before cumulative effect of accounting change.....	Ps	0.97	1.11	1.22
Diluted EPS under U.S. GAAP before cumulative effect of accounting change.....		0.96	1.10	1.22
Basic EPS under U.S. GAAP after cumulative effect of accounting change.....	Ps	0.97	1.11	1.18
Diluted EPS under U.S. GAAP after cumulative effect of accounting change.....		0.96	1.10	1.18

At December 31, 2005 and 2006, the other principal differences between Mexican FRS and U.S. GAAP, and their effect on consolidated stockholders' equity, with an explanation of the adjustments, are presented below:

		AT DECEMBER 31,	
		2005	2006
Total stockholders' equity reported under Mexican FRS	Ps	119,876	159,609
Inflation adjustment (1).....		(5,433)	-
Total stockholders' equity reported under Mexican FRS after inflation adjustment.....		114,443	159,609
U.S. GAAP ADJUSTMENTS:			
1. Goodwill, net (note 24(a)).....		4,961	8,183
2. Deferred income taxes (note 24(b)).....		592	1,691
3. Deferred employees' statutory profit sharing (note 24(b)).....		(3,026)	(3,012)
4. Employee benefits (note 24(c)).....		(362)	(191)
5. Minority interest - Financing transactions (note 24(d)).....		-	(13,500)
6. Minority interest - U.S. GAAP presentation (note 24(d)).....		(5,963)	(7,291)
7. Depreciation (note 24(e)).....		(62)	(10)
8. Investment in net assets of affiliated companies (note 24(g)).....		(247)	(125)
9. Inflation adjustment for machinery and equipment (note 24(h)).....		4,734	3,397
10.Employee stock option programs (note 24 (o)).....		1,032	-
11.Other adjustments - Deferred charges (note 24(i)).....		(234)	(132)
12.Other adjustments - Capitalized interest (note 24(i)).....		57	62
U.S. GAAP adjustments.....		1,482	(10,928)
Stockholders' equity under U.S. GAAP before cumulative effect of accounting change....		115,925	148,681
Cumulative effect of accounting change (SFAS 158 - note 24(c)).....		-	(1,307)
Stockholders' equity under U.S. GAAP after cumulative effect of accounting change.....	Ps	115,925	147,374

(1) Adjustment that reverses the restatement of prior periods into constant pesos at December 31, 2006, using the CEMEX weighted average inflation factor (note 3B), and restates such prior periods into constant pesos at December 31, 2006 using the Mexican-only 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 24, were restated using the Mexican inflation index, with the exception of those amounts of prior periods that are also disclosed in notes 1 to 23, which were not restated in note 24 using the Mexican inflation in order to have more straightforward cross-references between note 24 and the Mexican FRS notes.

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"), which effects are described in note 24(o). The term "SFAS" as used herein refers to U.S. Statements of Financial Accounting Standards.

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"), which details are described in note 24(c).

(A) GOODWILL

Goodwill represents the difference between the purchase price and the estimated fair value of the acquired entity at the acquisition date. 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) the difference between goodwill under U.S. GAAP, under which amounts are carried in the reporting unit's functional currency, are restated by the inflation factor of the reporting unit's country, and are translated into Mexican pesos at the exchange rates prevailing at the reporting date; as compared to goodwill under Mexican FRS, under which amounts are carried in the functional currencies of the holding companies for the reporting units, translated into pesos and then restated using the Mexican inflation index.

For the year ended December 31, 2004, amortization of goodwill was recorded within other expenses under Mexican FRS. Starting January 1, 2005, Mexican FRS ceased amortization of goodwill. Under SFAS 142 goodwill is not amortized and is subject to impairment testing at least once a year. As a result, goodwill amortization recorded under Mexican FRS for the year ended December 31, 2004 is adjusted for purposes of the reconciliation of net income to U.S. GAAP.

Additionally, during 2004, CEMEX acquired CAH shares held by minority stockholders through the exchange for CEMEX's CPOs (note 11A), resulting in an excess in the fair value of the assets delivered over the fair value of the assets received of approximately Ps1,044. Under Mexican FRS, this excess was recognized as an adjustment to stockholders' equity. Under U.S. GAAP, this amount was reclassified and charged to earnings in the reconciliation of net income by considering that estimations of future cash flows did not support recognition of this amount as goodwill.

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. Estimated fair market value is generally measured using estimated discounted future cash flows. Assumptions used for these cash flows are consistent with internal forecasts and industry practices. 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 their 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.

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.

For the years ended December 31, 2004, 2005 and 2006, there were no impairment charges under U.S. GAAP in addition to those recorded under Mexican FRS that are described in notes 10 and 11, except, during 2004, for the expense of approximately Ps1,044 reclassified from stockholders' equity under Mexican FRS to net income under U.S. GAAP in connection with the purchase of CAH shares in

exchange for CEMEX's CPOs described above. Impairment charges are recorded as other expenses under Mexican FRS and are reclassified to operating income under U.S. GAAP (note 24 (l)).

(B) DEFERRED INCOME TAXES AND EMPLOYEES' STATUTORY PROFIT SHARING

DEFERRED INCOME TAXES ("IT")

For U.S. GAAP purposes, CEMEX accounts for income taxes according to SFAS 109, Accounting for Income Taxes ("SFAS 109"), which requires the asset and liability method of accounting for deferred income taxes, under which deferred tax assets and liabilities are recognized for the future tax consequences of "temporary differences", which result from applying the enacted statutory tax rates applicable in future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities, considering tax loss carryforwards. The deferred income tax charged or credited to earnings is determined by the difference between the beginning and the year-end balance of the deferred tax assets or liabilities, and is recognized in nominal pesos. 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, 2005 and 2006 are presented below, including a deferred tax asset for approximately Ps561 originated from the first time adoption of the SFAS 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans (see note 24c):

	2005	2006
DEFERRED TAX ASSETS:		
Tax loss and tax credits carryforwards Ps	14,351	23,634
Trade accounts receivable	226	-
Accounts payable and accrued expenses	4,049	5,397
Inventories	-	57
Other	839	1,675
Total gross deferred tax assets	19,465	30,763
Less valuation allowance	(5,896)	(13,544)
Total deferred tax assets under U.S. GAAP	13,569	17,219
DEFERRED TAX LIABILITIES:		
Property, plant and equipment	(31,020)	(37,730)
Inventories and advanced payments	(429)	(703)
Other	(6,927)	(2,691)
Total deferred tax liability under U.S. GAAP	(38,376)	(41,124)
Net deferred tax liability under U.S. GAAP	(24,807)	(23,905)
Less--U.S. GAAP deferred IT liability of acquired subsidiaries at date of acquisition	(20,366)	(21,136)
Net deferred IT effect in stockholders' equity under U.S. GAAP	4,441	2,769
Less-- Deferred IT effect in stockholders' equity under Mexican FRS (note 15B)	5,033	5,019
Net income in reconciliation of stockholders' equity to U.S. GAAP Ps	592	2,250

Management considers that there is existing evidence that, in the future, CEMEX will generate sufficient taxable income to realize the tax benefits associated with the deferred tax assets, and the tax loss carryforwards that are expected to be utilized 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 deferred tax assets' valuation allowance would be increased by a charge to income.

CEMEX records a valuation allowance for the estimated amount of the deferred tax assets, which may not be realized due to the expiration of tax loss

carryforwards. Through its continual evaluation of the effects of tax strategies, among other economic factors, during 2004, 2005 and 2006 CEMEX increased the valuation allowance by approximately Ps461, Ps1,283 and Ps7,648, respectively.

Under Mexican FRS, CEMEX determines deferred income tax in a manner similar to U.S. GAAP (notes 3O and 15B). Nonetheless, there are specific differences as compared to the calculation under 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 24(l)) depending on the nature of the caption that gives rise to such deferred tax assets and liabilities.

CEMEX has not recognized a deferred tax liability for the undistributed earnings generated by its foreign subsidiaries under Mexican FRS or U.S. GAAP, as it considers these earnings to be indefinitely reinvested. A deferred tax liability will be recognized when CEMEX can no longer demonstrate that it plans to indefinitely reinvest such undistributed earnings. As of December 31, 2006, the balance of undistributed earnings of subsidiaries amounted to approximately Ps134,298. It is impracticable to determine the additional taxes payable when these earnings are remitted.

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, 2005 and 2006 are presented below:

		2005	2006
DEFERRED ASSETS:			
Employee benefits	Ps	234	199
Trade accounts receivable and other		109	138
Gross deferred assets under U.S. GAAP		343	337
DEFERRED LIABILITIES:			
Property, plant and equipment		3,086	3,105
Other		283	244
Gross deferred liabilities under U.S. GAAP		3,369	3,349
Net deferred liabilities under U.S. GAAP	Ps	3,026	3,012

In the condensed financial information presented under U.S. GAAP in note 24(l), ESPS effect, both current and deferred, is included in the determination of operating income. For Mexican FRS presentation, ESPS effect, both current and deferred, is considered as a separate line item equivalent to income tax. 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. In the reconciliation of net income to U.S. GAAP, deferred ESPS expense of Ps221 in 2004 and income of Ps194 in 2005, determined under Mexican FRS, were reversed. In 2006, there was no deferred ESPS determined under Mexican FRS.

(C) 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 specific event of restructuring, are accrued over an employee's service life. Until December 31, 2004 under Mexican FRS, severance payments, which were not part of a business restructuring or a substitution for pension benefits, were recognized in earnings in the period in which they were paid. Beginning January 1, 2005, according to newly issued Mexican FRS, severance payments are accrued over the employee's service life according to actuarial computations, in a manner similar to U.S. GAAP (note 14).

In connection with the purchase of RMC, as of December 31, 2005, for purposes of the financial statements under Mexican FRS, CEMEX recorded restructuring costs, mainly consisting of severance payments, for approximately Ps619 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 for approximately Ps619 (Ps439 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 24(l)).

The reconciliation of net income to U.S. GAAP for the year ended December 31, 2004, includes a reconciling item referring to the difference between the amount of severance payments recognized under Mexican FRS as incurred, and the change during the period of the accrual under U.S. GAAP. For the years ended December 31, 2005 and 2006, the reconciling item includes 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 (note 14).

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 Ps1,016 related to: 1) an event of settlement of obligations, which represented a gain of approximately Ps102; and 2) an event of curtailment, which represented a loss of approximately Ps1,118. The results from the change in the pension plans were determined using a methodology consistent with the rules set forth by SFAS 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits". However, according to SFAS 88, 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 of this timing difference between Mexican FRS and U.S. GAAP, in the reconciliation of net income to U.S. GAAP, the settlement gain of approximately Ps102 (Ps77 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.

CEMEX has established defined contribution plans in several countries (note 14), which costs are recognized in the periods in which the funds are transferred to the employees' individual accounts. The expense recognized under Mexican FRS during the years ended December 31, 2005 and 2006 arising from defined

contribution schemes amounted to approximately Ps227 and Ps375, respectively, and includes, in 2006, the cost of the new defined contribution scheme in Mexico described in the paragraph above.

CEMEX accounts for 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; therefore, no reconciling item is necessary. The information of pensions and other postretirement benefits, presented in note 14, include the obligations for these items in all Mexican and foreign subsidiaries.

CEMEX has established self-insured health care benefits plans in several operations. These plans, which are administered on cost plus fee arrangements with major insurance companies or provided through health maintenance organizations, contain stop-loss limits per employee. At December 31, 2005 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.$1 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 year ended December 31, 2005 and 2006 through self-insured health care benefits was approximately US$50 (Ps540) and US$57 (Ps616), respectively.

Effective December 31, 2006, for purposes of the reconciliation of stockholders' equity under U.S. GAAP, CEMEX adopted SFAS 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. SFAS 158 requires companies to recognize the funded status 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 to the extent those changes are not included in the net periodic cost. The funded status represents the difference between the fair value of plan assets and the benefit obligation on a plan-by-plan basis. The reconciliation of pension and other postretirement benefits' assets and liabilities between Mexican FRS and U.S. GAAP in connection with the adoption of SFAS 158 as of December 31, 2006 is as follows:

AT DECEMBER 31, 2006		BALANCES UNDER MEXICAN FRS	SFAS 158 ADJUSTMENTS	BALANCES UNDER U.S. GAAP
Long-term assets for pension and other postretirement benefits.....	Ps	735	(735)	-
Long-term liabilities for pension and other postretirement benefits....		6,900	1,133	8,033
Deferred income taxes (non-current).....		(2,050)	(561)	(2,611)
Total liabilities.....		4,850	572	5,422
Acumulated other comprehensive income, net of tax.....		-	1,307	1,307

The recognition provisions of SFAS 158 had no effect on the condensed statements of income under U.S. GAAP presented in note 24(l) for the years ended December 31, 2004, 2005 and 2006.

(D) MINORITY INTEREST

FINANCING TRANSACTIONS

In connection with the perpetual debentures issued by consolidated entities described in note 16F for a notional amount U.S.$1,250 (Ps13,500) and which are included as part of minority interest under Mexican FRS, for purposes of the reconciliation of stockholders' equity under U.S. GAAP, the balance of such debentures was reclassified to long-term debt under U.S. GAAP, thereby, reducing stockholders' equity under U.S. GAAP in the amount of Ps13,500. Likewise, Ps137 of interest due on the perpetual debentures and issuance costs recognized within "Other capital reserves" under Mexican FRS were treated as financing expense in the reconciliation of net income to U.S. GAAP. Under Mexican FRS, the perpetual debentures are recognized within equity considering their characteristics of equity instruments described in note 16F. SFAS 150 under U.S. GAAP, establishes that instruments having characteristics of both liability and equity instruments that are mandatorily redeemable should be classified as debt; but does not provide specific guidance on the accounting treatment for perpetual debentures. However, according to current trends and applications of U.S. GAAP, perpetual debt instruments are recognized as debt.

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 24(l)). At December 31, 2005 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, as well as in 2006 the reclassification of perpetual debentures mentioned above.

(E) DEPRECIATION

A subsidiary of CEMEX in Colombia records depreciation expense utilizing the sinking fund method. This methodology for depreciation was in place before CEMEX acquired the subsidiary in 1997. For U.S. GAAP purposes, depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. As a result, for the years ended December 31, 2004, 2005 and 2006, depreciation expense under Mexican FRS was reduced in the reconciliation of net income to U.S. GAAP resulting in income of Ps21, Ps19 and Ps54, respectively.

(F) ACCRUALS FOR CONTINGENCIES

In prior years, CEMEX recorded accruals for contingent items related primarily to guarantees given and other responsibilities that did not meet the accrual criteria of SFAS 5, Accounting for Contingencies, under U.S. GAAP. Since the likelihood of a loss occurring from these contingencies was considered to be possible but not probable, the accruals under Mexican FRS were reversed for U.S. GAAP purposes. During 2004, as a result of the adoption of new Bulletin C-9, Liabilities, accruals, contingent assets and liabilities and commitments, which is similar to SFAS 5 in respect to the accounting for contingencies, CEMEX evaluated certain previously created accruals and determined to reverse them under Mexican FRS. The amount presented in the reconciliation of net income to U.S. GAAP in 2004 corresponds to the reversal of the adjustment made in prior years under U.S. GAAP.

(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 Mexican FRS methodology, 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.

(I) OTHER U.S. GAAP ADJUSTMENTS

CAPITALIZATION OF COSTS OF COMPUTER SOFTWARE DEVELOPMENT

Under U.S. GAAP and Mexican FRS (note 11), certain direct costs related to the development stage or purchase of internal-use software are capitalized and amortized over the estimated useful life of the software. Costs related to the preliminary project stage and the post-implementation/operations stage are expensed as incurred. Until December 31, 2000, under Mexican FRS, CEMEX expensed such costs as incurred. As a result, in the reconciliation of net income to U.S. GAAP for the year ended December 31, 2004, the reconciling item refers exclusively to the amortization of the amounts capitalized under U.S. GAAP until December 2000, which led to amortization expenses of Ps30 in 2004. The capitalized costs under U.S. GAAP until December 31, 2000 were fully amortized.

DEFERRED CHARGES

Capitalized costs, net of accumulated amortization, that did not qualify for deferral under U.S. GAAP were reversed through earnings under U.S. GAAP in the period incurred, resulting in income of Ps97 in 2004, income of Ps174 in 2005 and income of Ps115 in 2006. During 2004, 2005 and 2006, 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, 2004, 2005 and 2006, 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 Ps234 and Ps132 at December 31, 2005 and 2006, respectively.

CAPITALIZED INTEREST

Under both Mexican FRS 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. Nonetheless, when applicable, 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. Under U.S. GAAP, only interest expense is considered an additional cost of constructed assets. In the reconciliation of net income to U.S. GAAP, foreign exchange fluctuations and 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. For the years ended December 31, 2004, 2005 and 2006, capitalized interest amounts were immaterial.

MONETARY POSITION RESULT

Monetary position result of the U.S. GAAP adjustments is 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.

(J) FINANCIAL INSTRUMENTS

INDEBTEDNESS (NOTE 12A)

Under Mexican FRS, CEMEX has designated certain debt as hedges of its investment in foreign subsidiaries and records foreign exchange fluctuations on such debt in stockholders' equity (notes 3E and 16B). In the reconciliation of net income to U.S. GAAP, foreign exchange results recognized in equity under Mexican FRS have been reclassified to earnings, resulting in income of Ps198 in 2004, income of Ps1,119 in 2005 and expense of Ps437 in 2006, since the related debt did not meet the conditions for hedge accounting set forth in SFAS 52, Foreign Currency Translation, given that the currencies involved do not move in tandem.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Information related to the fair value of consolidated financial instruments is presented in Note 12B. As of December 31, 2006 the fair value of the perpetual debentures is U.S.$1,250.

DERIVATIVE FINANCIAL INSTRUMENTS (NOTES 3L 12C, D AND E)

Under both Mexican FRS and U.S. GAAP, all derivative instruments, including derivative instruments embedded in other contracts, should be recognized in the balance sheet as assets or liabilities at their fair values, and changes in fair value are recognized immediately 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.

Nonetheless, for the years ended December 31, 2004 and 2005, different rules, related to allowed hedged items, led to a timing difference between Mexican FRS and U.S. GAAP and a corresponding adjustment in the reconciliation of net income to U.S. GAAP. In connection with the fair value recognition of the derivatives related to CEMEX's acquisition of RMC (note 12C) under Mexican FRS, CEMEX designated foreign exchange forwards 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 Ps1,537. This gain was reclassified to earnings under Mexican FRS in March 2005, the date when the purchase occurred. Consequently, for purposes of the reconciliation of net income to U.S. GAAP, for the year ended December 31, 2004, this gain was reclassified from stockholders' equity under Mexican FRS to earnings under U.S. GAAP for an amount of approximately Ps1,577, as SFAS 133 does not permit an entity to establish a cash flow hedging relationship in a transaction that involves a business combination. Likewise, for the year ended December 31, 2005, the gain recorded in earnings under Mexican FRS was reclassified to stockholders' equity under U.S. GAAP; therefore, an expense of approximately Ps1,531 is presented as a reconciling item.

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, 2004, 2005 and 2006, 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.

(K) FINANCIAL INSTRUMENTS WITH CHARACTERISTICS OF BOTH LIABILITIES AND EQUITY

EQUITY FORWARD CONTRACTS IN CEMEX'S OWN SHARES

Under SFAS 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity ("SFAS 150"), a financial instrument in an entity's own stock with a variety of settlement options, should be measured at fair value and recognized as asset or liability in the entity's financial statements, recording changes in fair value through the income statement.

Except for a portion of the equity forward contracts in CEMEX's own shares described in the paragraph below, for the years ended December 31, 2004, 2005 and 2006, equity forward contracts, which could have been physically or net cash settled at CEMEX's option, were recognized under Mexican FRS at their estimated fair value as assets or liabilities in the balance sheet, with changes in fair value recorded in earnings. The accounting treatment given to these contracts was consistent with the provisions of U.S. GAAP.

In connection with SFAS 150 and related to a portion of the equity forwards in CEMEX's own shares, during 2004, upon settlement of several contracts that were considered as equity transactions under Mexican FRS and were not being marked-to-market through earnings, CEMEX recognized a gain of approximately Ps462 (U.S.$39) within stockholders' equity. Under U.S. GAAP, the gain recognized under Mexican FRS was reclassified to earnings under U.S. GAAP. The reclassification under U.S. GAAP had no effect on stockholders' equity.

(L) CONDENSED FINANCIAL INFORMATION UNDER U.S. GAAP

The following table presents consolidated condensed income statements for the years ended December 31, 2004, 2005 and 2006, prepared 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:

	YEARS ENDED DECEMBER 31,		
STATEMENTS OF INCOME	2004	2005	2006
Net sales	Ps 96,329	166,024	195,865
Gross profit	40,631	66,053	70,030
Operating income	17,701	25,714	31,502
Comprehensive financial result	3,005	2,610	(1,856)
Other expenses, net	(656)	(2,280)	(353)
Income tax (including deferred taxes)	(1,120)	(3,703)	(3,315)
Equity in income of associates	614	1,276	1,469
Consolidated net income	19,544	23,617	27,447
Minority interest net income	284	600	1,178
Majority interest net income before			

cumulative effect of accounting change.....		19,260	23,017	26,269
Cumulative effect of accounting change.....		-	-	(895)
Majority interest net income.....	Ps	19,260	23,017	25,374

The following table presents consolidated condensed balance sheets at December 31, 2005 and 2006, prepared under U.S. GAAP, including all differences and reclassifications as compared to Mexican FRS described in this note 24:

BALANCE SHEETS		AT DECEMBER 31, 2005	2006
Current assets.....	Ps	45,169	54,887
Investments in associates, other investments and non-current accounts receivable		17,663	17,842
Property, machinery and equipment.....		176,471	188,932
Goodwill, intangible assets and deferred charges.....		66,425	76,795
Total assets.....		305,728	338,456
Current liabilities		54,916	51,195
Long-term debt.....		85,980	66,720
Perpetual debentures.....		-	13,500
Other non-current liabilities.....		42,944	52,376
Total liabilities.....		183,840	183,791
Minority interest.....		5,963	7,291
Stockholders' equity including cumulative effect of accounting change.....		115,925	147,374
Total liabilities, minority interest and stockholders' equity.....	Ps	305,728	338,456

The prior period amounts presented in the tables above were restated to constant pesos as of December 31, 2006 using the Mexican inflation rate in order to comply with current requirements of Regulation S-X, instead of the weighted average inflation factor used by CEMEX under Mexican FRS (note 3B).

RECLASSIFICATIONS

The condensed financial information under U.S. GAAP presented in the tables above include, in addition to the adjustments included in the reconciliation of net income and stockholders' equity, several reclassifications as compared to the consolidated financial statements under Mexican FRS, which arise from the differences in the consolidation policy and other presentation rules under Mexican FRS and U.S. GAAP. The main reclassifications at December 31, 2005 and 2006 and for the years ended December 31, 2004, 2005 and 2006 are as follows:

- Under Mexican FRS, CEMEX accounts for its investments in entities under joint control (note 3C) through the proportionate consolidation method, which incorporates line-by-line all assets, liabilities, revenues and expenses according to CEMEX's equity ownership in such joint controlled entities. Under U.S. GAAP, equity interests between 20% and 50% are accounted for by the equity method. Consequently, under U.S. GAAP, all assets, liabilities, revenues and expenses related to CEMEX's joint controlled entities, principally located in Spain, were removed line-by-line against the equity in associates for both the balance sheets and the income statements.

- Assets held for sale (note 8) of Ps709 and Ps496, as of December 31, 2005 and 2006, respectively, were reclassified to long-term assets for purposes of 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.

- Under Mexican FRS, for the years ended December 31, 2004, 2005 and 2006, other expenses, net, included goodwill amortization in 2004, dumping duties, results from idle facilities, results from the sales of fixed assets, impairment losses of long-lived assets, net results from the early extinguishment of debt and other unusual or non-recurring transactions. For purposes of the condensed income statement financial information under U.S. GAAP, from other expenses, net, under Mexican FRS, expense of Ps2,818 in 2004, expense of Ps927 in 2005 and income of Ps300 in 2006 were reclassified to operating expenses. Likewise, expenses of Ps499 in 2004 and Ps399 in 2005 were reclassified from other expenses, net, under Mexican FRS, to the comprehensive financial result under U.S. GAAP.

- In connection with deferred income taxes, at December 31, 2005 and 2006, current assets under U.S. GAAP include Ps174 and Ps169, respectively, that are considered non-current items under Mexican FRS. Likewise, current liabilities under U.S. GAAP include Ps3,957 and Ps2,394, respectively, classified as non-current items under Mexican FRS.

- At December 31, 2005 and 2006, due to CEMEX's ability and its intention to refinance short-term debt with the available amounts of the committed long-term lines of credit, U.S.$505 (Ps5,847) and U.S.$110 (Ps1,188), respectively, were reclassified from short-term debt to long-term debt under Mexican FRS (note 12A). For purposes of the condensed balance sheets under U.S. GAAP, this reclassification was reversed given that under U.S. GAAP the reclassification is precluded when the long-term agreements contain "Material Adverse Events" clauses, which in the case of CEMEX are 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 financial statements 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 any guidance with respect to inflation-adjusted financial statements. The differences between Mexican FRS and U.S. GAAP in the amounts reported is 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 the cash flow items as required under SFAS 95 provided by (used in) operating, financing and investing activities for the years ended December 31, 2004, 2005 and 2006, giving effect to the U.S. GAAP adjustments, 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,		
	2004	2005	2006
Net cash provided by operating activities..... Ps	21,885	28,909	17,484
Net cash provided by (used in) financing activities.....	(3,723)	12,502	(5,762)
Net cash used in investing activities.....	(17,734)	(38,818)	(1,151)

Net cash flow from operating activities reflects cash payments for interest and income taxes as follows:

	YEARS ENDED DECEMBER 31,		
	2004	2005	2006
Interest paid	Ps 3,654	5,124	4,560
Income taxes paid	1,314	2,433	3,652

NON-CASH ACTIVITIES ARE COMPRISED OF THE FOLLOWING:

Long-term debt assumed through the acquisition of businesses was Ps11,903 in 2005 and Ps508 in 2006.

(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, 2004 and 2005 and balance sheet information as of December 31, 2005, in constant Mexican pesos as of December 31, 2006, using the Mexican inflation index:

YEARS ENDED DECEMBER 31,	2004	2005
Sales	Ps 97,322	169,348
Gross profit	42,551	66,870
Operating income	22,114	27,486
Majority interest net income	15,611	23,340

AT DECEMBER 31,	2005
Current assets	Ps 46,054
Non-current assets	249,770
Current liabilities	45,470
Non-current liabilities	135,911
Majority interest stockholders' equity	108,601
Minority interest stockholders' equity	5,842

(O) STOCK OPTION PROGRAMS

Stock options activity during 2005 and 2006, the balance of options outstanding at December 31, 2005 and 2006 and other general information regarding CEMEX's stock option programs is presented in note 17.

Until December 31, 2004, for financial reporting under Mexican FRS, CEMEX accounted for its stock option programs using a methodology that is consistent with the rules set forth in APB Opinion No. 25, Accounting for Stock Issued to Employees ("APB 25") under U.S. GAAP. According to APB 25, compensation cost should be determined under the intrinsic value method, which represents the difference between the strike price and the market price of the stock at the reporting date, for all plans that do not meet the following characteristics: (i) the exercise price established in the option is equal to the quoted market price of the stock at the measurement date, (ii) the exercise price is fixed for the option's life, and (iii) the option's exercise is hedged through the issuance of new shares of common stock. After considering these characteristics, no compensation cost was recognized for CEMEX's fixed program (note 17A), while compensation cost, under the intrinsic method, was periodically determined for all other programs granted by CEMEX (note 17 B, C and D).

During 2005, as mentioned in notes 3T 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 Ps2,897 (U.S.$273) representing the fair value of the outstanding options, except for those awards of the fixed program.

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 and stockholders' equity to U.S. GAAP, as well as prior years' condensed balance sheet and 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.

For purposes of 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 Ps895 (Ps1,032 before the related income tax effect) as compared to the accrual under the fair value method. 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. No reconciling amount was required in 2004.

The liability that CEMEX had accrued at December 31, 2006 in connection with its stock option programs and the compensation expense recognized for the year ended December 31, 2006 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. Likewise, no pro forma disclosure has been made for periods subsequent to January 1, 2006 as all stock-based compensation has been recognized under the fair value method in net income under Mexican FRS and U.S. GAAP. For the year ended December 31, 2004, the pro forma amounts would had been as follows:

FOR THE YEAR ENDED DECEMBER 31, 2004		TOTAL
Net income, as reported (Mexican FRS)	Ps	15,224
Reversal of cost (income) of options according to intrinsic value method under Mexican FRS		63
Cost of options according to fair value method under SFAS 123R, net of tax of Ps639		(1,491)
Inflation effect		388
Approximate net income, pro forma	Ps	14,184
Basic earnings per share, as reported	Ps	0.77
Basic earnings per share, pro forma		0.71
Diluted earnings per share, as reported	Ps	0.76
Diluted earnings per share, pro forma		0.70

(P) 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).

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, 2004, 2005 and 2006, CEMEX did not identify 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 22C, 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, 2005 and 2006, CEMEX has not guaranteed any third parties' obligations; however, with respect to the electricity supply long-term contract discussed in note 21D, 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, 2004, 2005 and 2006, 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.

In connection with the alliance with Ready Mix USA, as mentioned in note 11A, beginning on July 1, 2008 and expiring 25 years from July 1, 2005, the venture partner has an option to require CEMEX to purchase its interest in the joint ventures. At December 31, 2005 and 2006, CEMEX did not assign a value to the Ready Mix USA put option under both Mexican FRS and U.S. GAAP, as CEMEX's obligations, if put option were exercised, are not above the current market multiples established in the agreements.

VARIABLE INTEREST ENTITIES

Effective March 15, 2004, CEMEX adopted 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 agreement discussed in the paragraph above, after analysis of the provisions of the agreements, CEMEX considers that such partnership is not a VIE under the scope of the interpretation, and, therefore, as of and for the years ended December 31, 2005 and 2006, CEMEX has not consolidated any assets, liabilities or operating results of such partnership.

(Q) NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS UNDER U.S. GAAP

- In March 2006, the FASB issued SFAS 156, Accounting for Servicing of Financial Assets an amendment of FASB Statement No.140 ("SFAS 156"). This Statement 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. CEMEX is required to adopt SFAS 156 beginning on January 1, 2007. 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 is currently evaluating the impact of adopting SFAS 156 on its results of operations and financial position 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. 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 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 will be effective for reporting periods beginning after December 15, 2006. The provisions of the Staff Position are consistent with CEMEX's current policies and CEMEX does not anticipate that the adoption of the provisions of this guidance will have a material impact on its results of operations and financial position under U.S. GAAP.

- In July 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement 109 ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a threshold of more-likely-than-not for recognition of tax benefits of uncertain tax positions taken or expected to be taken in a tax return. FIN 48 also provides related guidance on measurement, derecognition, classification, interest and penalties, and disclosure. The provisions of FIN 48 will be effective for CEMEX on January 1, 2007, with any cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. CEMEX is in the process of assessing the impact of adopting FIN 48 on its results of operations and financial position under U.S. GAAP.

(R) RECENT DEVELOPMENTS

On January 22, 2007, in connection with the antitrust proceeding against CEMEX Polska described in note 22B, CEMEX Polska filed its response to the notification, stating it denies firmly that it has reportedly committed a practice 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 and facts supporting its position and proving that its activities were in line with competition law. CEMEX Polska could face up to Polish Zlotych 78.9 million (approximately U.S.$27.6 million) in fines. CEMEX believes, at this stage, there are no justified factual grounds to expect fines to be imposed on CEMEX Polska.

On February 6, 2007, by means of a Special Purpose Vehicle or "SPV", CEMEX issued perpetual debentures for an aggregate amount of U.S.$750. These debentures have no fixed maturity date and do not represent a contractual payment obligation for CEMEX. The instrument includes an option that allows the issuer to redeem the debentures at the end of the eighth anniversary. The SPV has the unilateral right to indefinitely defer the payment of interest due on the debentures. The debentures for U.S.$750 bear interest at the annual rate of 6.640%. The SPV, which was established solely for purposes of issuing the perpetual debentures, is included in CEMEX's consolidated financial statements. Under Mexican FRS, these debentures qualify as equity instruments and are classified within minority interest as they were issued by consolidated entities. Interest due on the debentures is recognized within "Other capital reserves". Under U.S. GAAP, perpetual debentures are recognized as debt and interest payments are included as financing expense in the income statement.

In connection with the lawsuit filed in the District Court in Dusseldorf On August 5, 2005 by CDC, described in nothe 22C, on February 21, 2007, the District Court On February 21, 2007, the District Court of Dusseldorf decided to allow this lawsuit to proceed without going into the merits of this case by issuing an interlocutory judgment. All defendants have appealed. As of March 31, 2007, CEMEX had accrued liabilities regarding this matter for a total amount of approximately (euro)20 million.

In connection with the Mexican tax assessments described in note 22B, on April 3, 2007, the Mexican tax authority began a tax amnesty program for the total or partial remission of tax credits accrued before 2005. This program would apply to all fiscal credits of all the companies in the group currently in dispute. The applications may be submitted before December 31, 2007. The company is currently considering the convenience of joining this program.

In connection with the public offer launched on November 2006 to acquire all of the outstanding shares of Rinker, on April 9, 2007, CEMEX announced that it had reached an agreement with Rinker under which it would raise its offer to U.S.$15.85 per share in cash, an increase of 22% from CEMEX's original offer, and that Rinker's Board of Directors had unanimously agreed to recommend to its stockholders that they accept the offer at this price, in the absence of a superior proposal. The offer was described as CEMEX's best and final offer, in the absence of a superior proposal. CEMEX also announced that it would declare the offer to be unconditional if CEMEX's aggregate interest in Rinker exceeded 50% on or before June 8, 2007; thereby, waiving the 90% minimum acceptance condition established in the initial offer. CEMEX extended the offer until June 8, 2007 and subsequently extended until June 22, 2007. On June 7, 2007, CEMEX's offer to acquire all outstanding shares of Rinker became unconditional.

On April 21, 2007, in connection with the civil action notified to one of CEMEX's subsidiaries in Puerto Rico of approximately U.S.$21 (Ps227), derived from injuries caused to two individuals by a truck owned by the Puerto Rican subsidiary, the First Instance Court for the Commonwealth of Puerto Rico issued a summons seeking damages in the amount of approximately U.S.$40.

On April 26, 2007, the annual ordinary stockholders' meeting approved: (i) a reserve for share repurchases of 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 up 480 million CPOs, based on a price of approximately Ps32.75 per CPO; or instead, stockholders could have chosen to receive U.S.$0.0745 in cash for each CPO or Ps0.803654 per CPO, based on the Peso/Dollar exchange rate in effect for May 31, 2007 of Ps10.7873 to U.S.$1.00; and (iii) the cancellation of the corresponding shares held in the CEMEX's treasury.

On April 30, 2007, in connection with a lawsuit filed by the union of employees in CEMEX's Egyptian subsidiary claiming 10% employees profit sharing for the fiscal years 2004 and 2005 in the amount of approximately U.S.$12, the parties submitted their defenses and the court postponed the case until the hearing scheduled for June 25, 2007 for the court to render its decision.

On May 4, 2007, by means of a Special Purpose Vehicle or "SPV", CEMEX issued perpetual debentures for an aggregate amount of (euro)730 (approximately U.S.$981 based on the Euro/Dollar exchange rate in effect for May 31, 2007 of (euro)0.7445 to U.S.$1.00), which do not have fixed maturity date and do not represent a contractual payment obligation for CEMEX. The instrument includes an option that allows the issuer to redeem the debentures at the end of the tenth

anniversary. The SPV has the unilateral right to indefinitely defer the payment of interest due on the debentures. The debentures for (euro)730 bear interest at an annual rate of 6.277%. The SPV, which was established solely for purposes of issuing the perpetual debentures, is included in CEMEX's consolidated financial statements. Under Mexican FRS, these perpetual debentures qualify as equity instruments and are classified within minority interest as they were issued by consolidated entities. Interest due on the debentures is recognized within "Other capital reserves". Under U.S. GAAP, perpetual debentures are recognized as debt and interest payments are included as financing expense.

(S) GUARANTEED DEBT

In June 2000, CEMEX concluded the issuance of U.S.$200 aggregate principal amount of 9.625% Exchange Notes due 2009 in a registered public offering in the United States of America in exchange for U.S.$200 aggregate principal amount of its then outstanding 9.625% Notes due 2009. The Exchange Notes are fully and unconditionally guaranteed, on a joint and several basis, as to payment of principal and interest by two of CEMEX's Mexican subsidiaries: CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") and Empresas Tolteca de Mexico, S.A. de C.V. ("ETM") (note 3C). These two companies, together with their subsidiaries, account for substantially all of the revenues and operating income of CEMEX's Mexican operations. At December 31, 2005 and 2006, approximately U.S.$62 aggregate principal amount of the 9.625% Exchange Notes due 2009 remained outstanding after the public purchase offer made by CEMEX during 2004. As of December 31, 2004, 2005 and 2006, CEMEX owned a 100% equity interest in CEMEX Mexico, and CEMEX Mexico owned a 100% equity interest in ETM as of the same dates.

As of December 31, 2005 and 2006, indebtedness of CEMEX in an aggregate amount of U.S.$3,780 (Ps40,824) and U.S.$3,725 (Ps40,230), respectively, is fully and unconditionally guaranteed, on a joint and several basis, by CEMEX Mexico and ETM.

For purposes of the accompanying condensed consolidated balance sheets, income statements and statements of changes in financial position under Mexican FRS, the first column, "CEMEX," corresponds to the parent company issuer, which has no material operations other than its investments in subsidiaries and affiliated companies. The second column, "Combined guarantors", represents the combined amounts of CEMEX Mexico and ETM on a Parent Company-only basis, after adjustments and eliminations relating to their combination. The third column, "Combined non-guarantors", represents the amounts of CEMEX's international subsidiaries, CEMEX Mexico and ETM non-Guarantor subsidiaries, and other immaterial Mexican non-guarantor subsidiaries of CEMEX. The fourth column, "Adjustments and eliminations", includes all the amounts resulting from consolidation of CEMEX, the Guarantors and the non-guarantor subsidiaries, as well as the corresponding constant pesos adjustment as of December 31, 2006, for the years ended December 31, 2004 and 2005 described below. The fifth column, "CEMEX consolidated", represents CEMEX's consolidated amounts as reported in the consolidated financial statements. The amounts presented under the line item "investments in associates" for both the balance sheet and the income statement are accounted for by the equity method.

As mentioned in note 3B, under Mexican FRS, the financial statements of those entities with foreign consolidated subsidiaries should be presented in constant pesos as of the latest balance sheet presented, considering the inflation of each country in which the entity operates, as well as the changes in the exchange rate between the functional currency of each country vis-a-vis the

reporting currency (in this case, the Mexican peso). As a result of the aforementioned, for comparability purposes the condensed financial information of CEMEX, the "Combined Guarantors" and the "Combined non-guarantors" amounts have been adjusted to reflect constant pesos as of December 31, 2006, using the Mexican inflation index. Therefore, the corresponding inflation adjustment derived from the application of the weighted average inflation factor in the consolidated amounts is presented within the "Adjustments and eliminations" column. The condensed consolidated financial information is as follows:

CONDENSED CONSOLIDATED BALANCE SHEETS:

AS OF DECEMBER 31, 2005		CEMEX	COMBINED GUARANTORS	COMBINED NON-GUARANTORS	ADJUSTMENTS AND ELIMINATIONS	CEMEX CONSOLIDATED
Current assets	Ps	1,311	7,955	107,066	(68,091)	48,241
Investment in associates		143,371	160,166	47,384	(341,193)	9,728
Other non-current accounts receivable		24,445	7,358	15,959	(39,438)	8,324
Property, machinery and equipment, net		1,940	30,445	139,545	8,012	179,942
Goodwill, intangible assets and deferred charges		3,248	6,801	57,599	(4,017)	63,631
Total assets		174,315	212,725	367,553	(444,727)	309,866
Current liabilities		7,557	49,243	36,453	(45,624)	47,629
Long-term debt		52,484	68	54,608	(11,216)	95,944
Other non-current liabilities		517	21,370	47,979	(23,449)	46,417
Total liabilities		60,558	70,681	139,040	(80,289)	189,990
Majority interest stockholders' equity		113,757	142,044	175,941	(317,985)	113,757
Minority interest		-	-	52,572	(46,453)	6,119
Stockholders' equity under Mexican FRS		113,757	142,044	228,513	(364,438)	119,876
Total liabilities and stockholders' equity	Ps	174,315	212,725	367,553	(444,727)	309,866

AS OF DECEMBER 31, 2006		CEMEX	COMBINED GUARANTORS	COMBINED NON-GUARANTORS	ADJUSTMENTS AND ELIMINATIONS	CEMEX CONSOLIDATED
Current assets	Ps	7,192	17,251	134,926	(103,631)	55,738
Investment in associates		172,279	191,525	52,761	(408,911)	7,654
Other non-current accounts receivable		3,054	7,556	27,796	(28,839)	9,567
Property, machinery and equipment, net		1,935	31,336	152,520	(77)	185,714
Goodwill, intangible assets and deferred charges		4,341	6,689	53,891	104	65,025
Total assets		188,801	254,357	421,894	(541,354)	323,698
Current liabilities		5,842	71,974	53,893	(83,793)	47,916
Long-term debt		43,006	21	51,805	(26,905)	67,927
Other non-current liabilities		1,075	19,060	39,293	(11,182)	48,246
Total liabilities		49,923	91,055	144,991	(121,880)	164,089
Majority interest stockholders' equity		138,878	163,302	217,369	(380,671)	138,878
Minority interest		-	-	59,534	(38,803)	20,731
Stockholders' equity under Mexican FRS		138,878	163,302	276,903	(419,474)	159,609
Total liabilities and stockholders' equity	Ps	188,801	254,357	421,894	(541,354)	323,698

CONDENSED CONSOLIDATED INCOME STATEMENTS:

FOR THE YEAR ENDED DECEMBER 31, 2004		CEMEX	COMBINED GUARANTORS	COMBINED NON-GUARANTORS	ADJUSTMENTS AND ELIMINATIONS	CEMEX CONSOLIDATED
Revenues	Ps	1,016	28,704	75,263	(10,068)	94,915
Operating income		975	3,933	4,720	11,939	21,567
Net comprehensive financing result		1,314	529	7,100	(7,391)	1,552
Other income (expense), net		(1,257)	(498)	6,294	(10,174)	(5,635)
Income taxes, net		326	380	(1,264)	(1,925)	(2,483)
Equity in income of associates		13,866	15,322	3,245	(31,966)	467

Consolidated net income		15,224	19,666	20,095	(39,517)	15,468
Minority interest		-	-	3,468	(3,224)	244
Majority interest net income	Ps	15,224	19,666	16,627	(36,293)	15,224

FOR THE YEAR ENDED DECEMBER 31, 2005		CEMEX	COMBINED GUARANTORS	COMBINED NON-GUARANTORS	ADJUSTMENTS AND ELIMINATIONS	CEMEX CONSOLIDATED
Revenues	Ps	1,038	28,516	154,401	(6,570)	177,385
Operating income		978	3,915	13,497	10,401	28,791
Net comprehensive financing result		(2,114)	(513)	10,450	(4,987)	2,836
Other income (expense), net		(799)	(458)	6,067	(8,486)	(3,676)
Income taxes, net		661	502	(3,616)	(1,422)	(3,875)
Equity in income of associates		25,724	27,326	6,898	(58,936)	1,012
Consolidated net income		24,450	30,772	33,296	(63,430)	25,088
Minority interest		-	-	7,069	(6,431)	638
Majority interest net income	Ps	24,450	30,772	26,227	(56,999)	24,450

FOR THE YEAR ENDED DECEMBER 31, 2006		CEMEX	COMBINED GUARANTORS	COMBINED NON-GUARANTORS	ADJUSTMENTS AND ELIMINATIONS	CEMEX CONSOLIDATED
Revenues	Ps	1,196	31,054	175,773	(10,930)	197,093
Operating income		1,163	3,855	16,120	10,676	31,814
Net comprehensive financing result		(2,643)	(13,595)	14,888	884	(466)
Other income (expense), net		(829)	(485)	9,581	(8,636)	(369)
Income taxes, net		3,328	(44)	(5,424)	(3,280)	(5,420)
Equity in income of associates		24,663	33,345	6,971	(63,665)	1,314
Consolidated net income		25,682	23,076	42,136	(64,021)	26,873
Minority interest		-	-	7,696	(6,505)	1,191
Majority interest net income	Ps	25,682	23,076	34,440	(57,516)	25,682

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION:

For the year ended December 31, 2006		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
OPERATING ACTIVITIES:						
Majority interest net income	Ps	15,224	19,666	16,627	(36,293)	15,224
Adjustments to reconcile net income to resources provided by operating activities		(12,361)	(14,009)	14,687	24,675	12,992
Resources provided by operations		2,863	5,657	31,314	(11,618)	28,216
Net change in working capital		(924)	12,198	(10,050)	(3,702)	(2,478)
Net resources provided by (used in) operating activities		1,939	17,855	21,264	(15,320)	25,738
FINANCING ACTIVITIES:						
Proceeds from debt (repayments), net, excluding the effects of business acquisitions		(1,635)	63	(2,788)	106	(4,254)
Liquidation of appreciation warrants		(1,129)	-	-	-	(1,129)
Dividends paid		(4,516)	-	(304)	304	(4,516)
Issuance of common stock		4,528	-	-	-	4,528
Issuance (repurchase) of equity instruments by subsidiaries		-	-	(2,805)	1,978	(827)
Other financing activities, net		(578)	(15,342)	5,114	9,120	(1,686)
Resources used in financing activities		(3,330)	(15,279)	(783)	11,508	(7,884)
INVESTING ACTIVITIES:						
Property, machinery and equipment, net		-	(698)	(4,485)	128	(5,055)
Acquisition of subsidiaries and associates		(1,566)	(1,462)	(9,587)	4,007	(8,608)
Minority interest		-	-	(1,567)	39	(1,528)
Deferred charges and others		2,946	(79)	(1,945)	(3,236)	(2,314)
Resources provided by (used in) investing activities		1,380	(2,239)	(17,584)	938	(17,505)
Change in cash and investments		(11)	337	2,897	(2,874)	349
Cash and investments initial balance		123	1,796	12,940	(11,221)	3,638
Cash and investments ending balance	Ps	112	2,133	15,837	(14,095)	3,987

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
AS OF DECEMBER 31, 2004, 2005 AND 2006
((Millions of constant Mexican pesos as of December 31, 2006

For the year ended December 31, 2006	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
OPERATING ACTIVITIES:					
Majority interest net income..... Ps	24,450	30,772	26,227	(56,999)	24,450
Adjustments to reconcile net income to resources provided by operating activities.....	(24,524)	(26,011)	26,468	39,917	15,850
Resources provided by operations.....	(74)	4,761	52,695	(17,082)	40,300
Net change in working capital.....	(6,146)	20,957	(28,116)	12,919	(386)
Net resources provided by (used in) operating activities	(6,220)	25,718	24,579	(4,163)	39,914
FINANCING ACTIVITIES:					
Proceeds from debt (repayments), net, excluding the effects of business acquisitions.....	10,804	62	4,556	(804)	14,618
Dividends paid.....	(5,302)	-	-	-	(5,302)
Issuance of common stock.....	4,741	9,459	(9,459)	-	4,741
Other financing activities, net.....	(949)	(15,822)	5,103	5,255	(6,413)
Resources provided by (used in) financing activities	9,294	(6,301)	200	4,451	7,644
INVESTING ACTIVITIES:					
Property, machinery and equipment, net.....	-	(1,113)	(1,236)	(6,744)	(9,093)
Acquisition of subsidiaries and associates....	(10,340)	(17,431)	(21,126)	3,969	(44,928)
Minority interest	-	-	(161)	(8)	(169)
Deferred charges and others.....	7,154	(142)	6,350	(3,754)	9,608
Resources used in investing activities.....	(3,186)	(18,686)	(16,173)	(6,537)	(44,582)
Change in cash and investments.....	(112)	731	8,606	(6,249)	2,976
Cash and investments initial balance.....	112	2,133	15,837	(14,095)	3,987
Cash and investments ending balance.....Ps	-	2,864	24,443	(20,344)	6,963

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements -- (Continued)
As of December 31, 2004, 2005 and 2006 (Millions of constant Mexican pesos as of December 31, 2006)

For the year ended December 31, 2006	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Operating activities:					
Majority interest net income.....Ps	25,682	23,076	34,440	(57,516)	25,682
Adjustments to reconcile net income to resources provided by operating activities.....	(25,806)	(31,890)	31,083	42,015	15,402
Resources provided by operations.....	(124)	(8,814)	65,523	(15,501)	41,084
Net change in working capital.....	(5,316)	30,219	(29,047)	7,171	3,027
Net resources provided by (used in) operating activities	(5,440)	21,405	36,476	(8,330)	44,111
Financing activities:					
Proceeds from debt (repayments), net, excluding the effects of business acquisitions.....	(4,025)	(75)	(24,699)	-	(28,799)
Decrease of treasury shares owned by subsidiaries	-	-	1,781	-	1,781
Dividends paid.....	(5,740)	-	-	-	(5,740)
Issuance of common stock.....	5,747	-	-	-	5,747
Issuance (repurchase) of equity instruments by subsidiaries	-	-	13,500	-	13,500

Other financing activities, net.....	558	(10,368)	50,612	(39,208)	1,594
Resources provided by (used in) financing activities	(3,460)	(10,443)	41,194	(39,208)	(11,917)
Investing activities:					
Property, machinery and equipment, net.....	-	(1,772)	(13,042)	-	(14,814)
Disposal (acquisition) of subsidiaries and associates	(4,813)	(6,798)	7,838	6,500	2,727
Minority interest.....	-	-	(79)	-	(79)
Deferred charges and others.....	13,713	(239)	(55,831)	32,417	(9,940)
Resources provided by (used in) investing activities	8,900	(8,809)	(61,114)	38,917	(22,106)
Change in cash and investments.....	-	2,153	16,556	(8,621)	10,088
Cash and investments initial balance.....	-	2,864	24,443	(20,344)	6,963
Cash and investments ending balance.....Ps	-	5,017	40,999	(28,965)	17,051

The tables below present consolidated balance sheets as of December 31, 2005 and 2006, and income statements and statements of changes in financial position for each of the three-year periods ended December 31, 2006 for the Guarantors. Such information presents in separate columns each individual Guarantor on a Parent Company-only basis, consolidation adjustments and eliminations, and the combined Guarantors. All significant intercompany balances and transactions between the Guarantors have been eliminated in the "Combined guarantors" column.

The amounts presented in the column "Combined guarantors" are readily comparable with the information of the Guarantors included in the condensed consolidated financial information. As previously described, amounts presented under the line item "Investments in associates", for both the balance sheets and income statements, include the net investment in associates accounted for by the equity method. In addition, the Guarantors' reconciliation of net income and stockholders' equity to U.S. GAAP are presented below:

Guarantors' Combined Balance Sheets:

December 31, 2005	Guarantors			
Assets	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Current Assets				
Cash and temporary investments.....Ps	869	1,995	-	2,864
Trade accounts receivable, net.....	273	-	-	273
Other receivables and other current assets.....	709	590	(107)	1,192
Related parties receivables.....	2,099	8,371	(8,371)	2,099
Inventories.....	1,527	-	-	1,527
Total current assets.....	5,477	10,956	(8,478)	7,955
Other Investments				
Investments in subsidiaries and associates.....	181,031	36,429	(57,294)	160,166
Long-term related parties receivables.....	14,937	27,633	(35,703)	6,867
Other investments.....	470	21	-	491
Total other investments.....	196,438	64,083	(92,997)	167,524
Property, machinery and equipment, net.....	30,445	-	-	30,445
Intangible assets and deferred charges.....	2,191	4,610	-	6,801
Total Assets.....Ps	234,551	79,649	(101,475)	212,725
Liabilities and Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt.....Ps	75	-	-	75
Trade accounts payable.....	1,016	-	-	1,016
Other accounts payable and accrued expenses.....	1,601	305	(107)	1,799
Related parties payables.....	54,724	-	(8,371)	46,353
Total current liabilities.....	57,416	305	(8,478)	49,243
Total long-term debt.....	68	-	-	68

Other Noncurrent Liabilities				
Deferred income taxes	6,957	284	-	7,241
Others	433	-	-	433
Long-term related parties payables	27,633	21,766	(35,703)	13,696
Total other noncurrent liabilities	35,023	22,050	(35,703)	21,370
Total Liabilities	92,507	22,355	(44,181)	70,681
Stockholders' equity	111,272	51,411	(51,411)	111,272
Net income	30,772	5,883	(5,883)	30,772
Total stockholders' equity	142,044	57,294	(57,294)	142,044
Total Liabilities and Stockholders' Equity...Ps	234,551	79,649	(101,475)	212,725

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements -- (Continued)
As of December 31, 2004, 2005 and 2006
(Millions of constant Mexican pesos as of December 31, 2006)

Guarantors' Combined Balance Sheets:

December 31, 2006	Guarantors			
Assets	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Current Assets				
Cash and temporary investments...Ps	2,731	2,286	-	5,017
Trade accounts receivable, net	283	-	-	283
Other receivables and other current assets	1,212	816	(1,079)	949
Related parties receivables	8,985	3,702	(3,702)	8,985
Inventories	1,730	-	-	1,730
Other current assets	287	-	-	287
Total current assets	15,228	6,804	(4,781)	17,251
Other Investments				
Investments in subsidiaries and associates	212,334	41,185	(61,994)	191,525
Long-term related parties receivables	7,104	10,281	(10,281)	7,104
Other investments	419	33	-	452
Total other investments	219,857	51,499	(72,275)	199,081
Property, machinery and equipment, net	31,336	-	-	31,336
Intangible assets and deferred charges	2,079	4,610	-	6,689
Total Assets...Ps	268,500	62,913	(77,056)	254,357
Liabilities and Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt	47	-	-	47
Trade accounts payable	1,516	-	-	1,516
Other accounts payable and accrued expenses	1,368	554	(1,079)	843
Related parties payables	73,270	-	(3,702)	69,568
Total current liabilities	76,201	554	(4,781)	71,974
Total long-term debt	21	-	-	21
Other Noncurrent Liabilities				
Deferred income taxes	6,880	365	-	7,245
Others	404	-	-	404
Long-term related parties payables	21,692	-	(10,281)	11,411
Total other noncurrent liabilities	28,976	365	(10,281)	19,060
Total Liabilities	105,198	919	(15,062)	91,055
Stockholders' equity	140,226	56,942	(56,942)	140,226
Net income	23,076	5,052	(5,052)	23,076
Total stockholders' equity	163,302	61,994	(61,994)	163,302
Total Liabilities and Stockholders' Equity...Ps	268,500	62,913	(77,056)	254,357

Guarantors' Combined Income Statements:

For the year ended December 31, 2004		Guarantors			
		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	28,704	-	-	28,704
Cost of sales		(10,670)	-	-	(10,670)
Gross profit		18,034	-	-	18,034
Total operating expenses		(14,101)	-	-	(14,101)
Operating income		3,933	-	-	3,933
Net comprehensive financing result		19	510	-	529
Other income (expense), net		(437)	(61)	-	(498)
Income before IT, BAT, ESPS and equity in associates		3,515	449	-	3,964
Total IT, BAT and ESPS		787	(407)	-	380
Income before equity in income of associates		4,302	42	-	4,344
Equity in income of associates		5,364	378	(420)	15,322
Net income	Ps	19,666	420	(420)	19,666

For the year ended December 31, 2005		Guarantors			
		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	28,516	-	-	28,516
Cost of sales		(10,978)	-	-	(10,978)
Gross profit		17,538	-	-	17,538
Total operating expenses		(13,623)	-	_	(13,623)
Operating income		3,915	-	-	3,915
Net comprehensive financing result		(2,204)	1,691	-	(513)
Other income (expense), net		(278)	(180)	-	(458)
Income before IT, BAT, ESPS and equity in associates		1,433	1,511	-	2,944
Total IT, BAT and ESPS		706	(204)	-	502
Income before equity in income of associates		2,139	1,307	-	3,446
Equity in income of associates		28,633	4,576	(5,883)	27,326

Net income	Ps 30,772	5,883	(5,883)	30,772

	Guarantors			
For the year ended December 31, 2006	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps 31,054	-	-	31,054
Cost of sales	(12,575)	-	-	(12,575)
Gross profit	18,479	-	-	18,479
Total operating expenses	(14,624)	-	-	(14,624)
Operating income	3,855	-	-	3,855
Net comprehensive financing result	(13,998)	403	-	(13,595)
Other income (expense), net	(471)	(14)	-	(485)
Income before IT, BAT, ESPS and equity in associates	(10,614)	389	-	(10,225)
Total IT, BAT and ESPS	303	(347)	-	(44)
Income before equity in income of associates	(10,311)	42	-	(10,269)
Equity in income of associates	33,387	5,010	(5,052)	33,345
Net income	Ps 23,076	5,052	(5,052)	23,076

Guarantors' Combined Statements of Changes in Financial Position:

	Guarantors			
For the year ended December 31, 2004	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income	Ps 19,666	420	(420)	19,666
Adjustments to reconcile to resources provided by operating activities	(14,129)	(300)	420	(14,009)
Resources provided by operating activities	5,537	120	-	5,657
Net change in working capital	8,772	3,310	116	12,198
Net resources provided by operating activities	14,309	3,430	116	17,855
Financing activities				
Bank loans and notes payable, net	63	-	-	63
Long-term related parties receivables and payables, net	(13,190)	23,812	(26,012)	(15,390)
Other noncurrent assets and liabilities, net	48	-	-	48
Resources used in financing activities	(13,079)	23,812	(26,012)	(15,279)
Investing activities				
Property, plant and equipment, net	(698)	-	-	(698)
Investments in subsidiaries and associates	(470)	(26,888)	25,896	(1,462)

Deferred charges	(190)	(40)	-	(230)
Other investments	151	-	-	151
Resources used in investing activities	(1,207)	(26,928)	25,896	(2,239)
Change in cash and investments	23	314	-	337
Cash and investments initial balance	868	928	-	1,796
Cash and investments ending balance	Ps 891	1,242	-	2,133

	Guarantors			
For the year ended December 31, 2005	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income	Ps 30,772	5,883	(5,883)	30,772
Adjustments to reconcile to resources provided by operating activities	(27,523)	(4,371)	5,883	(26,011)
Resources provided by operating activities	3,249	1,512	-	4,761
Net change in working capital	27,366	57	(6,466)	20,957
Net resources provided by operating activities	30,615	1,569	(6,466)	25,718
Financing activities				
Bank loans and notes payable, net	62	-	-	62
Dividends	9,459	-	-	9,459
Long-term related parties receivables and payables, net	(14,607)	(8,569)	7,375	(15,801)
Other noncurrent assets and liabilities, net	-	(21)	-	(21)
Resources used in financing activities	(5,086)	(8,590)	7,375	(6,301)
Investing activities				
Property, plant and equipment, net	(1,113)	-	-	(1,113)
Investments in subsidiaries and associates	(24,316)	7,794	(909)	(17,431)
Deferred charges	(122)	(20)	-	(142)
Other investments	-	-	-	-
Resources used in investing activities	(25,551)	7,774	(909)	(18,686)
Change in cash and investments	(22)	753	-	731
Cash and investments initial balance	891	1,242	-	2,133
Cash and investments ending balance	Ps 869	1,995	-	2,864

Guarantors' Combined Statements of Changes in Fnancial Position:

	Guarantors			
For the year ended December 31, 2006	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income	Ps 23,076	5,052	(5,052)	23,076
Adjustments to reconcile to resources provided by operating activities	(32,013)	(4,929)	5,052	(31,890)
Resources provided by operating activities	(8,937)	123	-	(8,814)
Net change in working capital	11,194	4,692	14,333	30,219

Net resources provided by operating activities.....		2,257	4,815	14,333	21,405
Financing activities					
Bank loans and notes payable, net.....		(75)	-	-	(75)
Long-term related parties receivables and payables, net...		(5,941)	(21,766)	17,352	(10,355)
Other noncurrent assets and liabilities, net.....		-	(13)	-	(13)
Resources used in financing activities.....		(6,016)	(21,779)	17,352	(10,443)
Investing activities					
Property, plant and equipment, net.....		(1,772)	-	-	(1,772)
Investments in subsidiaries and associates.....		7,632	17,255	(31,685)	(6,798)
Deferred charges.....		(239)	-	-	(239)
Other investments.....		-	-	-	-
Resources used in investing activities.....		5,621	17,255	(31,685)	(8,809)
Change in cash and investments.....		1,862	291	-	2,153
Cash and investments initial balance.....		869	1,995	-	2,864
Cash and investments ending balance.....	Ps	2,731	2,286	-	5,017

Guarantors--Cash and investments

At December 31, 2005 and 2006, ETM's temporary investments are primarily comprised of CEMEX CPOs. In June 2005 and 2006, CEMEX issued 3,588,892 CPOs and 1,766,982 CPOs, respectively, through dividends to ETM amounting to Ps17 and Ps26, respectively.

Guarantors--Trade receivables

During December 2002, CEMEX Mexico and one of its subsidiaries established sales of trade accounts receivable program ("securitization program"). With this program, these companies effectively transferred control, risks and benefits related to some of the trade accounts receivable balances. As of December 31, 2005 and 2006, these balances amounted to Ps1,730 and Ps1,597 from CEMEX Mexico, respectively, and Ps1,657 and Ps1,511 from its subsidiary, respectively.

Guarantors--Investment in associates

At December 31, 2005 and 2006, of the Guarantors' total investment in associates, which are accounted for under the equity method, Ps159,896 and Ps191,245, respectively, correspond to investments in non-guarantors, and Ps270 in 2005 and Ps280 in 2006, respectively, are related to minority investments in third parties.

At December 31, 2005 and 2006, the main Guarantors' investments in non-guarantors are in CEMEX Concretos, S.A. de C.V and CEMEX Internacional, S.A. de C.V., which together integrate the ready-mix concrete operations and export trading activities in Mexico; and CEDICE, which is the parent company of the international operations of CEMEX.

Guarantors--Indebtedness

At December 31, 2005 and 2006, the Guarantors had total indebtedness of U.S.$13.0 (Ps143) and U.S.$6.3 (Ps68), respectively. At December 31, 2005 and 2006, the average annual interest rate of this indebtedness was approximately 9.9%. Of the total indebtedness of the Guarantors at December 31, 2006, approximately U.S.$4.4 (Ps47) matures in 2007 and U.S.$1.9 (Ps.21) matures in 2008 and thereafter.

Guarantors--Balances and transactions with related parties

Balances with related parties result primarily from (i) the sale and purchase of cement and clinker to and from affiliates, (ii) the sale and/or acquisition of subsidiaries' shares within the CEMEX group, (iii) the invoicing of administrative and other services received or provided from and to affiliated companies, and (iv) the transfer of funds between the Guarantors, their respective parents and certain affiliates. The related parties balance detail is

as follows:

Guarantors		Assets		Liabilities	
At December 31, 2005		Short-Term	Long-Term	Short-Term	Long-Term
Proveedora Mexicana de Materiales, S.A. de C.V.	Ps	880	-	-	-
CEMEX Concretos, S.A. de C.V.		642	6,765	-	-
CEMEX, S.A. de C.V.		327	-	-	13,696
CEMEX International Finance Co.		-	-	9,469	-
Arkio de Mexico S.A. de C.V.		-	-	7,021	-
CEMEX Irish Investments Company Limited.		-	-	4,741	-
Petrocemex, S.A. de C.V.		-	-	4,555	-
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	3,647	-
Turismo CEMEX, S.A. de C.V.		-	-	1,374	-
CEMEX Central, S.A. de C.V.		-	-	1,354	-
MexCement Holdings		-	-	1,170	-
Profesionales en Logistica de Mexico S.A. de C.V.		-	-	1,082	-
CEMEX Internacional, S.A. de C.V.		-	-	359	-
Others		250	102	1,581	-
	Ps	2,099	6,867	46,353	13,696

Guarantors		Assets		Liabilities	
At December 31, 2006		Short-Term	Long-Term	Short-Term	Long-Term
Proveedora Mexicana de Materiales, S.A. de C.V.	Ps	5,101	-	-	-
CEMEX Concretos, S.A. de C.V.		3,002	6,500	-	-
CEMEX, S.A.B. de C.V.		-	538	6,394	-
CEMEX International Finance Co.		-	-	36,611	-
Arkio de Mexico S.A. de C.V.		-	-	-	7,130
Carbonifera de San Patricio, S.A. de C.V.		-	-	-	4,281
CEMEX Irish Investments Company Limited.		-	-	4,642	-
Petrocemex, S.A. de C.V.		-	-	4,571	-
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	7,463	-
Aero Servicios de Vanguardia		-	-	4,213	-
Turismo CEMEX, S.A. de C.V.		-	-	1,381	-
CEMEX Central, S.A. de C.V.		-	-	340	-
Profesionales en Logistica de Mexico S.A. de C.V.		-	-	1,123	-
Others		882	66	2,830	-
	Ps	8,985	7,104	69,568	11,411

The principal transactions carried out with affiliated companies are as follows:

		Years ended December 31,		
Guarantors		2004	2005	2006
Net sales	Ps	4,884	5,834	6,692
Purchases		(1,481)	(1,536)	(2,935)
Selling and administrative expenses		(8,237)	(7,063)	(7,641)
Financial expense		(3,035)	(7,285)	(17,806)
Financial income		926	2,115	3,152
Other expense, net	Ps	622	(594)	(340)

Net sales--The Guarantors sell cement and clinker to affiliated companies in arm's-length transactions.

Purchases--The Guarantors purchase raw materials from affiliates in arm's-length transactions.

Selling and administrative expenses--CEMEX allocates part of its corporate expense to the Guarantors, which also incur rental and trademark rights expenses payable to CEMEX.

Financial income and expense is recorded in receivables from and payables to affiliated companies as described above. Additionally, the Guarantors receive financial income on their temporary investment position, invested in the non-guarantor treasury company.

Guarantors--U.S. GAAP reconciliation of net income and stockholders' equity:

As discussed at the beginning of this note 24, the following reconciliation to U.S. GAAP does not include the reversal of Mexican FRS inflation accounting adjustments, as these adjustments represent a comprehensive measure of the effects of price level changes in the inflationary Mexican economy, which is considered a more meaningful presentation than historical cost-based financial reporting for both Mexican and U.S. accounting purposes. The other principal differences between Mexican FRS and U.S. GAAP and the effect on net income and stockholders' equity are presented below, with an explanation of the adjustments, as follows:

		Years ended December 31,		
		2004	2005	2006
Net income reported under Mexican FRS	Ps	19,666	30,772	23,076
Inflation adjustment (1)		499	(1,394)	-
Net income reported under Mexican FRS after inflation adjustment.		20,165	29,378	23,076
Approximate U.S. GAAP adjustments:				
1. Deferred income taxes and ESPS (note B)		(580)	111	(490)
2. Employees' benefits (note C)		11	(178)	194
3. Inflation adjustment of machinery and equipment (note D)		(117)	(196)	(164)
4. Subsidiary companies (note E)		1,244	1,108	140
5. Monetary position result (note F)		195	107	126
Total approximate U.S. GAAP adjustments		753	952	(194)
Total approximate net income under U.S. GAAP	Ps	20,918	30,330	22,882

		At December 31,	
		2005	2006
Total stockholders' equity under Mexican FRS	Ps	142,044	163,302
Inflation adjustment (1)		(6,437)	-
Total stockholders' equity reported under Mexican FRS after inflation adjustment		135,607	163,302
Approximate U.S. GAAP adjustments:			
1. Effect of pushdown of goodwill, net (note A)		1,914	1,972
2. Deferred income taxes and ESPS (note B)		(3,627)	(3,282)
3. Employees' benefits (note C)		(178)	(77)
4. Inflation adjustment for machinery and equipment (note D)		3,691	2,769
5. Subsidiary companies (note E)		17,575	1,205
Total approximate U.S. GAAP adjustments		19,375	2,587
Stockholders' equity under U.S. GAAP before cumulative effect of accounting change		154,982	165,889
Cumulative effect of accounting change (note C)		-	472
Stockholders' equity under U.S. GAAP after cumulative effect of accounting change	Ps	154,982	166,361

(1) Adjustment that reverses the restatement of prior periods into constant pesos as of December 31, 2006, using the CEMEX weighted average inflation factor (note 3B), and restates such prior periods into constant pesos as of December 31, 2006 using the Mexican-only inflation factor, in order to comply with current requirements of Regulation S-X. The Mexican FRS and U.S. GAAP prior period amounts, included throughout note 24, were restated using the Mexican inflation index, with the exception of those amounts of prior periods that are also disclosed in notes 1 to 23, which were not restated in note 24 using the Mexican inflation in order to have more straightforward cross-references between note 24 and the Mexican FRS notes.

Guarantors--Notes to the U.S. GAAP reconciliation:

A. Business Combinations

In 1989 and 1990, through an exchange of its shares with CEMEX, CEMEX Mexico acquired substantially all its Mexican subsidiaries from CEMEX. The original excess of the purchase price paid by CEMEX over the fair value of the net assets of these subsidiaries was Ps8,197 of which Ps4,240 were recorded in ETM under Mexican FRS at the time of the acquisition. The net adjustment in the Guarantors' stockholders' equity reconciliation to U.S. GAAP arising from this pushed-down goodwill, after eliminating the amounts recorded under Mexican FRS, was Ps1,223 in 2005 and Ps1,273 in 2006.

In addition, during 1995, CEMEX acquired an additional 24.2% equity interest in TOLMEX, S.A. de C.V. ("TOLMEX"), through an exchange offer pursuant to which CEMEX exchanged its own shares for TOLMEX's shares. TOLMEX merged during 1999 with other Mexican subsidiaries creating CEMEX Mexico. The excess of the purchase price paid by CEMEX over the fair value of the net assets of TOLMEX was Ps1,043. The net adjustment in the Guarantors' stockholders' equity reconciliation to U.S. GAAP arising from this pushed-down goodwill was Ps691 in 2005 and Ps699 in 2006.

As mentioned in note 24(a), effective January 1, 2002, amortization ceased for goodwill under U.S. GAAP. Goodwill remained an amortizable item under Mexican FRS until 2004, therefore, for the year ended December 31, 2004, goodwill amortization recorded under Mexican FRS is adjusted for purposes of the reconciliation of net income and stockholders' equity to U.S. GAAP.

B. Deferred Income Taxes and Employees' Statutory Profit Sharing

Deferred income taxes adjustment in the stockholders' equity reconciliation to U.S. GAAP for the years ended December 31, 2005 and 2006, represented expense of Ps701 and expense of Ps388, respectively. In addition, deferred ESPS adjustment to U.S. GAAP was an expense of Ps2,926 in 2005 and an expense of Ps2,894 in 2006.

C. Employees' Benefits

Under U.S. GAAP, post-employment benefits for former or inactive employees, including severance payments which are not part of a specific event of restructuring, are accrued over an employee's service life. Until December 31, 2004 under Mexican FRS, severance payments, which were not part of a business restructuring or a substitution for pension benefits, were recognized in earnings in the period in which they were paid. Beginning January 1, 2005, according to newly issued Mexican FRS, severance payments should also be accrued over the employee's service life according to actuarial computations, in a manner similar to U.S. GAAP (note 14).

The reconciliation of net income to U.S. GAAP for the year ended December 31, 2004, include a reconciling item for an income of Ps11, referring to the difference between the amount of severance payments recognized under Mexican FRS as incurred, and the change during the period of the accrual under U.S. GAAP. For the years ended December 31, 2005 and 2006, 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 (note 14) resulting in an expense of Ps9 and income of Ps23, respectively.

In connection with the change from defined benefit scheme to defined contribution scheme for a portion of the 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 nonrecurring net expense of approximately Ps211 related to: 1) an event of settlement of obligations, which represented an income of approximately Ps169; and 2) an event of curtailment,

which represented an expense of approximately Ps380. The results from the change in the pension plans were determined using a methodology consistent with the rules set forth by SFAS 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits". However, according to SFAS 88, 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 of this timing difference between Mexican FRS and U.S. GAAP, in the reconciliation of net income to U.S. GAAP, the settlement gain of approximately Ps169 (Ps123 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.

Effective December 31, 2006, for purposes of the reconciliation of stockholders' equity under U.S. GAAP, CEMEX adopted SFAS 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. SFAS 158 requires companies to recognize the funded status 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 to the extent those changes are not included in the net periodic cost. The funded status represents the difference between the fair value of plan assets and the benefit obligation on a plan-by-plan basis. As of December 31, 2006 the reconciliation of stockholders' equity under U.S. GAAP presents a Cumulative effect of accounting change related to the adoption of SFAS 158, net of tax for Ps472. The recognition provisions of SFAS 158 had no effect on the Guarantor's net income reconciliation under U.S. GAAP for the year ended December 31, 2006.

D. Inflation Adjustment of Machinery and Equipment

As previously mentioned in note 24(h), for purposes of the U.S. GAAP reconciliation, fixed assets of foreign origin were restated using the inflation factor arising from the Consumer Price Index ("CPI") of each country, and depreciation is based upon the revised amounts.

E. Subsidiary Companies

The Guarantors have adjusted their investment and their equity in the earnings of subsidiary companies for the share of the approximate U.S. GAAP adjustments applicable to these subsidiaries.

F. Monetary Position Result

Monetary position result of the U.S. GAAP adjustments is 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 CPI inflation factor for the period.

Supplemental Guarantors' Cash Flow Information under U.S. GAAP

The classifications of cash flows under Mexican FRS and U.S. GAAP are basically the same in respect of the transactions presented under each caption. The nature of the differences between Mexican FRS and U.S. GAAP in the amounts reported is primarily due to (i) the elimination of inflationary effects in the variations of monetary assets and liabilities arising from financing and investing activities, against the corresponding monetary position result in operating activities, (ii) the elimination of exchange rate fluctuations resulting from

financing and investing activities, against the corresponding unrealized foreign exchange gain or loss included in operating activities, and (iii) the recognition in operating, financing and investing activities of the U.S. GAAP adjustments.

For the Guarantors, the following table summarizes the cash flow items as required under SFAS 95 provided by (used in) operating, financing and investing activities for the years ended December 31, 2004, 2005 and 2006, giving effect to the U.S. GAAP adjustments, excluding the effects of inflation required by Bulletin B-10 and Bulletin B-15. The following information is presented, in millions of pesos, on a historical peso basis and it is not presented in pesos of constant purchasing power:

	Years ended December 31,		
	2004	2005	2006
Net cash provided by operating activities.....Ps	17,388	27,827	19,693
Net cash provided by (used in) financing activities.....	31	9,085	(25)
Net cash used in investing activities.....	(17,355)	(36,909)	(17,722)

Net cash flow from operating activities reflects cash payments for interest and income taxes as follows:

	Years ended December 31,		
	2004	2005	2006
Interest paid.....Ps	4,530	5,975	9,001
Income taxes paid.....	478	1,292	1,383

Of the total interest paid by the Guarantors included in the table above, approximately Ps4,530 in 2004, Ps5,960 in 2005 and Ps8,944 in 2006 were paid to affiliates within CEMEX, while the complement in 2005 and 2006 represents interest paid to third-party creditors.

Guarantors' non-cash activities are comprised of the following:

Dividends declared to CEMEX, S.A.B. de C.V. amounting to Ps6,724 in 2004 were recognized by the Guarantors as accounts payable to CEMEX, S.A.B. de C.V. as of December 31, 2004.

Contingent liabilities of the Guarantors

As of December 31, 2005 and 2006, CEMEX Mexico and ETM guaranteed debt of CEMEX in the amount of U.S.$3,780.0 (Ps40,824) and U.S.$3,725 (Ps40,230).

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 26, 2007, we reported on the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2005 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, 2004, 2005 and 2006, 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 schedules in the annual report. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG Cardenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
June 26, 2007

SCHEDULE I

CEMEX, S.A.B. DE C.V.
Parent Company-Only Balance Sheets
(Millions of constant Mexican pesos as of December 31, 2006)

	Note		December 31, 2005	December 31, 2006		2006 Convenience translation (note B)
ASSETS						
CURRENT ASSETS						
Other accounts receivable	C	Ps	792	748	U.S.$	69
Related parties accounts receivable	I		519	6,444		597
Total current assets			1,311	7,192		666
NON-CURRENT ASSETS						
Investments in subsidiaries and associates	D		143,371	172,279		15,952
Other investments and non-current accounts receivable			2,679	3,054		283
Long-term related parties accounts receivable	I		21,766	-		-
Land and buildings, net	E		1,940	1,935		179
Goodwill and deferred charges	F		3,248	4,341		402
Total non-current assets			173,004	181,609		16,816
TOTAL ASSETS		Ps	174,315	188,801	U.S.$	17,482
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term debt including current maturities of long-term debt	H	Ps	6,665	4,385	U.S.$	406
Other accounts payable and accrued expenses	G		470	1,155		107
Related parties accounts payable	I		422	302		28
Total current liabilities			7,557	5,842		541
NON-CURRENT LIABILITIES						
Long-term debt	H		31,342	29,597		2,740
Long-term related parties accounts payable	I		21,142	13,409		1,242
Other non-current liabilities			517	1,075		100
Total non-current liabilities			53,001	44,081		4,082
TOTAL LIABILITIES			60,558	49,923		4,623
STOCKHOLDERS' EQUITY	K					
Common stock			3,954	3,956		366
Additional paid-in capital			49,056	54,801		5,074
Other equity reserves			(85,986)	(86,554)		(8,014)
Retained earnings			122,283	140,993		13,055
Net income			24,450	25,682		2,378
TOTAL STOCKHOLDERS' EQUITY			113,757	138,878		12,859
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		Ps	174,315	188,801	U.S.$	17,482

The accompanying notes are part of these Parent Company-only financial statements.

SCHEDULE I (Continued)

CEMEX, S.A.B. DE C.V.
Parent Company-Only Statements of Income
(Millions of constant Mexican pesos as of December 31, 2006, except for earnings per share)

	Note		Years ended December 31, 2004	2005	2006		2006 Convenience translation (note B)
Equity in income of subsidiaries and associates	D	Ps	13,866	25,724	24,663	U.S.$	2,283
Rental income	I		299	284	276		26
License fees	I		717	754	920		85
Total revenues			14,882	26,762	25,859		2,394
Administrative expenses			(41)	(60)	(33)		(3)
Operating income			14,841	26,702	25,826		2,391
Comprehensive financing result:							
Financial expense			(2,795)	(4,811)	(5,066)		(469)
Financial income			1,603	1,657	1,760		163
Results from valuation and liquidation of financial instruments			478	970	(1,273)		(118)
Foreign exchange result			882	(811)	421		39
Monetary position result			1,146	881	1,515		140
Net comprehensive financing result			1,314	(2,114)	(2,643)		(245)
Other expenses, net	I		(1,257)	(799)	(829)		(76)
Income before income taxes			14,898	23,789	22,354		2,070
Income taxes, net	J		326	661	3,328		308
Net income		Ps	15,224	24,450	25,682	U.S.$	2,378
Basic Earnings per Share	M	Ps	0.77	1.18	1.19	U.S.$	0.11
Diluted Earnings per Share	M	Ps	0.76	1.17	1.19	U.S.$	0.11

The accompanying notes are part of these Parent Company-only financial statements.

SCHEDULE I (Continued)

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, 2006)

	Note	Years ended December 31, 2004	2005	2006	2006 Convenience translation (note B)

OPERATING ACTIVITIES							
Net income		Ps	15,224	24,450	25,682	U.S.$	2,378
Adjustments to reconcile net income to resources provided by operating activities:							
Depreciation of properties			7	4	5		-
Amortization of deferred charges			369	133	136		13
Deferred income tax charged to results	J		1,129	1,063	(1,284)		(119)
Equity in income of subsidiaries and associates			(13,866)	(25,724)	(24,663)		(2,283)
Resources (used in) provided by operating activities			2,863	(74)	(124)		(11)
Changes in working capital:							
Other accounts receivable			(251)	263	44		4
Short-term related parties accounts receivable and payable, net	I		1,807	(6,178)	(6,045)		(559)
Other accounts payable and accrued expenses			(2,480)	(231)	685		63
Net change in working capital			(924)	(6,146)	(5,316)		(492)
Net resources (used in) provided by operating activities			1,939	(6,220)	(5,440)		(503)
FINANCING ACTIVITIES							
Proceeds from debt (repayments), net			(1,635)	10,804	(4,025)		(373)
Liquidation of optional instruments			(1,129)	-	-		-
Dividends paid			(4,516)	(5,302)	(5,740)		(531)
Issuance of common stock from stock dividend elections			4,457	4,722	5,742		532
Issuance of common stock under stock option program			72	19	5		-
Other financing activities, net			(579)	(949)	558		52
Net resources (used in) provided by financing activities			(3,330)	9,294	(3,460)		(320)
INVESTING ACTIVITIES							
Long-term related parties accounts receivable and payable, net	I		2,150	8,851	14,033		1,299
Investments in subsidiaries and associates			(1,566)	(10,340)	(4,813)		(446)
Goodwill and deferred charges			287	54	55		5
Other investments and non-current accounts receivable			509	(1,751)	(375)		(35)
Net resources provided by (used in) investing activities			1,380	(3,186)	8,900		823
Decrease in cash and investments			(11)	(112)	-		-
Cash and investments at beginning of year			123	112	-		-
Cash and investments at end of year		Ps	112	-	-	U.S.$	-

The accompanying notes are part of these Parent Company-only financial statements.

CEMEX, S.A.B. DE C.V.
NOTES TO THE PARENT COMPANY-ONLY FINANCIAL STATEMENTS
As of December 31, 2004, 2005 and 2006
(Millions of constant Mexican pesos as of December 31, 2006)

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.

At the annual stockholders' meeting held on April 27, 2006, the entity's legal name was changed from CEMEX, Sociedad Anonima de Capital Variable or S.A. de C.V., to CEMEX, Sociedad Anonima Bursatil de Capital Variable or S.A.B. de C.V., effective from July 3, 2006. The inclusion of the word "Bursatil" to the entity's legal name indicates that the shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange; therefore, the entity is a publicly held company. The change in the legal name was made to comply with requirements of the new Mexican Securities Law, enacted on December 28, 2005.

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. On April 27, 2006, the stockholders of CEMEX, S.A.B. de C.V. approved a new two-for-one stock split, which became effective on July 17, 2006. 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. The proportional equity interest participation of existing stockholders did not change as a result of the stock split (see note 16 to our consolidated financial statements included elsewhere in this annual report).

Concurrent with the stock split mentioned above, two new CPOs were issued in exchange for each of the existing CPOs, with each new CPO representing two new series "A" shares and one new series "B" share. 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". As a result of the stock split, one additional ADS was issued in exchange for each existing ADS, each ADS representing ten (10) CPOs. Unless otherwise indicated, all amounts in CPOs, shares and prices per share for 2004 and 2005 included in these notes to the financial statements have been adjusted to give retroactive effect to the new 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.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PRESENTATION AND DISCLOSURE

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 ("Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, A.C.", or CINIF). The MFRS, which replaced the Generally Accepted Accounting Principles in Mexico ("Mexican GAAP") issued by the Mexican Institute of Public Accountants ("IMCP"), recognize 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 in 2004 and 2005; therefore, there were no effects in CEMEX's financial statements resulting from the adoption of the MFRS.

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 "(euro)" 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 Parent Company's balance sheet as of December 31, 2006, as well as the statement of income and the statement of changes in financial position for the year ended December 31, 2006, 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 Ps10.80 pesos per dollar, the CEMEX accounting exchange rate as of December 31, 2006. These translations are informative data and should not be constructed as representations that the amounts in pesos actually represent those dollar amounts or could be converted into dollars at the rate indicated.

B.2 RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

The restatement factors applied to the Parent Company's financial statements of prior periods were determined using Mexican inflation.

	Factor using Mexican inflation
2003 to 2004	1.0539
2004 to 2005	1.0300
2005 to 2006	1.0408

C. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2005 and 2006, other short-term accounts receivable of the Parent Company consist of:

	2005	2006
Non-trade receivables	Ps 234	233
Valuation of derivative instruments	55	312
Other refundable taxes	503	203
	Ps 792	748

D. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As of December 31, 2005 and 2006, investments of the Parent Company in subsidiaries and associates, which are accounted for by the equity method, are as follows:

	2005	2006
Book value at acquisition date	Ps 81,314	82,056
Revaluation by equity method	62,057	90,223
	Ps 143,371	172,279

E. LAND AND BUILDINGS

As of December 31, 2005 and 2006, the Parent Company's land and buildings are summarized as follows:

	2005	2006
Land	Ps 1,760	1,760
Buildings	452	452
Accumulated depreciation	(272)	(277)
Total land and buildings	Ps 1,940	1,935

F. GOODWILL AND DEFERRED CHARGES

As of December 31, 2005 and 2006, goodwill and deferred charges are summarized as follows:

	2005	2006
Intangible assets of indefinite useful life		
Goodwill	Ps 2,165	2,080
Accumulated amortization	(195)	(187)

	1,970	1,893
Deferred charges:		
Deferred financing costs	170	150
Deferred taxes (note J)	1,050	2,292
Others	393	435
Accumulated amortization	(335)	(429)
	Ps 1,278	2,448
	Ps 3,248	4,341

G. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Other accounts payable and accrued expenses of the Parent Company as of December 31, 2005 and 2006 consist of:

	2005	2006
Accounts payable and accrued expenses	Ps 1	1
Interest payable	266	193
Tax payable	198	887
Dividends payable	5	5
Valuation of derivative instruments	-	69
	Ps 470	1,155

H. SHORT-TERM AND LONG-TERM DEBT

The breakdown of the Parent Company's short-term and long-term debt as of December 31, 2005 and 2006 by interest rate and by currency type (excluding effects of derivative instruments associated to such debt), are summarized as follows:

	Carrying amount		Effective rate 1	
	2005	2006	2005	2006
Short-term				
Floating rate	Ps 6,091	2,380	4.97%	5.46%
Fixed rate	574	2,005	12.75%	2.22%
	6,665	4,385		
Long-term				
Fixed rate	15,734	14,173	4.88%	4.34%
Floating rate	15,608	15,424	4.93%	5.01%
	31,342	29,597		
	Ps 38,007	33,982		

	2005				2006			
	Short-term	Long-term	Total	Effective rate 1	Short-term	Long-term	Total	Effective rate 1
Dollars	Ps 2,710	11,976	14,686	5.3%	Ps 221	5,632	5,853	5.1%
Pesos	3,955	19,366	23,321	4.8%	4,164	19,928	24,092	4.9%
Euros	-	-	-		-	4,037	4,037	3.9%
	Ps 6,665	31,342	38,007		Ps 4,385	29,597	33,982	

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.

As of December 31, 2005 and 2006, the Parent Company's short-term debt includes Ps4,543 and Ps2,981, respectively, from current maturities of long-term debt.

The maturities of the Parent Company's long-term debt as of December 31, 2006 are as follows:

	Parent
2008	Ps 3,728
2009	9,383
2010	4,036
2011	8,000
2012 and thereafter	4,450
	Ps 29,597

In the Parent Company's balance sheet at December 31, 2005 and 2006, there were short-term debt transactions, classified as long-term debt, for U.S.$125 (Ps1,447) and U.S.$110 (Ps1,188), respectively, due to the Parent Company's ability and the intention to refinance such indebtedness with the available amounts of committed long-term lines of credit.

I. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2005 and 2006, the Parent Company's main accounts receivable and payable with related parties are as follows:

	Assets		Liabilities	
2005	Short-term	Long-term	Short-term	Long-term
CEMEX Mexico, S.A. de C.V.	Ps -	-	328	8,069
CEMEX International Finance Co.	-	-	46	9,194
Empresas Tolteca de Mexico, S.A. de C.V.	-	21,766	-	-
CEMEX Irish Investments Company Limited	-	-	37	3,879
CEMEX UK Limited	480	-	-	-
CEMEX Venezuela, S.A.C.A.	31	-	-	-
LAI, Ltd.	5	-	-	-
Others	3	-	11	-
	Ps 519	21,766	422	21,142

2006	Assets		Liabilities	
	Short-term	Long-term	Short-term	Long-term
CEMEX Mexico, S.A. de C.V.....Ps	6,394	-	-	537
CEMEX International Finance Co.....	-	-	46	9,083
CEMEX Irish Investments Company Limited.....	-	-	44	3,789
CEMEX Venezuela, S.A.C.A.....	40	-	-	-
CEMEX Concreto, S.A. de C.V.....	-	-	209	-
LAI, Ltd.....	5	-	-	-
Others.....	5	-	3	-
Ps	6,444	-	302	13,409

The main operations with related parties are summarized as follows:

Parent	2004	2005	2006
Rental income.....Ps	299	284	276
License fees.....	717	754	920
Financial expenses.....	(1,007)	(2,065)	(2,761)
Management service expense.....	(997)	(871)	(773)
Financial income.....	1,596	1,651	1,754
Dividends received.....	297	-	-
Other expenses.....Ps	-	-	(23)

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 names 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 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 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., until December 31, 2006, was chief executive officer and chairman of the board of directors of Empresas ICA, S.A.B de C.V., or Empresas ICA, a large Mexican construction company. In the ordinary course of business, CEMEX extends financing to Empresas ICA for varying amounts at market rates, as CEMEX does for other customers.

J. INCOME TAX (IT) AND BUSINESS ASSETS TAX (BAT)

CURRENT PERIOD IT AND BAT

The income tax law in Mexico provides that companies must pay either IT or BAT depending on which amount is greater with respect to their Mexican operations. Both taxes recognize the effects of inflation, although in a manner different from MFRS. The IT benefit (income) presented in the Parent Company's income statements is summarized as follows:

		2004	2005	2006
Received from subsidiaries.....	Ps	1,455	1,724	2,044
Deferred IT.....		(1,129)	(1,063)	1,284
	Ps	326	661	3,328

The Parent Company has accumulated consolidated IT loss carryforwards for its Mexican operations which, restated for inflation, can be amortized against taxable income in the succeeding ten years as established in the income tax law. The amount of tax loss carryforwards as of December 31, 2006 are summarized as follows:

Year in which tax loss occurred		Amount of carryforwards	Year of expiration
2001.....	Ps	936	2011
2002.....		4,362	2012
2003.....		620	2013
2006.....		3,312	2016
	Ps	9,230	

Until December 2006, the BAT Law in Mexico established 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 the BAT in such period. The recoverable BAT as of December 31, 2006 is as follows:

Year in which BAT exceeded IT		Amount of carryforwards	Year of expiration
1997.....	Ps	152	2007

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. The tax authorities offered to clarify relevant aspects in connection with the deduction of liabilities; nevertheless, as of December 31, 2006, there had not been any official communication. CEMEX considers that the BAT law, as amended, is unconstitutional, among other reasons, because it contravenes the required equilibrium between the tax burden and the entities' payment capacity. Therefore, CEMEX intends to challenge the BAT law amendments through appropriate judicial action (juicio de amparo).

Notwithstanding the intended challenge to the BAT law, CEMEX will be required to pay BAT as per the amended law, until the relevant judicial procedure is finally resolved. Likewise, if the challenge does not succeed and/or if the Mexican tax authorities do not modify the prohibition to offset liabilities, the BAT of CEMEX in Mexico will rise appreciably. BAT is complementary to IT incurred and it is paid only when the BAT is levied in excess of the IT for the period.

CEMEX, S.A.B. DE C.V.
NOTES TO THE PARENT COMPANY-ONLY FINANCIAL STATEMENTS-(Continued)
As of December 31, 2004, 2005 and 2006
(Millions of constant Mexican pesos as of December 31, 2006)

DEFERRED INCOME TAX

The valuation method for deferred taxes is detailed in note 3O to our consolidated financial statements included elsewhere in this annual report. 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 in the Parent Company have been offset. As of December 31, 2005 and 2006, the IT effects of the main temporary differences that generate the Parent Company's deferred IT assets and liabilities are presented below:

	2005	2006
Deferred tax assets:		
Tax loss carryforwards and other tax credits to be amortized	Ps 4,752	5,049
Advances	78	359
Derivative financial instruments	116	309
Total deferred tax assets	4,946	5,717
Less - valuation allowance	(3,107)	(2,465)
Net deferred tax assets	1,839	3,252
Deferred tax liabilities:		
Land and buildings	(490)	(483)
Derivative financial instruments	(299)	(477)
Total deferred tax liabilities	(789)	(960)
Net deferred tax position	1,050	2,292
Total effect of deferred IT in stockholders' equity at end of year	1,050	2,292
Less - Total effect of deferred IT in stockholders' equity at beginning of year	2,197	1,050
Restatement effect of beginning balance	84	42
Change in deferred IT for the period	Ps (1,063)	1,284

For the years ended December 31, 2004, 2005 and 2006, deferred income tax for the period in the income statement represented expenses of Ps1,304 and Ps1,063 and income of Ps1,284, respectively.

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.

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 book and the IT basis, give rise to permanent differences between the approximate statutory tax rate and the effective tax rate presented in the Parent Company's income

statements. As of December 31, 2004, 2005 and 2006, these differences are summarized as follows:

	2004	2005	2006
	%	%	%
Approximate Parent Company statutory tax rate	33.0	30.0	29.0
Equity in income of subsidiaries and associates	(30.5)	(32.4)	(32.1)
Valuation allowance for tax carryforwards	2.1	4.7	(2.5)
Benefit for tax consolidation	(9.7)	(7.2)	(9.3)
Others 1	2.9	2.1	0.1
Parent Company's effective tax rate	(2.2)	(2.8)	(14.8)

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 our consolidated financial statements included elsewhere in this annual report 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 our consolidated financial statements included elsewhere in this annual report, 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

See note 20 to our consolidated financial statements included elsewhere in this annual report.

N. CONTINGENCIES AND COMMITMENTS

N.1 GUARANTEES

As of December 31, 2005 and 2006, CEMEX, S.A.B. de C.V. guaranteed loans made to certain subsidiaries for approximately U.S.$711 and U.S.$735, respectively.

N.2 CONTRACTUAL OBLIGATIONS

As of December 31, 2005 and 2006, the approximate cash flows that will be required by the Parent Company to meet its material contractual obligations are summarized as follows:

(U.S. dollars millions)	Payments per period

Obligations	2005	2006				
	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 years	Total
Long-term debt 1.....U.S.$	3,246	276	1,214	1,115	412	3,017
Interest payments on debt 2.....	680	203	303	159	14	679
Estimated cash flows under interest rate derivatives 3.....	208	68	91	55	4	218
Total contractual obligations.....U.S.$	4,134	547	1,608	1,329	430	3,914
Ps	43,903	5,908	17,366	14,353	4,644	42,271

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 in replacing its long-term obligations with others of similar nature.

2 In the determination of the future estimated interest payments on the floating rate denominated debt, the Parent Company used the floating interest rates in effect as of December 31, 2005 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 the future estimated cash flows, the Parent Company used the interest rates applicable under such contracts as of December 31, 2005 and 2006.

O. TAX ASSESSMENTS AND LEGAL PROCEEDINGS

CEMEX, S.A.B. de C.V. has been notified by the Mexican tax authorities of several tax assessments related to different tax periods in a total amount of approximately Ps3,760 as of December 31, 2006. The tax assessments are based primarily on: (i) disallowed restatement of tax loss carryforwards in the same period in which they occurred, and (ii) disallowed determination of cumulative tax loss carryforwards. The Parent Company is using the available defense actions granted by law in order to cancel the tax claims. 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 in respect of the 2005 tax year pursuant to these amendments will be due upon filing their annual tax returns in 2006. CEMEX believes these amendments are contrary to Mexican constitutional principles; consequently, on August 8, 2005 the Company filed a motion in the Mexican federal courts challenging the constitutionality of the amendments. In this endeavor, the Company obtained a favorable ruling on December 23, 2005 in the first stage; 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.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
December 31, 2004, 2005 and 2006
(Millions of constant Mexican Pesos as of December 31, 2006)

Valuation and Qualifying Accounts as of December 31, 2004, 2005 and 2006, is a follows:

Description	Balance at beginning of period	Charged to costs and expenses	Deductions	Others (1)	Balance at end of period
Year ended December 31, 2004:					
Allowance for doubtful accounts.....Ps	703	437	372	22	790
Year ended December 31, 2005:					
Allowance for doubtful accounts.....	790	303	280	541	1,354
Year ended December 31, 2006:					
Allowance for doubtful accounts.....	1,354	254	176	(25)	1,407

(1) The column "Others" includes the balances of allowance for doubtful accounts assumed through business combination as of the acquisition date, which for the year ended December 31, 2005 was approximately Ps504 calculated to the acquisition of RMC. In addition, this column includes the effects of foreign currency translation and the inflation adjustment of the initial balance in the restatement to constant pesos as of the end of the same period.

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 Mexico, 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 Mexico, 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 Espana Finance, LLC, as issuer, and several institutional purchasers named therein, in connection with the issuance by CEMEX Espana 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	(euro)250,000,000 and (Y)19,308,000,000 Term and Revolving Facilities Agreement, dated as of March 30, 2004, by and among CEMEX Espana, as borrower, Banco Bilbao Vizcaya Argentaria, S.A.

	and Societe Generale, as mandated lead arrangers, and the several banks and other financial institutions named therein, as lenders. (d)
4.3	CEMEX Espana Finance LLC Note Purchase Agreement, dated as of April 15, 2004 for (Y)4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010 and (Y)6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011. (e)
4.3.1	Amendment No. 1 to CEMEX Espana 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 Mexico, 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 Espana, 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 Participacoes 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 Participacoes 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 Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, 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)

Exhibit No.	Description
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 Mexico, S.A. de C.V. and Empresas Tolteca De Mexico, 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 Espana Finance LLC, as issuer, and several institutional purchasers, relating to the private placement by CEMEX Espana 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 Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V., as Guarantors, and BBVA Bancomer, S.A. Institucion de Banca Multiple, 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 Espana, 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 Mexico, 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 Mexico, 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 Mexico, 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 (euro)900,000,000 aggregate principal amount of 4.75% Notes due 2014. (g)

Exhibit No.	Description
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 Mexico, 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 (euro)730,000,000 aggregate principal amount of 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures. (g)
8.1	List of subsidiaries of CEMEX, S.A.B. de C.V. (g)
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. (g)
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. (g)
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. (g)
14.1	Consent of KPMG Cardenas 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. (g)

(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) Filed herewith.

Exhibit 4.1.1

EXECUTION COPY

AMENDMENT AGREEMENT

AMENDMENT AGREEMENT, dated as of September 1, 2006 (this "Agreement"), is entered into by and among Cemex España Finance LLC, a Delaware limited liability company (the "Company"), Cemex España, S.A., a corporation organized under the laws of the Kingdom of Spain ("Cemex España"), Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, Cemex Shipping B.V., a limited liability company organized under the laws of The Netherlands, Cemex Asia B.V., a limited liability company organized under the laws of The Netherlands (each a "Guarantor" and together with Cemex España the "Guarantors"), and the holders of the Notes party hereto relating to (i) the Note Purchase Agreement, dated as of June 23, 2003 (the "Note Purchase Agreement"), among the Company, Cemex España and each of the purchasers listed therein pursuant to which the Company issued (a) U.S.$103,000,000 aggregate principal amount of its 4.77% Series 2003 Senior Notes, Tranche 1 due 2010 (the "Series 2003 Notes Tranche 1"), (b) U.S.$96,000,000 aggregate principal amount of its 5.36% Series 2003 Senior Notes, Tranche 2 due 2013 (the "Series 2003 Notes Tranche 2") and (c) U.S.$201,000,000 aggregate principal amount of its 5.51% Series 2003 Senior Notes, Tranche 3 due 2015 (the "Series 2003 Notes Tranche 3" and, together with the Series 2003 Notes Tranche 1 and the Series 2003 Notes Tranche 2, the "Notes"), and (ii) the Note Guarantee dated as of June 23, 2003 (the "Note Guarantee") executed in favor of the holders of the Notes. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Note Purchase Agreement and the Note Guarantee.

W I T N E S S E T H

WHEREAS, the Company has entered into the Note Purchase Agreement with the Purchasers, pursuant to which the Company issued and sold the Notes;

WHEREAS, Cemex España and the other Guarantors have executed the Note Guarantee in favor of the holders of the Notes; and

WHEREAS, the parties hereto mutually desire to amend the terms of the Note Purchase Agreement and the Note Guarantee;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Amendments to Note Purchase Agreement. The Company, Cemex España and the undersigned holders of the Notes hereby agree that effective as of the date (the "Effective Date") on which the conditions precedent in Section 3 of this Agreement have been satisfied, without any further action, the Note Purchase Agreement shall be amended as follows:

1.1 A new Section 10.8 shall be inserted to read as follows:

10.8 Release of Guarantors.

(a) In the event that the Company delivers to the holders of the Notes a certificate (a "**Guarantor Release Certificate"**) signed by two authorized signatories of the Company confirming that (as at the date of the Guarantor Release Certificate) a substantial part of the Net Borrowings of Cemex España and each of its Subsidiaries:

(i) is guaranteed only by Cemex España and/or any other guarantors which are not Guarantors (whether, for the avoidance of doubt, as a result of the repayment, redemption, maturity or cancellation of any Financial Indebtedness, or any agreement with any creditor of Cemex España and each of its Subsidiaries or as a result of any other reason); and/or

(ii) (A) is subject to provisions in any agreements or documents (including this Agreement) with any creditor of Cemex España and each of its Subsidiaries (or any other party) relating to any Financial Indebtedness of Cemex España and

each of its Subsidiaries, which allow for the release of all or any of the Guarantors as guarantors pursuant to such agreements or documents (other than Cemex España, such that the only remaining guarantors of such Financial Indebtedness would in each case be Cemex España and/or any other guarantors which are not Guarantors), and (B) the conditions (if any) to such release pursuant to such agreements or documents have been met by the relevant Guarantor, and (C) any or all of the Guarantors (other than Cemex España) has or have been released (or will be so released at a date which is not later than the date scheduled for release of the relevant Guarantor pursuant to the relevant Guarantor Release Certificate) as guarantors of the relevant Financial Indebtedness pursuant to such agreements or other documents,

the obligations of the relevant Guarantor(s) (other than Cemex España) under the Note Guarantee shall terminate and such Guarantor(s) shall be discharged in full, and such Persons shall cease to be Guarantor(s), effective as of the date indicated in the Guarantor Release Certificate, which date shall not be earlier than 10 days of receipt by the holders of the Notes of the Guarantor Release Certificate, provided always that any such termination and discharge pursuant to this Section 10.8 would not result in a downgrading of the then current rating of Cemex España assigned by S&P or Fitch Investors Service, Inc. (or an outlook other than positive or stable with respect to such rating) and provided further that at the time of and immediately after giving effect to such termination and discharge pursuant to this Section 10.8, no Default or Event of Default shall have occurred or be continuing, treating Financial Indebtedness of any Excluded Subsidiary Guarantor that is being so terminated and discharged

pursuant to this Section 10.8 as being incurred on the date of such termination and discharge pursuant to Section 10.6.

(b) For purposes of this Section 10.8, a "**substantial part**" shall mean an aggregate amount equal to or greater than 85 per cent of the aggregate value of the Net Borrowings of Cemex España and each of its Subsidiaries.

The "**Net Borrowings**" of Cemex España and each of its Subsidiaries referred in this Section 10.8 shall be determined by reference to the most recent compliance certificate delivered to the holders of the Notes pursuant to Section 7.2 at the date of the relevant Guarantor Release Certificate.

(c) For the avoidance of doubt, the Guarantor Release Certificate shall also:

(i) specify the percentage of the Net Borrowings of Cemex España and each of its Subsidiaries which is guaranteed only by Cemex España and/or any guarantors which are not Guarantors;

(ii) specify the percentage of the Net Borrowings of Cemex España and each of its Subsidiaries which is subject to provisions in agreements or documents which allow for the release of the guarantors (other than Cemex España);

(iii) certify that the conditions (if any) to the release of such Guarantors in such agreements or documents have been met by Cemex España and each of its Subsidiaries (as appropriate) as at the date of the Guarantor Release Certificate;

(iv) certify that the relevant Guarantor(s) has or have been released (or will be so released at a date which is not later than the date scheduled for release of the relevant Guarantor pursuant to the relevant Guarantor Release Certificate) as Guarantor(s) of the relevant Financial Indebtedness (the "Released Guarantor(s)");

(v) identify the relevant Released Guarantor(s);

(vi) confirm that neither S&P nor Fitch Investors Service, Inc. will downgrade the then current Rating assigned to Cemex España as a result of the release of the relevant Guarantor(s) as Guarantor(s) under this Agreement; and

(vii) confirm that after giving effect to such release, no Default or Event of Default shall have occurred and be continuing.

(d) Following delivery of the Guarantor Release Certificate to the holders of the Notes, Cemex España shall provide notice of the release, and

termination of the obligations of the Guarantors (other than Cemex España) to the holder of the Notes, in accordance with Section 18 of this Agreement.

1.2 A new Section 10.9 shall be inserted to read as follows:

10.9 Payment restrictions affecting Subsidiaries.

Cemex España shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any consensual agreement or arrangement directly limiting the ability of any of its Subsidiaries to (a) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary or (b) repay or capitalize any intercompany indebtedness owed by any Subsidiary to the Company or any Guarantor; provided that (x) the foregoing shall not restrict

(i) any agreement or arrangement entered into by a person prior to such person becoming a Subsidiary, in which case the Company and Cemex España shall use commercially reasonable efforts to remove such limitations (it being understood that if such limitations are reasonably likely to affect the ability of the Company to satisfy its payment obligations under the Notes, the Company and Cemex España shall use commercially reasonable efforts to remove such limitations as soon as possible),

(ii) any agreement or arrangement that is binding upon any Person in connection with a Permitted Securitization and any agreement or arrangement that limits the ability of any Subsidiary that transfers receivables and related assets to a Special Purpose Vehicle in a Permitted Securitization to distribute or transfer receivables and related assets, provided *that all such agreements and arrangements are customarily required by the institutional sponsor or arranger of such Permitted Securitization in similar types of documents relating to the purchase of receivables and related assets in connection with the financing thereof,*

(iii) customary provisions in joint venture agreements relating solely to the securities, assets and revenues of such joint venture,

(iv) any agreement or arrangement with respect to a Subsidiary in connection with Priority Indebtedness incurred by such Subsidiary and permitted under Section 10.6,

(v) restrictions on distributions applicable to Subsidiaries that are the subject of agreements to sell or otherwise dispose of the stock or assets of such Subsidiaries, in transactions not prohibited by this Agreement, pending such sale or other disposition and

(vi) restrictions on cash or other deposits or net worth in favor of counterparties under leases, licenses or other contracts entered into in the ordinary course of business,

and (y) for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Section 10.9.

1.3 Section 11(k) to the Note Purchase Agreement shall be amended by deleting such section in its entirety and replacing it with the following:

(k) the Note Guarantee shall cease to be in full force and effect with respect to Cemex España or any other Guarantor (other than in accordance with Section 10.2(a) and Section 10.8 of this Agreement); or Cemex España or any other Guarantor (or any Person by, through or

on behalf of Cemex España or such other Guarantor) shall contest in any manner the validity, binding nature or enforceability of the Note Guarantee.

1.4 Schedule B to the Note Purchase Agreement shall be amended by adding the following definitions thereto, each in its appropriate alphabetical position:

"**CO_2 Emission Rights**" means any emission rights or allowance allocated to Cemex España or any of its Subsidiaries without cost to emit one tonne of carbon dioxide equivalent (as defined in the Directive) during a specified period which is valid and/or transferable under the Directive and any other type of allowance recognized by the Directive in connection to the Kyoto Protocol on climate change.

"**Directive**" means Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003, establishing a scheme for greenhouse gas emission allowance trading within the European Community (as amended by Directive 2004/101/EC of the European Parliament and of the Council of October 27, 2004, and as the same may be further amended or otherwise modified from time to time).

1.5 Schedule B to the Note Purchase Agreement shall be amended as follows:

(1) amending the definition of "EBITDA" by deleting such definition in its entirety and replacing it with the following:

"**EBITDA**" means, for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortization of intangible assets plus annual amortization of start-up costs of Cemex España and its Subsidiaries plus dividends received from non-consolidated companies, plus an amount equal to the amount of Cemex Capital Contributions made during such period immediately preceding the date on which it is to be calculated (up to an amount equal to the amount of Royalty Expenses made in such period) plus the income recorded during such period for the use of CO_2 Emission Rights (to the extent not already included in the

calculation of operating profit). Such calculation shall be made in accordance with Spanish GAAP, where:

"Cemex Capital Contributions" means contributions in cash to the capital of Cemex España by Cemex or by any of its Subsidiaries not being a Subsidiary of Cemex España made after January 1, 2002.

"Intellectual Property Rights" means all copyrights (including rights in computer software), trade marks, service marks, business names, patents, rights in inventions, registered designs, design rights, database rights and similar rights, rights in trade secrets or other confidential information and any other intellectual property rights and any interests (including by way of license) in any of the foregoing (in each case whether registered or not and including all applications for the same) which may subsist in any given jurisdiction.

"Royalty Expenses" means expenses incurred by Cemex España or any of its Subsidiaries to Cemex or any of its Subsidiaries not being a Subsidiary of Cemex España as (a) consideration for the granting to Cemex España or any Subsidiary of a license to use, exploit and enjoy Intellectual Property Rights and any other intangible assets such as, but not limited to, know-how, formulae, process technology and other forms of intellectual and industrial property, whether or not registered, held by Cemex or any of its Subsidiaries not being a Subsidiary of Cemex España; or (b) fees, commissions or other amounts accrued in respect of any management contract, services contract, overhead expenses allocation arrangement or any other similar transaction; provided that in clauses (a)U and U(b)U such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

(2) amending the definition of "Excluded Subsidiary Guarantor" by adding the following sentence at the end of such definition but before the period:

; provided further, that a Subsidiary shall no longer be considered to be an Excluded Subsidiary Guarantor if such Subsidiary has been released from its obligations under the Note Guarantee in accordance with the terms of this Agreement

(3) amending the definition of "Guarantors" by deleting such definition in its entirety and replacing it with the following:

> "**Guarantors**" means (a) each of (i) Cemex España, (ii) Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, (iii) Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, (iv) Cemex Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, (v) Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, (vi) Cemex Shipping B.V., a limited liability company organized under the laws of The Netherlands and (vii) Cemex Asia

> B.V., a limited liability company organized under the laws of The Netherlands, (b) any Person that, as a result of a consolidation, merger or asset transfer permitted by Section 10.2, assumes the obligations of a Person described in clause (a) above under the Note Guarantee and (if applicable) this Agreement and (c) any other Person that executes a joinder of the Note Guarantee from time to time; provided that any of the foregoing Persons (other than Cemex España) may cease to be a Guarantor as provided in Section 10.2(a); or be released as a Guarantor pursuant to Section 10.8; provided, further that any Person released as a Guarantor pursuant to Section 10.8 may subsequently become a Guarantor pursuant to this Agreement and the Note Guarantee; and "Guarantor" means any of them.

2. Amendment to Note Guarantee. The Company, Cemex España, the other Guarantors and the undersigned holders of the Notes hereby agree that effective as of the Effective Date on which the conditions precedent in Section 3 of this Agreement have been satisfied, without any further action, the Note Guarantee shall be amended as follows:

2.1 Section 13 of the Note Guarantee shall be amended by deleting such section in its entirety and replacing it with the following:

> 13. Counterparts; Additional Guarantors; Release; Amendments. This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original but all such counterparts shall together constitute one and the same Guarantee. At any time after the date of this Guarantee, one or more additional Persons may become parties hereto by executing and delivering to the holders a counterpart of this Guarantee. Immediately upon such execution and delivery (and without any further action), each such additional Person will become a party to, and will be bound by all of the terms of, this Guarantee. At any time after its execution hereof, any one of the undersigned (other than, in the case of Section 10.8 of the Note Purchase Agreement, Cemex España) may be released from liability hereunder in accordance with Sections 10.2(a) or 10.8 of the Note Purchase Agreement. This Guarantee may be amended pursuant to Section 17 of the Note Purchase Agreement.

3. Effective Date and Conditions Precedent. The effectiveness of the amendments provided in Sections 1 and 2 of this Agreement shall be subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties contained in Sections 4 and 5 of this Agreement shall be true in all material respects on and as of the Effective Date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on the Effective Date.

(c) Compliance Certificate. The Company and Cemex España shall have delivered to each of the holders of Notes an Officer's Certificate, dated the Effective Date, certifying that the conditions specified in Section 3(a) above have been fulfilled.

(d) Execution and Delivery by the Required Holders. As of the Effective Date, this Agreement shall have been executed by the Required Holders and copies of the executed signature pages of the Required Holders shall have been delivered to all holders of the Notes.

(e) Delivery by the Company, Cemex España and the Other Guarantors. As of the Effective Date, original copies of this Agreement executed by the Company, Cemex España and each of the other Guarantors, shall have been delivered to each of the holders of Notes.

(f) Legal Fees. The Company shall have paid the fees and expenses of Latham & Watkins LLP, special counsel to the holders of the Notes, referred to in Section 9 of this Agreement, to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Effective Date.

(g) Amendment Fee. The Company shall have paid to each holder of a Note, in the manner and at the address for payments specified in Section 14.1 of the Note Purchase Agreement, an amendment fee of 0.025% of the aggregate unpaid principal amount of the Notes held by such holder on the Effective Date.

4. Representations and Warranties of the Company. The Company represents and warrants to each of the undersigned holders of Notes that:

(a) Organization; Power and Authority. The Company is a Delaware limited liability company and is in good standing in its jurisdiction of organization.

(b) Authorization, etc. This Agreement has been duly authorized by all necessary corporate action on the part of the Company, and upon execution and delivery hereof this Agreement and the Note Purchase Agreement, as amended hereby, will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by the Company of this Agreement will not (i) contravene the provisions of the certificate of incorporation or bylaws of the Company or result in a breach of any of the terms of any Material agreement or instrument to which the Company or any of its Subsidiaries is bound or by which the Company or any of its Subsidiaries is a party, (ii) result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any of its Subsidiaries or (iii) violate any

provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any of its Subsidiaries.

(d) Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement.

(e) No Default. No Default or Event of Default has occurred and is continuing.

5. Representations and Warranties of Cemex España. Cemex España represents and warrants to each of the undersigned holders of Notes that:

(a) Organization; Power and Authority. Cemex España is a corporation duly organized, validly existing and in good standing under the laws of the Kingdom of Spain.

(b) Authorization, etc. This Agreement has been duly authorized by all necessary corporate or other organizational action on the part of Cemex España, and this Agreement and the Note Guarantee, as amended hereby, constitute, or will constitute upon execution and delivery thereof, legal, valid and binding obligations of Cemex España enforceable against Cemex España in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by Cemex España of this Agreement will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of Cemex España or any Subsidiary

under, any indenture, mortgage, deed of trust, loan purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which Cemex España or any Subsidiary is bound or by which Cemex España or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to Cemex España or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to Cemex España or any Subsidiary.

(d) Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by Cemex España of this Agreement.

6. Survival of Representations and Warranties. All representations and warranties contained herein shall survive the execution and delivery of this Agreement. All representations and warranties contained herein also shall survive the transfer by a holder of any Note or portion

thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder, regardless of any investigation made at any time by or on behalf of any holder. All statements contained in any certificate or other instrument delivered by or on behalf of the Company or Cemex España pursuant to this Agreement shall be deemed representations and warranties of the Company or Cemex España as applicable, under this Agreement.

7. Ratification of Note Purchase Agreement. This Agreement shall be construed in connection with and as part of the Note Purchase Agreement and the Note Guarantee, and except as modified and expressly amended by this Agreement, all terms, conditions and covenants contained in the Note Purchase Agreement, the Notes and the Note Guarantee are hereby ratified and shall remain in full force and effect.

8. References to Note Purchase Agreement and Note Guarantee. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Agreement may refer to the Note Purchase Agreement or the Note Guarantee without making specific reference to this Agreement but nevertheless all such references shall include this Agreement unless the context otherwise requires.

9. Expenses. The Company agrees to pay all out-of-pocket expenses of the holders arising in connection with this Agreement and the transactions contemplated hereby, including without limitation the reasonable fees and expenses of Latham & Watkins LLP, special counsel for the holders of the Notes in connection with this Agreement.

10. Headings. The descriptive headings of the various sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

11. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Very truly yours,

CEMEX ESPAÑA FINANCE LLC

By: /s/ Francisco Javier García
Name: Francisco Javier García
Title: Attorney-in-Fact

CEMEX ESPAÑA, S.A.

By: /s/ Francisco Javier García
Name: Francisco Javier García
Title: Attorney-in-Fact

CEMEX CARACAS INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX CARACAS II INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX EGYPTIAN INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX ASIA B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX AMERICAN HOLDINGS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX SHIPPING B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

The foregoing is hereby
agreed to as of the
date thereof.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY
OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY
MERIT LIFE INSURANCE CO.

BY: AIG GLOBAL INVESTMENT CORP., investment adviser

By: /s/ Ted Etlinger
Name: Ted Etlinger
Title: Vice President

METLIFE INSURANCE COMPANY OF CONNECTICUT
(f/k/a THE TRAVELERS INSURANCE COMPANY)

By: /s/ James R. Dingler
Name: James R. Dingler
Title: Vice President

METLIFE LIFE AND ANNUITY COMPANY OF CONNECTICUT
(f/k/a THE TRAVELERS LIFE AND ANNUITY COMPANY)

By: /s/ James R. Dingler
Name: James R. Dingler
Title: Vice President

NATIONAL BENEFIT LIFE INSURANCE COMPANY
By: Conning Asset Management Company,
Its Investment Manager

By: /s/ Robert M. Mills
Name: Robert M. Mills
Title: Senior Vce President

PRIMERICA LIFE INSURANCE COMPANY

By: Conning Asset Management Company,
Its Investment Manager

By: /s/ Robert M. Mills
Name: Robert M. Mills
Title: Senior Vce President

AMERICAN MAYFLOWER LIFE INSURANCE COMPANY

By: _____
Name:
Title:

EMPLOYERS REINSURANCE CORPORATION

By: _____
Name:
Title:

FIRST COLONY LIFE INSURANCE COMPANY

By: _____
Name:
Title:

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

By: _____
Name:
Title:

MEDICAL PROTECTIVE COMPANY

By: _____
Name:
Title:

JOHN HANCOCK LIFE INSURANCE COMPANY

By: /s/ Michael L. Short
Name: Michael L. Short
Title: Managing Director

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY

By: /s/ Michael L. Short
Name: Michael L. Short
Title: Authorized Signatory

AMCO INSURANCE COMPANY

By: _____
Name:
Title:

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

By: _____
Name:
Title:

NATIONWIDE LIFE INSURANCE COMPANY

By: _____
Name:
Title:

NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT

By: _____
Name:
Title:

NATIONWIDE MUTUAL INSURANCE COMPANY

By: _____
Name:
Title:

CALHOUN & CO., AS NOMINEE FOR COMERICA
BANK & TRUST, NATIONAL ASSOCIATION, TRUSTEE
TO THE TRUST CREATED BY TRUST AGREEMENT
DATED OCTOBER 1, 2002

By: /s/ Annette Lawson
Name: Annette Lawson
Title: Attorney-in-Fact or Agent

BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Thomas M. Donohue
Name: Thomas M. Donohue
Title: Managing Director

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Barry Scheinhotlz
Name: Barry Scheinhotlz
Title: Private Placements Manager

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD LIFE INSURANCE COMPANY
SENTINEL INSURANCE COMPANY

By: _____
Name:
Title:

RELIASTAR LIFE INSURANCE COMPANY
USG ANNUITY & LIFE COMPANY
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK

By: _____
Name:
Title:

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By: /s/ Jed R. Martin
Name: Jed R. Martin
Title: Vice President, Private Placements

THRIVENT FINANCIAL FOR LUTHERANS

By: _____
Name:
Title:

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Lisa A. Scuderi
Name: Lisa A. Scuderi
Title: Corporate Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
By: New York Life Investment Management LLC, its Investment Manager

By: /s/ Lisa A. Scuderi
Name: Lisa A. Scuderi
Title: Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT
By: New York Life Investment Management LLC, its Investment Manager

By: /s/ Lisa A. Scuderi
Name: Lisa A. Scuderi
Title: Director

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ David A. Barras
Name: David A. Barras
Title: Its Authorized Signatory

BENEFICIAL LIFE INSURANCE COMPANY

By: /s/ David A. Barras
Name: David A. Barras
Title: Its Authorized Signatory

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC
A Delaware limited liability company
Its authorized signatory

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Vice President & Senior Investment Counsel

By: /s/ James C. Fifield
Name: James C. Fifield
Title: Counsel

PHOENIX LIFE INSURANCE COMPANY

By: _____
Name:
Title:

PHL VARIABLE INSURANCE COMPANY

By: _____
Name:
Title:

Exhibit 4.3.1

EXECUTION COPY

AMENDMENT AGREEMENT

AMENDMENT AGREEMENT, dated as of September 1, 2006 (this "Agreement"), is entered into by and among Cemex España Finance LLC, a Delaware limited liability company (the "Company"), Cemex España, S.A., a corporation organized under the laws of the Kingdom of Spain ("Cemex España"), Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, Cemex Shipping B.V., a limited liability company organized under the laws of The Netherlands, Cemex Asia B.V., a limited liability company organized under the laws of The Netherlands (each a "Guarantor" and together with Cemex España the "Guarantors"), and the holders of the Notes party hereto relating to (i) the Note Purchase Agreement, dated as of April 15, 2004 (the "Note Purchase Agreement"), among the Company, Cemex España and each of the purchasers listed therein pursuant to which the Company issued (a) ¥4,980,600,000 aggregate principal amount of its 1.79% Series 2004 Senior Notes, Tranche 1 due 2010 (the "Series 2004 Notes Tranche 1"), and (b) ¥6,087,400,000 aggregate principal amount of its 1.99% Series 2004 Senior Notes, Tranche 2 due 2011 (the "Series 2004 Notes Tranche 2" and, together with the Series 2004 Notes Tranche 1, the "Notes"), and (ii) the Note Guarantee dated as of April 15, 2004 (the "Note Guarantee") executed in favor of the holders of the Notes. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Note Purchase Agreement and the Note Guarantee.

W I T N E S S E T H

WHEREAS, the Company has entered into the Note Purchase Agreement with the Purchasers, pursuant to which the Company issued and sold the Notes;

WHEREAS, Cemex España and the other Guarantors have executed the Note Guarantee in favor of the holders of the Notes; and

WHEREAS, the parties hereto mutually desire to amend the terms of the Note Purchase Agreement and the Note Guarantee;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Amendments to Note Purchase Agreement. The Company, Cemex España and the undersigned holders of the Notes hereby agree that effective as of the date (the "Effective Date") on which the conditions precedent in Section 3 of this Agreement have been satisfied, without any further action, the Note Purchase Agreement shall be amended as follows:

1.1 A new Section 10.8 shall be inserted to read as follows:

10.8 Release of Guarantors.

(a) In the event that the Company delivers to the holders of the Notes a certificate (a "**Guarantor Release Certificate"**) signed by two authorized signatories of the Company confirming that (as at the date of the Guarantor Release Certificate) a substantial part of the Net Borrowings of Cemex España and each of its Subsidiaries:

(i) is guaranteed only by Cemex España and/or any other guarantors which are not Guarantors (whether, for the avoidance of doubt, as a result of the repayment, redemption, maturity or cancellation of any Financial Indebtedness, or any agreement with any creditor of Cemex España and each of its Subsidiaries or as a result of any other reason); and/or

(ii) (A) is subject to provisions in any agreements or documents (including this Agreement) with any creditor of Cemex España and each of its Subsidiaries (or any other party) relating to any Financial Indebtedness of Cemex España and each of its Subsidiaries, which allow for the release of all or any of the Guarantors as guarantors pursuant to such agreements or documents (other than

Cemex España, such that the only remaining guarantors of such Financial Indebtedness would in each case be Cemex España and/or any other guarantors which are not Guarantors), and (B) the conditions (if any) to such release pursuant to such agreements or documents have been met by the relevant Guarantor, and (C) any or all of the Guarantors (other than Cemex España) has or have been released (or will be so released at a date which is not later than the date scheduled for release of the relevant Guarantor pursuant to the relevant Guarantor Release Certificate) as guarantors of the relevant Financial Indebtedness pursuant to such agreements or other documents,

the obligations of the relevant Guarantor(s) (other than Cemex España) under the Note Guarantee shall terminate and such Guarantor(s) shall be discharged in full, and such Persons shall cease to be Guarantor(s), effective as of the date indicated in the Guarantor Release Certificate, which date shall not be earlier than 10 days of receipt by the holders of the Notes of the Guarantor Release Certificate, provided always that any such termination and discharge pursuant to this Section 10.8 would not result in a downgrading of the then current rating of Cemex España assigned by S&P or Fitch Investors Service, Inc. (or an outlook other than positive or stable with respect to such rating) and provided further that at the time of and immediately after giving effect to such termination and discharge pursuant to this Section 10.8, no Default or Event of Default shall have occurred or be continuing, treating Financial Indebtedness of any Excluded Subsidiary Guarantor that is being so terminated and discharged

pursuant to this Section 10.8 as being incurred on the date of such termination and discharge pursuant to Section 10.6.

(b) For purposes of this Section 10.8, a "**substantial part**" shall mean an aggregate amount equal to or greater than 85 per cent of the aggregate value of the Net Borrowings of Cemex España and each of its Subsidiaries.

The "**Net Borrowings**" of Cemex España and each of its Subsidiaries referred in this section shall be determined by reference to the most recent compliance certificate delivered to the holders of the Notes pursuant to Section 7.2 at the date of the relevant Guarantor Release Certificate.

(c) For the avoidance of doubt, the Guarantor Release Certificate shall also:

(i) specify the percentage of the Net Borrowings of Cemex España and each of its Subsidiaries which is guaranteed only by Cemex España and/or any guarantors which are not Guarantors;

(ii) specify the percentage of the Net Borrowings of Cemex España and each of its Subsidiaries which is subject to provisions in agreements or documents which allow for the release of the guarantors (other than Cemex España);

(iii) certify that the conditions (if any) to the release of such Guarantors in such agreements or documents have been met by Cemex España and each of its Subsidiaries (as appropriate) as at the date of the Guarantor Release Certificate;

(iv) certify that the relevant Guarantor(s) has or have been released (or will be so released at a date which is not later than the date scheduled for release of the relevant Guarantor pursuant to the relevant Guarantor Release Certificate) as Guarantor(s) of the relevant Financial Indebtedness (the "Released Guarantor(s)");

(v) identify the relevant Released Guarantor(s);

(vi) confirm that neither S&P nor Fitch Investors Service, Inc. will downgrade the then current Rating assigned to Cemex España as a result of the release of the relevant Guarantor(s) as Guarantor(s) under this Agreement; and

(vii) confirm that after giving effect to such release, no Default or Event of Default

shall have occurred and be continuing.

(d) Following delivery of the Guarantor Release Certificate to the holders of the Notes, Cemex España shall provide notice of the release, and termination of the obligations of the Guarantors (other than Cemex

España) to the holder of the Notes, in accordance with Section 18 of this Agreement.

1.2 A new Section 10.9 shall be inserted to read as follows:

10.9 Payment restrictions affecting Subsidiaries.

Cemex España shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any consensual agreement or arrangement directly limiting the ability of any of its Subsidiaries to (a) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary or (b) repay or capitalize any intercompany indebtedness owed by any Subsidiary to the Company or any Guarantor; provided that (x) the foregoing shall not restrict

(i) any agreement or arrangement entered into by a person prior to such person becoming a Subsidiary, in which case the Company and Cemex España shall use commercially reasonable efforts to remove such limitations (it being understood that if such limitations are reasonably likely to affect the ability of the Company to satisfy its payment obligations under the Notes, the Company and Cemex España shall use commercially reasonable efforts to remove such limitations as soon as possible),

(ii) any agreement or arrangement that is binding upon any Person in connection with a Permitted Securitization and any agreement or arrangement that limits the ability of any Subsidiary that transfers receivables and related assets to a Special Purpose Vehicle in a Permitted Securitization to distribute or transfer receivables and related assets, provided *that all such agreements and arrangements are customarily required by the institutional sponsor or arranger of such Permitted Securitization in similar types of documents relating to the purchase of receivables and related assets in connection with the financing thereof,*

(iii) customary provisions in joint venture agreements relating solely to the securities, assets and revenues of such joint venture,

(iv) any agreement or arrangement with respect to a Subsidiary in connection with Priority Indebtedness incurred by such Subsidiary and permitted under Section 10.6,

(v) restrictions on distributions applicable to Subsidiaries that are the subject of agreements to sell or otherwise dispose of the stock or assets of such Subsidiaries, in transactions not prohibited by this Agreement, pending such sale or other disposition and

(vi) restrictions on cash or other deposits or net worth in favor of counterparties under leases, licenses or other contracts entered into in the ordinary course of business,

and (y) for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Section 10.9.

1.3 Section 11(k) to the Note Purchase Agreement shall be amended by deleting such section in its entirety and replacing it with the following:

(k) the Note Guarantee shall cease to be in full force and effect with respect to Cemex España or any other Guarantor (other than in accordance with Section 10.2(a) and Section 10.8 of this Agreement); or Cemex España or any other Guarantor (or any Person by, through or on behalf of Cemex España or such other Guarantor) shall contest in any manner the

validity, binding nature or enforceability of the Note Guarantee.

1.4 Schedule B to the Note Purchase Agreement shall be amended by adding the following definitions thereto, each in its appropriate alphabetical position:

"**CO_2 Emission Rights**" means any emission rights or allowance allocated to Cemex España or any of its Subsidiaries without cost to emit one tonne of carbon dioxide equivalent (as defined in the Directive) during a specified period which is valid and/or transferable under the Directive and any other type of allowance recognized by the Directive in connection to the Kyoto Protocol on climate change.

"**Directive**" means Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003, establishing a scheme for greenhouse gas emission allowance trading within the European Community (as amended by Directive 2004/101/EC of the European Parliament and of the Council of October 27, 2004, and as the same may be further amended or otherwise modified from time to time).

1.5 Schedule B to the Note Purchase Agreement shall be amended as follows:

(1) amending the definition of "EBITDA" by deleting such definition in its entirety and replacing it with the following:

"**EBITDA**" means, for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortization of intangible assets plus annual amortization of start-up costs of Cemex España and its Subsidiaries plus dividends received from non-consolidated companies, plus an amount equal to the amount of Cemex Capital Contributions made during such period immediately preceding the date on which it is to be calculated (up to an amount equal to the amount of Royalty Expenses made in such period) plus the income recorded during such period for the use of CO_2 Emission Rights (to the extent not already included in the calculation of operating profit). Such calculation shall be made in accordance with Spanish GAAP, where:

"Cemex Capital Contributions" means contributions in cash to the capital of Cemex España by Cemex or by any of its Subsidiaries not being a Subsidiary of Cemex España made after January 1, 2002.

"Intellectual Property Rights" means all copyrights (including rights in computer software), trade marks, service marks, business names, patents, rights in inventions, registered designs, design rights, database rights and similar rights, rights in trade secrets or other confidential information and any other intellectual property rights and any interests (including by way of license) in any of the foregoing (in each case whether registered or not and including all applications for the same) which may subsist in any given jurisdiction.

"Royalty Expenses" means expenses incurred by Cemex España or any of its Subsidiaries to Cemex or any of its Subsidiaries not being a Subsidiary of Cemex España as (a) consideration for the granting to Cemex España or any Subsidiary of a license to use, exploit and enjoy Intellectual Property Rights and any other intangible assets such as, but not limited to, know-how, formulae, process technology and other forms of intellectual and industrial property, whether or not registered, held by Cemex or any of its Subsidiaries not being a Subsidiary of Cemex España; or (b) fees, commissions or other amounts accrued in respect of any management contract, services contract, overhead expenses allocation arrangement or any other similar transaction; provided that in clauses (a)U and U(b)U such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

(2) amending the definition of "Excluded Subsidiary Guarantor" by adding the following sentence at the end of such definition but before the period:

; provided, further, that a Subsidiary shall no longer be considered to be an Excluded Subsidiary Guarantor if such Subsidiary has been released from its obligations under the Note Guarantee in accordance with the terms of this Agreement

(3) amending the definition of "Guarantors" by deleting such definition in its entirety and replacing it with the following:

"**Guarantors**" means (a) each of (i) Cemex España, (ii) Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, (iii) Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, (iv) Cemex Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, (v) Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, (vi) Cemex Shipping B.V., a limited liability company organized under the laws of The Netherlands and (vii) Cemex Asia B.V., a limited liability company organized under the laws of The Netherlands, (b) any Person that, as a result of a consolidation, merger or asset transfer permitted by Section 10.2, assumes the obligations of a Person described in clause

(a) above under the Note Guarantee and (if applicable) this Agreement and (c) any other Person that executes a joinder of the Note Guarantee from time to time; provided that any of the foregoing Persons (other than Cemex España) may cease to be a Guarantor as provided in Section 10.2(a); or be released as a Guarantor pursuant to Section 10.8; provided, further that any Person released as a Guarantor pursuant to Section 10.8 may subsequently become a Guarantor pursuant to this Agreement and the Note Guarantee; and "Guarantor" means any of them.

2. Amendment to Note Guarantee. The Company, Cemex España, the other Guarantors and the undersigned holders of the Notes hereby agree that effective as of the Effective Date on which the conditions precedent in Section 3 of this Agreement have been satisfied, without any further action, the Note Guarantee shall be amended as follows:

2.1 Section 13 of the Note Guarantee shall be amended by deleting such section in its entirety and replacing it with the following:

13. Counterparts; Additional Guarantors; Release; Amendments. This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original but all such counterparts shall together constitute one and the same Guarantee. At any time after the date of this Guarantee, one or more additional Persons may become parties hereto by executing and delivering to the holders a counterpart of this Guarantee. Immediately upon such execution and delivery (and without any further action), each such additional Person will become a party to, and will be bound by all of the terms of, this Guarantee. At any time after its execution hereof, any one of the undersigned (other than, in the case of Section 10.8 of the Note Purchase Agreement, Cemex España) may be released from liability hereunder in accordance with Sections 10.2(a) or 10.7 of the Note Purchase Agreement. This Guarantee may be amended pursuant to Section 17 of the Note Purchase Agreement.

3. Effective Date and Conditions Precedent. The effectiveness of the amendments provided in Sections 1 and 2 of this Agreement shall be subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties contained in Sections 4 and 5 of this Agreement shall be true in all material respects on and as of the Effective Date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on the Effective Date.

(c) Compliance Certificate. The Company and Cemex España shall have delivered to each of the holders of Notes an Officer's Certificate, dated the Effective Date, certifying that the conditions specified in Section 3(a) above have been fulfilled.

(d) Execution and Delivery by the Required Holders. As of the Effective Date, this Agreement shall have been executed by the Required Holders and copies of the executed signature pages of the Required Holders shall have been delivered to all holders of the Notes.

(e) Delivery by the Company, Cemex España and the Other Guarantors. As of the Effective Date, original copies of this Agreement executed by the Company, Cemex España and each of the other Guarantors, shall have been delivered to each of the holders of Notes.

(f) Legal Fees. The Company shall have paid the fees and expenses of Latham & Watkins LLP, special counsel to the holders of the Notes, referred to in Section 9 of this Agreement, to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Effective Date.

(g) Amendment Fee. The Company shall have paid to each holder of a Note, in the manner and at the address for payments specified in Section 14.1 of the Note Purchase Agreement, an amendment fee of 0.025% of the aggregate unpaid principal amount of the Notes held by such holder on the Effective Date.

4. Representations and Warranties of the Company. The Company represents and warrants to each of the undersigned holders of Notes that:

(a) Organization; Power and Authority. The Company is a Delaware limited liability company and is in good standing in its jurisdiction of organization.

(b) Authorization, etc. This Agreement has been duly authorized by all necessary corporate action on the part of the Company, and upon execution and delivery hereof this Agreement and the Note Purchase Agreement, as amended hereby, will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by the Company of this Agreement will not (i) contravene the provisions of the certificate of incorporation or bylaws of the Company or result in a breach of any of the terms of any Material agreement or instrument to which the Company or any of its Subsidiaries is bound or by which the Company or any of its Subsidiaries is a party, (ii) result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any of its Subsidiaries or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any of its Subsidiaries.

(d) Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement.

(e) No Default. No Default or Event of Default has occurred and is continuing.

5. Representations and Warranties of Cemex España. Cemex España represents and warrants to each of the undersigned holders of Notes that:

(a) Organization; Power and Authority. Cemex España is a corporation duly organized, validly existing and in good standing under the laws of the Kingdom of Spain.

(b) Authorization, etc. This Agreement has been duly authorized by all necessary corporate or other organizational action on the part of Cemex España, and this Agreement and the Note Guarantee, as amended hereby, constitute, or will constitute upon execution and delivery thereof, legal, valid and binding obligations of Cemex España enforceable against Cemex España in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by Cemex España of this Agreement will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of Cemex España or any Subsidiary under, any indenture, mortgage, deed of trust, loan purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which Cemex España or any Subsidiary is bound or by which Cemex España or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to Cemex España or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority

applicable to Cemex España or any Subsidiary.

(d) Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by Cemex España of this Agreement.

6. Survival of Representations and Warranties. All representations and warranties contained herein shall survive the execution and delivery of this Agreement. All representations and warranties contained herein also shall survive the transfer by a holder of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder, regardless of any investigation made at any time by or on behalf of any

holder. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company or Cemex España, as applicable, under this Agreement.

7. Ratification of Note Purchase Agreement. This Agreement shall be construed in connection with and as part of the Note Purchase Agreement and the Note Guarantee, and except as modified and expressly amended by this Agreement, all terms, conditions and covenants contained in the Note Purchase Agreement, the Notes and the Note Guarantee are hereby ratified and shall remain in full force and effect.

8. References to Note Purchase Agreement and Note Guarantee. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Agreement may refer to the Note Purchase Agreement or the Note Guarantee without making specific reference to this Agreement but nevertheless all such references shall include this Agreement unless the context otherwise requires.

9. Expenses. The Company agrees to pay all out-of-pocket expenses of the holders arising in connection with this Agreement and the transactions contemplated hereby, including without limitation the reasonable fees and expenses of Latham & Watkins LLP, special counsel for the holders of the Notes in connection with this Agreement.

10. Headings. The descriptive headings of the various sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

11. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Very truly yours,

CEMEX ESPAÑA FINANCE LLC

By: /s/ Francisco Javier García
Name: Francisco Javier García
Title: Attorney-in-Fact

CEMEX ESPAÑA, S.A.

By: /s/ Francisco Javier García
Name: Francisco Javier García
Title: Attorney-in-Fact

CEMEX CARACAS INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX CARACAS II INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX EGYPTIAN INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX ASIA B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX AMERICAN HOLDINGS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX SHIPPING B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

The foregoing is hereby agreed to as of the

date thereof.

JOHN HANCOCK LIFE INSURANCE COMPANY

By: /s/ Michael L. Short
Name: Michael L. Short
Title: Managing Director

NATIONWIDE MUTUAL INSURANCE COMPANY

By: _____
Name:
Title:

MANULIFE LIFE INSURANCE COMPANY

By: _____
Name:
Title:

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ James R. Dingler
Name: James R. Dingler
Title: Director

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Jeffrey J. Cannon
Name: Jeffrey J. Cannon
Title: Authorized Signatory

By: /s/ Jerry D. Zinkula
Name: Jerry D. Zinkula
Title: Authorized Signatory

Exhibit 4.4

EXECUTION VERSION

AMENDED AND RESTATED CREDIT AGREEMENT

among

CEMEX, S.A. de C.V.,
as Borrower

and

CEMEX MÉXICO, S.A. de C.V.,
as Guarantor

and

EMPRESAS TOLTECA de MÉXICO, S.A. de C.V.,
as Guarantor

and

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank and Documentation Agent

and

ING BANK N.V.,
as Issuing Bank

and

The Several Lenders Party Hereto,
as Lenders

and

BARCLAYS CAPITAL,
THE INVESTMENT BANKING DIVISION
OF BARCLAYS BANK PLC,
as Joint Bookrunner

and

CITIGROUP GLOBAL MARKETS INC.,
as Joint Bookrunner and Syndication Agent

and

ING CAPITAL LLC,
as Joint Bookrunner and Administrative Agent

US$700,000,000

Dated as of June 6, 2005

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AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED CREDIT AGREEMENT, dated as of June 6, 2005 among

CEMEX, S.A. de C.V., a *sociedad anonima 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 anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, **EMPRESAS TOLTECA DE MÉXICO**, **S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States (each a "Guarantor" and together, the "Guarantors"), **BARCLAYS BANK PLC, NEW YORK BRANCH** ("Barclays"), as an Issuing Bank and Documentation Agent, **ING BANK N.V.**, as an Issuing Bank (together with Barclays in its capacity as an Issuing Bank, the " Issuing Banks"), the several Lenders party hereto, **BARCLAYS CAPITAL**, **THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC**, as a Joint Bookrunner, **CITIGROUP GLOBAL MARKETS INC.** , as a Joint Bookrunner and Syndication Agent and **ING CAPITAL LLC**, as a Joint Bookrunner and Administrative Agent.

RECITALS

WHEREAS, the Borrower entered into a Credit Agreement, dated as of June 23, 2004, among the Borrower, the Guarantors, Barclays, as an issuing bank and documentation agent, ING Bank N.V., as an issuing bank, the several lenders party thereto, Barclays Capital, the Investment Banking Division of Barclays, as a joint bookrunner and ING Capital LLC, as a joint bookrunner and administrative agent (the " Existing Agreement").

WHEREAS, the Borrower proposes to amend and restate the Existing Agreement in its entirety.

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.

"Additional Commitment Lender" has the meaning specified in Section 4.02(f).

"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 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 Mexican GAAP.

"Administrative Agent" means ING Capital LLC, in its capacity as administrative agent for each of the Participating Lenders, and its successors 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 4.10(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 Available Standby L/C Sublimit" means, as of any date, the lesser of (a)(i) the aggregate amount of the Available Standby L/C Sublimit of each Issuing Bank minus (ii) the aggregate amount of the Standby L/C Exposure of each Issuing Bank at such time, and (b) the Available Commitments.

"Aggregate Committed Amount" means the aggregate amount of all of the Commitments.

"Aggregate Exposure" means the sum of (i) the Outstanding Borrowings under this Agreement and (ii) the Aggregate Standby L/C Exposure.

"Aggregate Standby L/C Sublimit" means, initially $200,000,000, as such amount may be reduced in accordance with Section 4.01.

"Aggregate Standby L/C Exposure" means the sum the Standby L/C Exposure of each Issuing Bank.

"Agreement" means this Amended and Restated Credit Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable Margin" means, at any date, the applicable margin set forth below based upon the Borrower's Consolidated Net Debt/EBITDA Ratio (it being understood that measurement of the Consolidated Net Debt/EBITDA Ratio as of the most recent Measurement Date is sufficient for this purpose):

	Applicable Margin	
Consolidated Net Debt/EBITDA Ratio	Base Rate Loans	LIBOR Loans
3.00 to 1 or greater	0.45%	0.45%
Less than 3.00 to 1, but greater than or equal to 2.50 to 1	0.40%	0.40%
Less than 2.50 to 1, but greater than or equal to 2.00 to 1	0.35%	0.35%
Less than 2.00 to 1	0.30%	0.30%

; provided, however, the initial Applicable margin shall be 0.45%.

"Appropriate Issuing Bank" means, at any time, the Issuing Bank with the greatest Available Standby L/C Sublimit, or if the Available Standby L/C Sublimit for each Issuing Bank is equal, then the Issuing Bank designated as such in the Notice of Borrowing.

"Amendment Fee" has the meaning specified in Section 4.03(e).

"Assignee" has the meaning specified in Section 15.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit D.

"Available Commitments" means, as of any date, the Aggregate Committed Amount minus the Aggregate Exposure.

"Available Standby L/C Sublimit" means, with respect to each Issuing Bank, as of any date, the lesser of (a)(i) Standby L/C Sublimit for such Issuing Bank minus (ii) the Standby L/C Exposure for such Issuing Bank at such time, and (b) the Available Commitments.

"Average Aggregate Committed Amount" means, for any Utilization Period, the sum of the Aggregate Committed Amount as of the end of each day during such Utilization Period, divided by the number of days in such Utilization Period.

"Average Outstanding Loans" means, for any Utilization Period, the sum of the aggregate principal amount of Loans outstanding under this Agreement as of the end of each day during such Utilization Period, divided by the number of days in such Utilization 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.

"Bookrunners" or "Joint Bookrunners" means Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and ING Capital LLC, in their capacity as joint bookrunners hereunder, and each of their successors in such capacity.

"Borrower" has the meaning specified in the preamble hereto.

"Borrowing" means the aggregate amount of Loans hereunder to be made to the Borrower pursuant to Article II on a particular date by each of the Lenders.

"Borrowing Request" means a Notice of Borrowing, a Swing Line Notice of Borrowing or a Standby L/C Request.

"Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City or The Netherlands Antilles are authorized or required by law 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 GAAP 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 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.

"Commitment" means, with respect to each Lender, the aggregate principal amount set forth opposite the name of such Lender in Schedule 1.01(a) or in any Assignment and Assumption Agreement, as such amount may be reduced or increased from time to time in accordance with the provisions hereof.

"Commitment Fee" has the meaning specified in Section 4.03(a).

"Commitment Percentage" means, with respect to each Lender, a fraction (expressed as a decimal) the numerator of which is the Commitment of such Lender at such time and the denominator of which is the Aggregate Committed Amount at such time. The initial Commitment Percentages are set out on Schedule 1.01(a).

"Commitment Period" means the period from and including the Effective Date to but excluding the earlier of (i) the Termination Date, or (ii) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"Confidential Information" means information that the Borrower or a Guarantor furnishes to the Administrative Agent, the Joint Bookrunners 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 or the Joint Bookrunners or such Lender from a source other than the Borrower or a Guarantor that is not, to the best of the Administrative Agent's, the Joint Bookrunners' or such 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 GAAP.

"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 GAAP.

"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 any period of four consecutive fiscal quarters immediately preceding, which shall be calculated based on the most recent available consolidated financial statements of the Borrower 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.

"Credit Party" means any of the Borrower or 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 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.

"Defaulting Lender" has the meaning specified in Section 2.01(d).

"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, with respect to a Drawing, the date on which such Drawing is paid by the relevant Issuing Bank and, with respect to a Loan, the date on which such Loan is made by the Participating 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.

"Dow Jones Page 3750" means the display designated as page "3750" on the Dow Jones Market Screen (formerly known as the Telerate Service) or such other page as may replace the "3750" page on that 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.

"Drawing" means a drawing made under a Standby L/C.

"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 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 Borrowers 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 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 5.01.

"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 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 specified in Section 11.01.

"Existing Agreement" has the meaning specified in the Recitals hereto.

"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 the Original Fee Letter and the New Fee Letter.

"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 Default" means a default by a Lender pursuant to Section 2.01(d).

"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 15.05.

"Interest Payment Date" means (i) with respect to any Base Rate Loan, the last day of each March, June, September and December, the date of repayment of such Loan and the Termination Date and, (ii) with respect to any LIBOR Loan, the last day of each Interest Period for such Loan, the date of repayment of principal of such Loan and on the Termination Date, (iii) with respect to any Swing Line Loan, the Maturity

Date thereof. 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 succeeding Business Day, except that in the case of LIBOR Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day.

"Interest Period" means, with respect to each Borrowing of LIBOR Loans, the period (i) commencing (A) on the date of such Borrowing or conversion of Base Rate Loans into LIBOR Loans 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 one, two, three or six months thereafter as the Borrower may elect in the applicable Notice of Borrowing or Notice of Continuation/Conversion; provided, however, that:

(1) any Interest Period which would otherwise end on a day which is not a LIBOR Business Day shall, subject to paragraph (3) below, be extended to the next succeeding LIBOR Business Day unless such LIBOR Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding LIBOR Business Day;

(2) any Interest Period which 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, subject to paragraph (3) below, end on the last LIBOR Business Day of a calendar month;

(3) any Interest Period which would otherwise end after the last day of the Commitment Period shall end on the last day of the Commitment Period; and

(4) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Issuing Bank" means each of Barclays Bank PLC and ING Bank N.V., each in its capacity as issuer of Standby L/Cs, and its successors in such capacity.

"Joint Bookrunners Fees" has the meaning specified in Section 4.03(d).

"Lender" means each financial institution designated as such on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 15.06(b), each Additional Commitment Lender, each Substitute Lender 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 and with the consent of the Issuing Banks (which shall not be unreasonably withheld).

"LIBOR", applicable to any Interest Period, means 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 Dow Jones Page 3750 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 Dow Jones Page 3750, LIBOR means the arithmetic mean (rounded upwards to the nearest 1/16%) 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 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 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" means any Revolving Loan or any Swing Line Loan.

"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 Administrative Agent or any Lender under this Agreement or any of the Notes or (c) the ability of the Borrower and/or the Guarantors to perform their Obligations under this Agreement , the Notes, the Fee Letter, any Notice of Borrowings, any certificates, waivers, or any other agreement delivered pursuant to this Agreement.

"Material Debt" means Debt (other than the Loans and the Standby L/C Exposure) 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) each Guarantor.

"Measurement Date" means any of the dates specified in Section 8.13.

"Mexican GAAP" means, generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Section 9.01, Mexican GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 8.01. In the event that any change in Mexican GAAP 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 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 GAAP 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, 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 GAAP had not occurred.

"Mexico" means the United Mexican States.

"Ministry of Finance" means the Ministry of Finance and Public Credit of Mexico.

"New Fee Letter" means the fee letter entered into by the Borrower, Barclays, Citigroup Global Markets Inc. and ING Capital LLC dated as of April 20, 2005.

"Non-Extending Lender" means, in connection with extending the Termination Date and the Commitments in accordance with Section 4.02, (a) any Participating Lender that gives written notice to the Joint Bookrunners and Administrative Agent that it does not agree to extend its Commitment and (b) any Participating Lender that fails to give any notice within five Business Days prior to the effective date of such extension, whether or not such Participating Lender agrees to such extension, and shall, for purposes of the effectiveness of this Agreement, also include any lender under the Existing Agreement that elected not to extend its commitment under the Existing Agreement to be a Participating Lender hereunder.

"Note" means any promissory note of the Borrower delivered pursuant to this Agreement.

"Notice of Borrowing" has the meaning specified in Section 2.01(c).

"Notice of Extension/Conversion" has the meaning specified in Section 2.01(e).

"Obligations" means, (a) with respect to the Borrower, all of its indebtedness, obligations and liabilities to the Participating Lenders, the Joint Bookrunners 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, obligations and liabilities to the Participating Lenders, the Joint Bookrunners 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.

"Obligors" means the Borrower and each Guarantor.

"OECD Bank" shall mean any bank organized under the laws of a member of the Organization for Economic Cooperation and Development.

"Original Fee Letter" means the fee letter between the Issuing Banks and the Borrower dated as of May 10, 2004.

"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.

"Outstanding Borrowings" means the aggregate principal amount of all Loans outstanding.

"Participant" has the meaning specified in Section 15.06(d).

"Participating Lender" means any Lender, Swing Line Lender or Issuing Bank, or if used in the plural, all thereof.

"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 9.02.

"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 15.12(a).

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Borrower or any Subsidiary pursuant to

which the Borrower or any Subsidiary may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by the Borrower or any other Seller) and any other person (in the case of a transfer by a Special Purpose Vehicle), or may grant a security interest in, any Receivables Program Assets (whether now existing or arising in the future); provided that:

(a) no portion of the indebtedness or any other obligations (contingent or otherwise) of a Special Purpose Vehicle (i) is guaranteed by the Borrower or any other Seller or (ii) is recourse to or obligates the Borrower or any other Seller in any way such that the requirements for off balance sheet treatment under Financial Accounting Standards Bulletin 140 are not satisfied; and

(b) the Borrower and the other Sellers do not have any obligation to maintain or preserve the financial condition of a Special Purpose Vehicle or cause such entity to achieve certain levels of operating results.

"Receivables" means all rights of the Borrower or any other Seller to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment of any interest or finance charges), which rights are identified in the accounting records of the Borrower or such Seller as accounts receivable.

"Receivables Documents" means (a) a receivables purchase agreement, pooling and servicing agreement, credit agreement, agreements to acquire undivided interests or other agreement to transfer, or create a security interest in, Receivables Program Assets, in each case as amended, modified, supplemented or restated and in effect from time to time entered into by the Borrower, another Seller and/or a Special Purpose Vehicle, and (b) each other instrument, agreement and other document entered into by the Borrower, any other Seller or a Special Purpose Vehicle relating to the transactions contemplated by the items referred to in clause (a) above, in each case as amended, modified, supplemented or restated and in effect from time to time.

"Receivables Program Assets" means (a) all Receivables which are described as being transferred by the Borrower, another Seller or a Special Purpose Vehicle pursuant to the Receivables Documents, (b) all Receivables Related Assets in respect of such Receivables, and (c) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses.

"Receivables Program Obligations" means (a) notes, trust certificates, undivided interests, partnership interests or other interests representing the right to be paid a specified principal amount from the Receivables Program Assets and (b) related obligations of the Borrower, a Subsidiary of the Borrower or a Special Purpose Vehicle (including, without limitation, rights in respect of interest or yield hedging obligations, breach of warranty claims and expense reimbursement and indemnity provisions).

"Receivables Related Assets" means with respect to any "Receivables" (i) any rights arising under the documentation governing or relating to such Receivables

(including rights in respect of liens securing such Receivables), (ii) any proceeds of such Receivables, (iii) other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Reference Banks" shall mean three banks in the London interbank market, initially Barclays Bank PLC, ING Bank N.V. and Citibank, N.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.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) whose Total Exposures, when aggregated, exceed 50% of the Aggregate Exposure minus the Total Exposure of any Defaulting Lenders at such time.

"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.

"Revolving Loans" has the meaning specified in Section 2.01(a) hereof.

"Seller" means the Borrower and any Subsidiary or other affiliate of the Borrower (other than a Subsidiary or affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

"Special Purpose Vehicle" means a trust, partnership or other special purpose person established by the Borrower and/or its Subsidiaries to implement a Qualified Receivables Transaction.

"Standby L/C" means (i) a standby letter of credit issued by an Issuing Bank and substantially in the form of Exhibit G, as such may hereafter be amended or replaced from time to time pursuant to the terms of this Agreement, and (ii) any standby letter of credit of an Issuing Bank, issued and outstanding on the Effective Date pursuant to the terms of the Existing Agreement.

"Standby L/C Exposure" means, with respect to each Issuing Bank, at any time, the sum of (a) the aggregate undrawn amount at such time of all outstanding Standby L/Cs of such Issuing Bank plus (b) the aggregate unpaid amount at such time of all unreimbursed Drawings under all outstanding Standby L/Cs of such Issuing Bank.

"Standby L/C Facility" means the Standby L/Cs, any Drawing (including any unreimbursed Drawing), any obligations of the Borrower in respect of the foregoing and the payments received by the Issuing Banks in respect of any of the foregoing.

"Standby L/C Fees" has the meaning specified in Section 4.03(b).

"Standby L/C Request" has the meaning specified in Section 3.01(c).

"Standby L/C Sublimit" means, with respect to each Issuing Bank, initially US$100,000,000, as such amount as may be reduced or increased in connection with an extension of the Termination Date and the Commitments in accordance with Section 4.02.

"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. For purposes of determining whether a trust formed in connection with a Qualified Receivables Transaction is a Subsidiary, notes, trust certificates, undivided interests, partnership interests or other interests of the type described in clause (a) of the definition of Receivables Program Obligations shall be counted as beneficial interests in such trust.

"Substitute Lender" means a commercial bank or other financial institution, acceptable to the Borrower, the Participating Lenders and the Administrative Agent, each in its sole discretion, and approved by the Joint Bookrunners (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.

"Swing Line Lenders" means Barclays Bank PLC and ING Bank N.V., each acting in the capacity of Lender of Swing Line Loans hereunder.

"Swing Line Loans" means, collectively, the loans outstanding pursuant to Section 2.02 from time to time.

"Swing Line Maturity Date" means, with respect to any Swing Line Loan, the later of (i) the Business Day set forth in the relevant Swing Line Request as the date upon which such Swing Line Loan matures; *provided* that such date shall be no later than the third Business Day following the relevant Borrowing or (ii) the date to which the Swing Line Loan has been extended pursuant to Section 2.02(c)(iv).

"Swing Line Request" means a request by the Borrower for a Swing Line Loan, which shall specify (i) the requested Borrowing Date, (ii) the requested date of maturity and (iii) the amount of such Swing Line Loan.

"Swing Line Sublimit" means, with respect to each Swing Line Lender individually, US$50,000,000 and in the aggregate, US$100,000,000.

"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 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 each Lender, each Issuing Bank, the Administrative Agent 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 performs its functions as Administrative Agent or as are imposed on such Lender, such Issuing Bank or the Administrative Agent or any of their Tax Related Persons (as the case may be) as a result of a present or former connection between the Lender, the Issuing Bank, the Administrative Agent 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, the Issuing Bank or such Administrative Agent 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 any Lender's or Administrative Agent'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 such 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 such Lender complied with those conditions).

"Temporary Investments" means, at any date, all amounts that would, in conformity with Mexican 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 Borrower at such date.

"Termination Date" means the date which is the earliest of (a) the date four years following the Effective Date, or if extended with the written consent of a Participating Lender pursuant to Section 4.02, such later date as it relates to such Participating Lender or (b) if no Loans or Standby L/Cs are outstanding, the date the Commitments are terminated in accordance with this Agreement.

"Total Exposure" means at any time, as to any Lender, the amount of its Commitment at such time, or, if the Commitments shall have terminated, its Total Outstandings at such time.

"Total Outstandings" means at any time, as to any Lender, the sum of the aggregate outstanding principal amount of such Lender's Revolving Loans and its pro rata share of the aggregate outstanding Standby L/C Exposure and its pro rata share of the Swing Line Exposure.

"Transaction Documents" means a collective reference to this Credit Agreement, the Notes, any Assignment and Assumption Agreement, the Fee Letter, any Standby L/C, 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.

"Utilization" means, for any Utilization Period, the percentage obtained by dividing the Average Outstanding Loans by the Average Aggregate Committed Amount.

"Utilization Period" means each calendar quarter, except that the initial Utilization Period shall commence on the Effective Date and end on June 30, 2005, and the final Utilization Period shall end on the Termination Date.

"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 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 GAAP.

ARTICLE II
THE LOAN FACILITIES

2.01 Revolving Loans.

(a) Commitment. During the Commitment Period, subject to the terms and conditions hereof,

each Lender, severally and not jointly with the other Lenders, agrees to make revolving credit loans in Dollars (the "Revolving Loans") to the Borrower from time to time in an aggregate principal amount at any one time outstanding not to exceed such Lender's Commitment for the purposes hereinafter set forth; provided that (i) with regard to the Lenders collectively, the aggregate principal amount of Loans outstanding, together with the Aggregate Standby L/C Exposure, at any one time shall not exceed the Aggregate Committed Amount, and (ii) with regard to each Lender individually, the aggregate principal amount of such Lender's Commitment Percentage of all the Loans outstanding at any time, together with such Lender's Commitment Percentage of its Standby L/C Exposure, shall not exceed the Commitment of such Lender. Revolving Loans may consist of Base Rate Loans or LIBOR Loans, or a combination thereof, as the Borrower may request, and may be repaid, prepaid and reborrowed in accordance with the provisions hereof; provided that if any Revolving Loan shall be made on the Effective Date or within three (3) Business Days thereafter such Revolving Loan may be a LIBOR Loan only if the Borrower delivers to the Administrative Agent a funding indemnity letter in form and substance satisfactory to the Administrative Agent.

(b) Loans and Borrowings. Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their Commitment Percentage. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required.

(c) Revolving Loan Borrowings.

(i) Requests for Borrowings. (A) To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone, not later than 12:00 p.m., New York City time, (1) in the case of a request for a Base Rate Loan, on the business day prior to the day the Borrower designates therein as the Disbursement Date or (2) in the case of a request for a LIBOR Loan, on the date that is no less than three LIBOR Business Days prior to the Disbursement

Date. Each such telephonic Borrowing request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written notice (the "Notice of Borrowing") in the form attached as Exhibit B approved by the Administrative Agent and signed by the Borrower. Each such telephonic request and written Notice of Borrowing shall specify the following information in compliance with this Section 2.01:

(1) that a Revolving Loan is requested;

(2) the requested Disbursement Date, which shall be a Business Day;

(3) the aggregate principal amount to be borrowed; and

(4) whether the Borrowing shall be composed of Base Rate Loans, LIBOR Loans, or a combination thereof, and if LIBOR Loans are requested, the Interest Period(s) therefor.

(B) If the Borrower shall fail to specify in any such Notice of Borrowing (i) an applicable Interest Period in the case of a LIBOR Loan, then such notice shall be deemed to be a request for an Interest Period of one (1) month, or (ii) the type of Revolving Loan requested, then such notice shall be deemed to be a request for a LIBOR Loan hereunder.

(C) Not later than 1:00 p.m. New York City time on the Business Day on which the Notice of Borrowing is received, the Administrative Agent shall promptly advise each Lender of the details thereof and shall advise each Lender of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing.

(ii) Minimum Amounts. Each Revolving Loan shall be in a minimum aggregate principal amount of $5,000,000, in the case of LIBOR Loans, or $1,000,000 (or the remaining Committed Amount, if less), in the case of Base Rate Loans, and integral multiples of $1,000,000 in excess thereof.

(d) Funding of Borrowings. Each Lender shall make each Revolving Loan to be made by it

hereunder on the Disbursement Date by wire transfer of immediately available funds by 1:00 p.m., New York City time, to the account held by the Administrative Agent for such purpose most recently designated by it by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting on the same day the amounts so received, in like funds, to the account number 36964215 that the Borrower maintains with Citibank, NA. NY (ABA No. 021000089 Ref: CEMEX) in New York City (the "Funding Account") or any other account with such bank or any other financial institution designated by the Borrower in the applicable Notice of Borrowing. Unless the Administrative Agent shall have received notice from a Lender, prior to the time of any Borrowing, that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the

Administrative Agent may, but shall not be required to, assume that such Lender has made such share available on such date in accordance with Section 2.01(c) and may in its sole discretion, 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 share of the applicable Borrowing available to the Administrative Agent or delays in doing so past 4:00 p.m., New York City time, on the Disbursement Date (such Lender (until it makes such 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, in its sole discretion, made available to the Borrower an amount corresponding to such Defaulting Lender's share of the 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:

(i) in the case of the Defaulting Lender, the Federal Funds Rate; or

(ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans.

If, with respect to the immediately preceding sentence, the Borrower pays such amount to the Administrative Agent, then the Defaulting Lender shall indemnify and hold harmless the Borrower from and against such amount, and if such Defaulting Lender pays such amount to the Administrative Agent, then such amount shall constitute such Defaulting Lender's Loan included in such Borrowing. If the Administrative Agent, in its discretion, does not make available to the Borrower an amount corresponding to the Defaulting Lender's share of the Borrowing then (x) the Defaulting Lender shall indemnify and hold harmless the Borrower 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 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 Borrower, and (y) such share of the applicable Borrowing that was not made available shall (until made available) be disregarded for purposes of calculating the Commitment Fee pursuant to Section 4.03(a) and in the event such share has not been disregarded for such purposes, any amount paid by the Borrower in respect of such share shall be reimbursed to the Borrower by the applicable Defaulting Lender with interest thereon at the Federal Funds Rate for each day from and including the date such share of the Commitment Fee was paid by the Borrower to but excluding the date of reimbursement by the Defaulting Lender. 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. The Administrative Agent shall not, however, be liable to the Borrower for any failure by any Defaulting Lender to reimburse the Borrower for any amounts in respect of such Commitment Fee.

(e) Extension and Conversion. The Borrower shall have the option, on any Business Day, to extend existing Revolving Loans into a subsequent permissible Interest Period or to convert Revolving Loans into Revolving Loans of another interest rate type; provided, however, that (i) except as provided in Section 4.07, LIBOR Loans may be converted into Base Rate Loans only on the last day of the Interest Period applicable thereto unless the Borrower agrees to pay all Funding Losses, (ii) LIBOR Loans may be extended, and Base Rate Loans may be converted into LIBOR Loans, only if the conditions in Section 5.02 have been satisfied, (iii) Loans extended as, or converted into, LIBOR Loans shall be subject to the terms of the definition

of "Interest Period" set forth in Section 1.01 and shall be in such minimum amounts as provided in Section 2.01(c)(ii), and (iv) any request for extension or conversion of a LIBOR Loan that shall fail to specify an Interest Period shall be deemed to be a request for an Interest Period of one month. Each such extension or conversion shall be effected by the Borrower by giving a written notice (or telephone notice promptly confirmed in writing) (a "Notice of Extension/Conversion") to the Administrative Agent prior to 10:00 a.m., New York City time, on the LIBOR Business Day of, in the case of the conversion of a LIBOR Loan into a Base Rate Loan, and on the third LIBOR Business Day prior to, in the case of the extension of a LIBOR Loan as, or conversion of a Base Rate Loan into, a LIBOR Loan, the date of the proposed extension or conversion, substantially in the form of Exhibit C hereto, specifying (A) the date of the proposed extension or conversion, (B) the Loans to be so extended or converted, (C) the types of Revolving Loans into which such Loans are to be converted, and, if appropriate, (D) the applicable Interest Periods with respect thereto. Each Notice of Extension/Conversion shall be irrevocable and shall constitute a representation and warranty by the Borrower of the matters specified in Sections 5.02(a) through (e). So long as there is no Default or Event of Default, in the event the Borrower does not request extension or conversion of any LIBOR Loan in accordance with this Section, or any such conversion or extension is not required by this Section, then such LIBOR Loan shall be continued as a Base Rate Loan at the end of each Interest Period applicable thereto, until the Borrower selects an alternate Interest Period or converts such Loans to LIBOR Loans. It is hereby understood and agreed that such failure by the Borrower to request such extension or conversion resulting in the automatic conversion of a LIBOR Loan into a Base Rate Loan shall also constitute a representation and warranty by the Borrower of the matters specified in Sections 5.02(a) through (e). In the event any LIBOR Loans are not permitted to be converted into another LIBOR Loan hereunder, such LIBOR Loans shall automatically be converted to Base Rate Loans at the end of the applicable Interest Period with respect thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed extension or conversion affecting any Loan.

(f) Repayment. The principal amount of all Revolving Loans shall be due and payable in full on the Termination Date.

(g) Prepayment. Loans may be repaid in whole or in part without premium or penalty; provided that (i) Loans may be prepaid only upon five (5) Business Days' prior written notice to the Administrative Agent, (ii) prepayments of LIBOR Loans must be accompanied by payment of any Funding Losses under Section 4.07, and (iii) partial prepayments shall be in minimum principal Dollar Amounts of $10,000,000.

(h) Revolving Notes. Each Lender's Commitment Percentage of the Revolving Loans shall be evidenced by a duly executed revolving note in favor of such Lender in the form of Exhibit A attached hereto.

(i) Maximum Number of LIBOR Loans. The Borrower will be limited to a maximum number of ten (10) LIBOR Loans outstanding at any time. For purposes hereof, LIBOR Loans with separate or different Interest Periods will be considered as separate LIBOR Loans even if their Interest Periods expire on the same date.

(j) Notice. The Administrative Agent shall promptly advise each Lender of any change in Commitment Percentages made pursuant to Section 4.02.

2.02 Swing Line Loans.

(a) Swing Line Loans Commitments. During the Commitment Period, subject to the terms and conditions hereof, each Swing Line Lender hereby agrees to make Swing Line Loans to the Borrower in the aggregate amount up to but not exceeding the Swing Line Sublimit; provided, after giving effect to the making of any Swing Line Loan, in no event shall the aggregate amount of the Loans outstanding plus the aggregate amount of the Standby L/C Exposure exceed the Aggregate Committed Amount for the facility then in effect. Amounts borrowed pursuant to this Section 2.02 may be repaid, prepaid and reborrowed during the Commitment Period. Each Swing Line Lender's commitment to make Swing Line Loans shall expire on the Termination Date and all Swing Line Loans and all other amounts owed hereunder with respect to the Swing Line Loans and the Revolving Commitments shall be paid in full no later than such date. Subject to Section 2.02(c)(iv), each Swing Line Loan shall mature on the Swing Line Maturity Date.

(b) Loans and Borrowings. Each Swing Line Loan shall be made as part of a Borrowing consisting of Swing Line Loans made by the Swing Line Lenders on a pro rata basis. The failure of any Swing Line Lender to make any Swing Line Loan required to be made by it shall not relieve any other Swing

Line Lender of its obligations hereunder; provided that the Commitments of the Swing Line Lenders are several and no Swing Line Lender shall be responsible for any other Swing Line Lender's failure to make Swing Line Loans as required.

(c) Borrowing Mechanics for Swing Line Loans.

(i) Swing Line Loans shall be made in an aggregate minimum amount of $5,000,000 and integral multiples of $1,000,000 in excess of that amount.

(ii) Whenever the Borrower desires that the Swing Line Lenders make a Swing Line Loan, the Borrower shall deliver to Administrative Agent, with a copy to each Swing Line Lender, a Swing Line Request no later than 11:00 a.m. (New York City time) on the proposed Disbursement Date. With respect to any Borrowing Date, the Borrower may deliver only a single Swing Line Request to the Administrative Agent. Any Swing Line Request, once delivered to the Administrative Agent in accordance with this Agreement, shall be irrevocable.

(iii) Each Swing Line Lender shall make its pro rata share of the amount of the requested Swing Line Loan available to the Administrative Agent by no later than 2:00 p.m. (New York City time) on the applicable Disbursement Date by wire transfer of same day funds in Dollars, at the account held by the Administrative Agent for such purpose most recently designated by it by notice to the Swing Line Lenders. Except as provided herein, upon satisfaction or waiver by the Swing Line Lenders of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Swing Line Loans available to the Borrower on the applicable Disbursement Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Swing Line Loans received by Administrative Agent from each Swing Line Lender to be credited to the account of the Borrower at the Administrative Agent's Payment Office, or to such other account as may be designated in writing to Administrative Agent by the Borrower.

(iv) The Borrower shall have the option, on any Business Day, to extend an existing Swing Line Loan for a subsequent three Business Day period; provided, however, that in no event may a Swing Line Loan be extended for more that two consecutive three Business Day periods. Each such extension shall be effected by the Borrower by giving a written notice of such extension (or telephone notice promptly confirmed in writing) to the Administrative Agent prior to 10:00 a.m., New York City time, on the Business Day of such extension.

(d) Repayment and Participations.

(i) Swing Line Loans shall be repaid, together with all accrued and unpaid interest thereon on the earlier to occur of (i) the Swing Line Maturity date and (ii) the Commitment Termination Date.

(ii) With respect to any Swing Line Loans which have not been paid by the Borrower when due, each Swing Line Lender may at any time in its sole and absolute discretion, deliver to the Administrative Agent (with a copy to the Borrower), no later than 10:00 a.m. (New York City time) at least one (1) Business Day in advance of the proposed Disbursement Date, a notice (which shall be deemed to be a Notice of Borrowing given by the Borrower) requesting that the Lenders make Revolving Loans that are Base Rate Loans to the Borrower, or its designee, on such Disbursement Date in an amount equal to the aggregate amount of such Swing Line Loans (the " Refunded Swing Line Loans") outstanding on the date a Swing Line Lender gives such Notice requesting that Lenders make Revolving Loans. For purposes of this Section 2.02, the Borrower agrees that such Base Rate Loan to be made by the Lenders pursuant to the Notice of Borrowing shall be made to the accounts of each of the Swing Line Lenders, as Borrower's designee, on a pro rata basis. Anything contained in this Agreement to the contrary notwithstanding, (1) the proceeds of such Revolving Loans made by the Lenders other than the Lenders that are also Swing Line Lenders shall be immediately delivered by the Administrative Agent to each Swing Line Lender, as Borrower's designee, on a pro rata basis and applied to repay a corresponding

portion of the Refunded Swing Line Loans and (2) on the day such Revolving Loans are made, each Swing Line Lender's pro rata share of the Refunded Swing Line Loans shall be deemed to be paid by such Swing Line Lender with the proceeds of a Revolving Loan deemed to be made by such Swing Line Lender to the Borrower, or its designee, and such portion of the Swing Line Loans deemed to be so paid shall no longer be outstanding as Swing Line Loans and shall no longer be due, but shall instead constitute part of such Swing Line Lender's outstanding Revolving Loans to the Borrower and shall be due under the revolving loan note, if any, issued by the Borrower to such Swing Line Lender in its capacity as Lender. The Borrower hereby authorizes the Administrative Agent and each Swing Line Lender to charge the Borrower's accounts with the Administrative Agent and each Swing Line Lender (up to the amount available in each such account) in order to immediately pay each Swing Line Lender the amount of the Refunded Swing Line Loans to the extent the proceeds of such Revolving Loans made by the Lenders, including the Revolving Loan deemed to be made by such Swing Line Lender, are not sufficient to repay in full the Refunded Swing Line Loans. If any portion of any such amount paid (or deemed to be paid) to any Swing Line Lender should be recovered by or on behalf of the Borrower from such Swing Line Lender in bankruptcy, by assignment for the benefit of creditors or otherwise, the loss of the amount so recovered shall be ratably shared among all Lenders in the manner contemplated by Section 4.13.

(iii) If for any reason Revolving Loans are not made pursuant to Section 2.02(d)(ii) in an amount sufficient to repay any amounts owed to such Swing Line Lenders in respect of any outstanding Swing Line Loans on or before the third (3rd) Business Day after demand is made for payment thereof by such Swing Line Lender, each Lender holding a Commitment shall be deemed to, and hereby agrees to, have purchased a participation in such outstanding Swing Line Loans, and in an amount equal to its pro rata share of the applicable unpaid amount together with accrued interest thereon. Upon one (1) Business Day's notice from any Swing Line Lender, each Lender holding a Commitment shall deliver to each Swing Line Lender an amount equal to its respective participation in the applicable unpaid amount in same day funds at the domestic office of such Swing Line Lender. In order to evidence such participation, each Lender holding a Revolving Commitment agrees to enter into a participation agreement at the request of such Swing Line Lender in form and substance reasonably satisfactory to such Swing Line Lender. In the event any Lender holding a Revolving Commitment fails to make available to any Swing Line Lender the amount of such Lender's participation as provided in this paragraph, each Swing Line Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon for three Business Days at the rate customarily used by such Swing Line Lender for the correction of errors among banks and thereafter at the Base Rate, as applicable.

(iv) Notwithstanding anything contained herein to the contrary, (1) each Lender's obligation to make Revolving Loans for the purpose of repaying any Refunded Swing Line Loans pursuant to the second preceding paragraph and

each Lender's obligation to purchase a participation in any unpaid Swing Line Loans pursuant to the immediately preceding paragraph shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (A) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against any Swing Line Lender, any Credit Party or any other Person for any reason whatsoever; (B) the occurrence or continuation of a Default or Event of Default; (C) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Credit Party; (D) any breach of this Agreement or any other Credit Document by any party thereto; or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; provided, that such obligations of each Lender are subject to the condition that each Swing Line Lender believed in good faith that all conditions under Section 5.02 to the making of the applicable Refunded Swing Line Loans or other unpaid Swing Line Loans, were satisfied at the time such Refunded Swing Line Loans or unpaid Swing Line Loans were made, or the satisfaction of any such condition not satisfied had been waived by Requisite Lenders prior to or at the time such Refunded Swing Line Loans or other unpaid Swing Line Loans were made; and (2) no Swing Line Lender shall be obligated to make any Swing Line Loans (A) if it has elected not to do so after the occurrence and during the continuation of a Default or Event of Default or (B) at a time when a Funding Default exists unless such Swing Line Lender has entered into arrangements satisfactory to it and the Borrower to eliminate each such Swing Line Lender's risk with respect to the Defaulting Lender's participation in such Swing Ling

Loan, including by cash collateralizing such Defaulting Lender's pro rata share of the outstanding Swing Line Loans.

2.03 Interest.

(a) Base Rate Loans. Each Base Rate Loan shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) LIBOR Loans. Each LIBOR Loan shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin.

(c) Swing Line Loans. Each Swing Line Loan shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(d) Default Interest. Notwithstanding the foregoing, if any principal of, or interest on, any Loan or any fee or 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 the rate applicable to Base Rate Loans as provided in Section 2.03(a).

(e) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, upon termination of the

Commitments; provided that (i) interest accrued on a Swing Line Loan shall be payable on the Swing Line Maturity Date, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any LIBOR Rate Borrowing prior to the end of the Interest Period therefore, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(f) 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
THE STANDBY L/C FACILITY

3.01 Issuance of the Standby L/C.

(a) Subject to the terms and conditions set forth herein, including but not limited to the conditions precedent specified in Section 5.02, and so long as no Default or Event of Default shall have occurred and be continuing, the Borrower may request the Issuing Banks to issue, in support of certain obligations of the Borrower and any of its Subsidiaries including but not limited to, contingent liabilities arising in connection with forward sales contracts, leases, insurance contracts and arrangements, service contracts, equipment contracts, financing transactions and other payment obligations, and each Issuing Bank agrees to issue on the terms set out in this Section 3.01 below, from time to time during the period from and including the Effective Date to but excluding the date that is five Business Days prior to the Termination Date, a Standby L/C denominated in Dollars for the Borrower's own account, and having a stated amount not exceeding the Available Standby L/C Sublimit at the time of issuance; provided, however, that the issuance of such requested Standby L/C shall not cause the Issuing Bank to violate any law or regulation to which it is or may be subject. The Standby L/C shall be substantially in the form indicated in Exhibit G, as determined by the Borrower or in any other form that may be reasonably agreed upon by the Appropriate Issuing Bank and the Borrower.

(b) The Borrower, the Guarantors and the Participating Lenders hereby acknowledge and agree that, as of the date hereof, Standby L/Cs issued pursuant to the Existing Agreement are outstanding, and the outstanding amount of each issued Standby L/C is set forth on Schedule 3.01 hereto. From and after the date hereof and upon fulfillment of the conditions specified in Section 5.02 hereof, each such existing letter of

credit, as such may have been amended, shall be deemed and treated for all purposes hereof as a " Standby L/C" hereunder, and each Lender, without further action on its part, shall be deemed to have purchased a participation in each such Standby L/C as provided in Section 3.04 hereof in accordance with its Commitment.

(c) To request the issuance of a Standby L/C, the Borrower shall deliver notice (a " Standby L/C Request") to the Appropriate Issuing Bank requesting the issuance of a Standby L/C, specifying the date of issuance (which shall be a Business Day that is no earlier than either (i) the Business Day following the Business Day on which the Appropriate Issuing Bank shall have received the request for the issuance of the Standby L/C, if such request is received by the Appropriate Issuing Bank prior to 11:00 a.m. (New York City time), or (ii) the Business Day that is two (2) Business Days following the Business Day on which the Appropriate Issuing Bank shall have received the request for the issuance of the Standby L/C, if such request is received is by the Appropriate Issuing Bank after 11:00 a.m. (New York City time) but before 5:00 p.m. (New York City time); provided however, that the Appropriate Issuing Bank, in its sole discretion and on a request by request basis, may elect to accept a request for issuance of a Standby L/C specifying an issuance date not complying with the terms of this parenthetical), the date on which such Standby L/C is to expire, the amount of such Standby L/C, the name and address of the beneficiary thereof and any such other information as shall be necessary to prepare such Standby L/C. On the requested date of issuance, the Appropriate Issuing Bank shall, subject to the terms and conditions set forth herein and so long as no Default or Event of Default shall have occurred or be continuing, issue a Standby L/C in accordance with the Borrower's request pursuant to this paragraph (c).

(d) Each Standby L/C shall have a minimum stated amount equal to U.S.$5,000,000 and shall expire at or prior to the close of business on the earlier of (i) the date that is 360 days after the date of issuance of such Standby L/C and (ii) the date that is five Business Days prior to the Termination Date.

(e) Notwithstanding Clause (d) of this Section 3.01, if the Borrower is requesting a Standby L/C that is less than the Aggregate Available Standby L/C Sublimit, but greater than the Available Standby L/C Sublimit for each Issuing Bank, the Borrower may request a Standby L/C from each Issuing Bank in an amount up to the Available Standby L/C Sublimit for such Issuing Bank, on a pro rata basis determined on the basis of each Issuing Bank's Standby L/C Exposure, after giving effect to the requested Standby L/C, and each Issuing Bank shall be deemed to be the Appropriate Issuing Bank for the purposes of Section 3.01(c) hereof.

(f) Each Lender hereby irrevocably authorizes the Issuing Banks to issue Standby L/Cs under and in accordance with this Agreement, to pay the amount of any draft presented under any Standby L/C in accordance with the terms and conditions thereof, to receive from the Borrower reimbursement for Standby L/C Drawings and to take such action on its behalf under the provisions of this Agreement and the other Transaction Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Issuing Bank by the terms hereof or thereof, together with such powers as are reasonably incidental thereto.

3.02 Reimbursement Obligations.

(a) The Borrower agrees to reimburse the Issuing Banks for the full amount of any Drawing paid by an Issuing Bank on a Disbursement Date; provided, however, that in

no event shall such reimbursement be made prior to the time such Drawing is paid by such Issuing Bank.

(b) If the amount of any Drawing is not reimbursed in full on the Disbursement Date by the Borrower, then the amount thereof which is not so reimbursed shall bear interest from (and including), the Disbursement Date until (but excluding) the date of actual payment thereof at a rate per annum equal to the Base Rate plus 2.00%, payable on demand.

3.03 Obligations to Reimburse Standby L/C Drawing Absolute.

(a) The obligations of the Borrower to reimburse an Issuing Bank for any Drawing shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following circumstances:

(i) any lack of validity or enforceability of any Transaction Document;

(ii) any amendment to or waiver of or any consent to departure from the terms of any Transaction Document;

(iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the beneficiary of any Standby L/C or any transferee of any Standby L/C (or any Person for whom any such transferee may be acting), the Administrative Agent, any Participating Lender or any other Person, whether in connection with this Agreement, any other Transaction Document or any unrelated transaction;

(iv) any draft, statement or any other document presented under a Standby L/C proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

(v) payment by an Issuing Bank under a Standby L/C against presentation of a draft or document which does not comply with the terms of such Standby L/C.

(b) The Issuing Banks shall not be responsible to any Person:

(i) for the validity, genuineness or legal effect of any document submitted to an Issuing Bank by any Person in connection with the issuance of, or any Drawing under, any Standby L/C; provided, however, that nothing in this clause (i) shall relieve an Issuing Bank from its obligations to honor a Drawing under a Standby L/C that strictly complies with the terms of such Standby L/C;

(ii) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher;

(iii) for any loss or delay in the transmission or otherwise of any document required in order to make a Drawing under a Standby L/C or of the proceeds thereof;

(iv) for the misapplication by the beneficiary of a Standby L/C of the proceeds of a Drawing under such Standby L/C; or

(v) for any consequences arising from causes beyond the control of an Issuing Bank (including, any acts of any Governmental Authority);

provided, however, that the provisions of this Section 3.03 shall not limit any right or claim the Borrower may have against an Issuing Bank to the extent of any direct, as opposed to consequential or special, damages suffered by the Borrower which the Borrower proves were caused by such Issuing Bank's gross negligence or willful misconduct, it being understood that the existence of any such right or claim shall not in any way affect the obligation of the Borrower to reimburse such Issuing Bank for all Drawings under Standby L/Cs.

3.04 Participating Interests.

(a) Without further action on the part of the Issuing Banks and the Lenders, each Lender severally purchases from the Issuing Banks, without recourse to the Issuing Banks, and the Issuing Banks hereby sell to each such Lender, an undivided interest, to the extent of such Lender's Commitment Percentage, in each Standby L/C issued or to be issued hereunder or issued pursuant to the Existing Agreement, all Drawings, all interest thereon and all other rights, costs and expenses of the Issuing Banks hereunder and under such Standby L/C with respect thereto.

(b) As promptly as practicable upon becoming aware that the Borrower has not reimbursed or will not reimburse the relevant Issuing Bank in full for a Drawing under any Standby L/C in accordance with Section 3.02(a) or (b) on any applicable Disbursement Date, such Issuing Bank shall notify the Administrative Agent which shall promptly notify each Lender to such effect and each Lender shall (i) not later than 4:30 p.m.

(New York City time) on the Business Day such notice is received from the Administrative Agent (if such notice is received at or prior to 12:00 noon (New York City time)) or (ii) not later than 11:00 a.m. (New York City time) on the Business Day following receipt of such notice (if such notice is received after 12:00 noon (New York City time)) pay to the Administrative Agent, at the Administrative Agent's Payment Office, for the account of such Issuing Bank, an amount equal to such Lender's Commitment Percentage of such unreimbursed Drawing. Notwithstanding clause (ii) of this paragraph (b), if a Lender does not make available to the Administrative Agent on the applicable Disbursement Date such Lender's Commitment Percentage of any unreimbursed Drawing, such Lender shall be required to pay interest to the Administrative Agent for the account of such the Issuing Bank on its Commitment Percentage of the

amount of such unreimbursed Drawing at the Federal Funds Rate from such Disbursement Date until the date payment is received by the Administrative Agent; provided, however, that if the Federal Funds Rate does not cover such Issuing Bank's cost of funds, the applicable rate of interest shall be such rate as determined by such Issuing Bank, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after receipt of notice, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent for the account of such Issuing Bank at a rate per annum equal to the Federal Funds Rate (or such other rate as may be determined by such Issuing Bank as set forth herein) plus 2.00%. Upon receipt of any such funds, the Administrative Agent shall promptly pay such funds to such Issuing Bank.

(c) If the Administrative Agent receives a Lender's Commitment Percentage of an unreimbursed Drawing on the corresponding Disbursement Date therefor, or if the Administrative Agent receives such payment together with interest thereon in accordance with the provisions of the preceding paragraph (b), such Lender shall be entitled to receive interest on its Commitment Percentage of such Standby L/C Drawing, as provided in Section 3.04(e)(ii) below, from the applicable Disbursement Date.

(d) The payment obligations of each Lender to the relevant Issuing Bank as described in this Section 3.04 shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever and shall not be affected by any circumstance, including:

(i) any set-off, counterclaim, defense or other right which such Lender or any other Person may have against the Administrative Agent, an Issuing Bank or any other Person for any reason whatsoever;

(ii) the occurrence or continuance of a Default or Event of Default or the termination of the Commitments or the expiration the applicable Standby L/C;

(iii) any adverse change in the condition (financial or otherwise) of the Borrower;

(iv) any breach of any Transaction Document by any party thereto;

(v) any violation or asserted violation of law by any Lender or any affiliate thereof;

(vi) the failure of any Lender to perform its obligations hereunder;

(vii) any amendment to or extension of an issued and outstanding Standby L/C; or

(viii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing;

provided, however, that no Lender shall be liable for any portion of such liability resulting from

such Issuing Bank's gross negligence or willful misconduct.

(e) The relevant Issuing Bank agrees to pay promptly upon receipt to the Administrative Agent

for the account of each Lender (i) first, such Lender's Commitment Percentage of all amounts received from the Borrower in payment, in whole or in part, of an unreimbursed Standby L/C Drawing, but only to the extent that such Lender has paid in full its Commitment Percentage of such Standby L/C Drawing to the Administrative Agent for the account of such Issuing Bank pursuant to Section 3.04(c) above and (ii) second, such Lender's Commitment Percentage of any interest received from the Borrower with respect to any such unreimbursed Standby L/C Drawing, but only to the extent such Lender has paid in full its Commitment Percentage of such Standby L/C Drawing to the Administrative Agent for the account of such Issuing Bank pursuant to Section 3.04(c) above.

(f) If, on account of the bankruptcy, insolvency, *concurso mercantil* or governmental intervention (or similar event) of the Borrower, an Issuing Bank or the Administrative Agent is required at any time (whether before or after the Termination Date) to return to the Borrower or to a trustee, receiver, liquidator, custodian or other similar official or any other Person, any portion of the payments made by (or on behalf of) the Borrower to the Administrative Agent for the account of an Issuing Bank (or directly to an Issuing Bank) in reimbursement of any unreimbursed Drawing and interest thereon, each Lender shall, on demand of such Issuing Bank or the Administrative Agent, forthwith return to such Issuing Bank or the Administrative Agent for the account of such Issuing Bank any amounts transferred to such Lender by such Issuing Bank or the Administrative Agent in respect thereof pursuant to the terms hereof plus such Lender's pro rata share of any interest on such payments required to be paid to the Person recovering such payments plus interest on all amounts so demanded from the day such amounts are returned by such Issuing Bank or the Administrative Agent, as the case may be, to the day such amounts are returned by such Lender to such Issuing Bank or the Administrative Agent at a rate per annum for each day equal to the Federal Funds Rate; provided, however, that if the Federal Funds Rate does not cover such Issuing Bank's or the Administrative Agent's cost of funds, the applicable rate of interest shall be such rate as determined by such Issuing Bank or the Administrative Agent, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after demand, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to such Issuing Bank or the Administrative Agent, as the case may be, at a rate per annum equal to the Federal Funds Rate plus 2.00%. In any case when an amount is returned to any Person pursuant to this paragraph (f), the reimbursement obligation of the Borrower contained in Section 3.02(a) will be reinstated as of the original date such reimbursement obligation arose.

(g) The Borrower hereby confirms and acknowledges that each Lender shall have a direct claim against the Borrower for the principal of and interest on each portion of any unreimbursed Standby L/C Drawing advanced by such Lender to an Issuing Bank and that each Lender shall to the extent applicable be entitled to all the rights of the Issuing Bank against the Borrower (to the extent not exercised by such Issuing Bank) as if

such Lender had funded its Commitment Percentage of the Standby L/C Drawing directly to the beneficiary of the applicable Standby L/C.

(h) Each Issuing Bank and each Lender, with respect to the amounts payable to it in respect of any unreimbursed Standby L/C Drawing, and the Administrative Agent, with respect to all amounts payable in respect of unreimbursed Standby L/C Drawings, shall maintain on its books in accordance with its usual practice, loan accounts, setting forth its Commitment Percentage of each Standby L/C Drawing, the applicable interest rate and the amounts of principal and interest paid and payable by the Borrower from time to time hereunder with respect thereto; provided, however, that the failure by an Issuing Bank, any Lender or the Administrative Agent to record any such amount on its books or any error in such recordation shall not affect the obligations of the Borrower with respect thereto. In the case of any dispute, action or proceeding relating to any amount payable in respect of any unreimbursed Standby L/C Drawings, the entries in each such account shall be prima facie evidence of such amount. In the case of any discrepancy between the entries in an Issuing Bank's books and any Lender's books or the Administrative Agent's books, an Issuing Bank's books shall be considered correct in the absence of manifest error.

3.05 Limited Liability of the Issuing Banks. As between an Issuing Bank on the one hand, and the Borrower on the other, the Borrower assumes all risks of any acts or omissions of the beneficiaries of Standby L/Cs with respect to their use of the Standby L/Cs or the proceeds thereof. Neither of the Issuing Banks nor any of its employees, officers, directors or agents shall be liable or responsible for any acts or omissions of the beneficiaries in connection therewith.

ARTICLE IV
TERMINATION AND REDUCTION OF

COMMITMENTS; FEES, TAXES, PAYMENT PROVISIONS

4.01 Termination or Reduction of Commitments.

(a) Mandatory Termination. Subject to Section 4.02, the Commitments shall terminate on the Termination Date.

(b) Voluntary Termination. Upon at least five Business Days' notice to the Administrative Agent, the Joint Bookrunners and the Issuing Banks, but no sooner than six months after the Effective Date, the Borrower may terminate the existing Commitments by instructing each beneficiary of a Standby L/C to surrender such Standby L/C to the relevant Issuing Bank for cancellation; and provided, further, however, that the existing Commitments shall not be terminated so long as (i) any Standby L/C is outstanding or (ii) any Loan is outstanding or (iii) any Drawing, interest, fee or expenses remain unpaid. Upon at least five Business Days prior notice to the Administrative Agent and the Issuing Banks, the Borrower may terminate any Standby L/C, in accordance with its terms, by surrendering, or causing the beneficiary thereof to surrender, such Standby L/C to the relevant Issuing Bank for cancellation.

(c) Reduction of Standby L/C. Upon at least five Business Days prior notice to the Administrative Agent and each Issuing Bank, the Borrower may reduce the stated amount of any Standby L/C to be reduced, in accordance with its terms, by surrendering, or causing the beneficiary thereof to surrender, such Standby L/C to the relevant Issuing Bank for cancellation in exchange for a new Standby L/C having the reduced stated amount and otherwise having the same terms as the Standby L/C being cancelled; provided, however, that the stated amount of any Standby L/C shall not as a result of such reduction be reduced below U.S.$3,000,000.

(d) Any reduction of the Commitments shall reduce the Commitment of each Lender pro rata except as otherwise specified in Section 4.02(e).

(e) No reduction or termination of the Commitments shall in any event release any Lender from any of its direct or indirect obligations to the Issuing Banks in respect of (i) any Standby L/Cs issued prior to such termination or reduction or (ii) any Drawing.

4.02 Extension of Termination Date.

(a) Extension of Termination Date/Reduction of Standby L/C. Upon at least five Business Days' prior notice to the Administrative Agent and each Issuing Bank, but no sooner than six months after the Effective Date, the Borrower may permanently reduce the amount of the Aggregate Standby L/C Sublimit and the Standby L/C Sublimit for each Issuing Bank by a minimum amount of U.S.$5,000,000 or any integral multiple of U.S.$1,000,000 in excess thereof; provided, however, the Standby L/C Sublimit for any Issuing Bank may not be reduced below the Standby L/C Exposure of such Issuing Bank and any reductions in the Standby L/C Sublimit for the Issuing Banks must be made on a pro rata basis. The Borrower may, within 90 days, but not less than 45 days, prior to each anniversary date of the original Effective Date (each anniversary date being referred to as an "Anniversary Date"), by notice to the Administrative Agent, the Issuing Banks and the Lenders, make a written request of the Participating Lenders to extend the Termination Date for an additional period of one (1) year. The Administrative Agent will give prompt notice to each of the Participating Lenders of its receipt of any such request for extension of the Termination Date. Each Participating Lender shall make a determination not later than 30 days prior to the then applicable Anniversary Date (the " Extension Consent Date") as to whether or not it will agree to extend the Termination Date as requested (such approval of an extension shall be an "Extension Consent"); provided, however, that failure by any Participating Lender to make a timely response to the Borrower's request for extension of the Termination Date shall be deemed to constitute a refusal by such Participating Lender to an extension of the Termination Date.

(b) Lender Not Consenting. If by any Extension Consent Date the Borrower and the Administrative Agent have not received an Extension Consent from any Participating Lender, the Termination Date, as it relates to such Participating Lender, shall not be extended, the Commitment of such Participating Lender shall terminate on the Termination Date applicable to it and any Loans or Standby L/C, as applicable, made by such Participating Lender and all accrued and unpaid interest thereon shall be due and payable on such Termination Date. Upon the termination of the Commitment of any such

Lender, unless this Agreement is amended as provided in Sections 4.02(e) or 4.02(f), the aggregate amount of the Commitments shall be reduced by the amount of such terminated Commitment, and the Commitment Percentage of each other Lender shall be adjusted to that percentage obtained by dividing the Commitment of such Lender by the aggregate amount of the Commitments after giving effect to such reduction as provided in the definition of "Commitment Percentage".

(c) Other Lenders. No refusal by any one Participating Lender to consent to any extension of the Termination Date shall affect the extension of the Termination Date as it may relate to the Commitment and Loans of any Participating Lender that consents to such extension as provided in Section 4.02(b), and one or more Participating Lenders may consent to the extension of the Termination Date as it relates to them notwithstanding any refusal by any other Lenders so to consent; provided that even as to the consenting Lenders, the Termination Date will be extended only upon consent to such an extension by the Required Lenders.

(d) Termination of Commitment. If any Participating Lender does not deliver an Extension Consent as provided in Section 4.02(b) and no Loans or Standby L/Cs, as applicable are then outstanding, the Borrower may upon at least three (3) Business Days' prior notice to such Participating Lender and to the Administrative Agent terminate the Commitment of such Lender. Upon any such termination, the Commitment Percentage of each other Lender shall be adjusted, if necessary, to that percentage obtained by dividing the Commitment of such Lender by the aggregate amount of the Commitments after giving effect to such termination and any increases in the aggregate amount of the Commitments under the provisions of Section 4.02(e) or Section 4.02(f).

(e) Increase in Commitment of Other Lender or Lenders . If any Lender does not deliver an Extension Consent as provided in Section 4.02(b), upon the expiration of the Commitment of such Lender, or upon its termination as provided in Section 4.02(d), the Borrower may offer each Lender that has delivered an Extension Consent as provided in Section 4.02(b) a reasonable opportunity to increase its Commitment by an amount equal to its pro rata share (based on its Commitment before giving effect to such increase) of the Commitment of the Lender that does not deliver an Extension Consent as provided in Section 4.02(b). After giving such Lenders such an opportunity, the Borrower may with the approval of the Administrative Agent amend this Agreement to increase the Commitment of any other Lender or Lenders with the consent of such Lender or Lenders; provided that such increase does not increase the aggregate amount of the Commitments to an amount greater than the Aggregate Committed Amount in effect immediately before such expiration or termination.

(f) Additional Lender or Lenders. If any Lender does not deliver an Extension Consent as provided in Section 4.02(b), upon the expiration of the Commitment of such Lender, or upon its termination as provided in Section 4.02(d), the Borrower may with the approval of the Administrative Agent amend this Agreement as provided herein to add one or more other Lenders (each an " Additional Commitment Lender") as parties, with such Commitments as may be agreed to by the Administrative Agent and such other Lender or Lenders; provided that such additions do not increase the Aggregate Committed

Amount to an amount greater than the aggregate amount of Commitments in effect immediately before such expiration or termination.

4.03 Fees.

- Commitment Fee. The Borrower agrees to pay to the Administrative Agent, quarterly in arrears for each Utilization Period, for the account of the Lenders ratably in accordance with their Commitment Percentage a commitment fee (the " Commitment Fee") (i) if the Utilization is greater than or equal to 50%, at the rate of 30% of the Applicable Margin per annum for the relevant Utilization Period on the average Available Commitments for the Utilization Period or (ii) if the Utilization is less than 50%, at the rate of 40% of the Applicable Margin per annum for the relevant Utilization Period on the average Available Commitments for the Utilization Period. The Commitment Fee shall accrue from the Effective Date to the Termination Date and shall be payable in arrears on the last day in each of March, June, September, and December and on the Termination Date provided that if any day or the Termination Date is not a Business

Day, then the Commitment Fee shall be payable on the next succeeding Business Day.

(b) Standby L/C Fees. The Borrower will pay to each Issuing Bank Standby L/C documentation fees (the "Standby L/C Fees") in the amounts and at the times agreed to by the Issuing Banks and the Borrower in the Original Fee Letter.

(c) Letter of Credit Utilization Fees. A letter of credit utilization fee, at a rate per annum equal to the Applicable Margin for the relevant quarterly period from time to time in effect, calculated on a per annum basis on the daily amount of Aggregate Standby L/C Exposure from time to time, payable to the Administrative Agent for the account of the Lenders in arrears on (i) the last day of each calendar quarter, commencing on the first such date after the Borrowing Date, and (ii) the Termination Date.

(d) Joint Bookrunners Fees. The Borrower will pay to the Joint Bookrunners, for the sole account of the Joint Bookrunners, the arrangement fees (the " Joint Bookrunners Fees") and other fees in the amounts and at the times agreed to by the Joint Bookrunners and the Borrower in the New Fee Letter.

(e) Amendment Fee. The Borrower will pay to the Administrative Agent, for the account of the Lenders, an amendment fee (the "Amendment Fee") in accordance with the Summary of Terms and Conditions agreed to by the Borrower and the Joint Bookrunners on April 20, 2005.

4.04 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.

4.05 Taxes.

(a) Any and all payments by the Borrower or a Guarantor, as the case may be, to any Lender, any Issuing Bank, the Joint Bookrunners 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 Taxes. In addition, the Borrower shall promptly pay all Other Taxes.

(b) Except as otherwise provided in Section 4.05(c), the Borrower and the Guarantors jointly and severally agree to indemnify and hold harmless each Lender, each Issuing Bank and the Administrative Agent 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 4.05) paid by or assessed against any Lender, any Issuing Bank or the Administrative Agent 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 such Lender, Issuing Bank or Administrative Agent, as the case may be. Payment under this indemnification shall be made within 30 days after the date any Lender, any Issuing Bank 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 the Borrower or the Guarantors, 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 to any Lender, any Issuing Bank 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 4.05, but excluding in each case United States backup withholding Taxes imposed because of payee underreporting) such Lender, such Issuing Bank or the Administrative Agent 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 such Lender, Issuing Bank or the Administrative Agent to the extent such increased amounts would be in excess of the amounts that would have been payable to such Lender or Issuing Bank had such Lender, Issuing Bank or Administrative Agent complied with the requirements of Section 4.05(f) or to the extent provided in Section 4.05(g);

(ii) the Borrower or the Guarantors, as the case may be, shall make such deductions and withholdings; and

(iii) the Borrower or the Guarantors, 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 30 days after the date of any payment by the Borrower or the Guarantors, as the case may be, of Taxes or Other Taxes, the Borrower or the Guarantors, as the case may be, 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 the Borrower or the Guarantors, as the case may be, is required to pay additional amounts to the Administrative Agent, any Lender or any Issuing Bank pursuant to Section 4.05(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 Administrative Agent, such Lender or such Issuing Bank, 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, such Lender or such Issuing Bank in the future, if such change in the reasonable judgment of the Administrative Agent, such Lender or such Issuing Bank is not otherwise disadvantageous to such Lender or such Issuing Bank.

(f) Each Issuing Bank, 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 Issuing Bank, 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 became payable by such Person had such documentation been accurate.

(g) In the case of an assignment, transfer, grant of a participation, designation of a new Lending Office, issuing office [or Administrative Agent's Payment Office or appointment of a successor Administrative Agent], the Borrower and Guarantors shall not be required to pay or increase any amounts, pursuant to this Section 4.05 following such event, in excess of the amounts the Borrower and Guarantors were required to pay or increase immediately prior to such an event, except to the extent such event occurs pursuant to Section 4.12 or to the extent of increases in such amounts resulting from a change in applicable law occurring after such event.

(h) If any Issuing Bank, the Administrative Agent or any Lender receives a refund or credit in respect of Taxes or Other Taxes as to which it has been indemnified by

the Borrower or a Guarantor, as the case may be, pursuant to Section 4.05(b) and such refund or credit is directly and clearly attributable to this Agreement, it shall notify the Borrower or such Guarantor, as the case may be, of the amount of such refund or credit and shall return to the Borrower or such Guarantor, as the case

may be, such refund or the benefit of such credit; provided, however, that (A) such Issuing Bank, 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 the Borrower or the Guarantors with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Borrower, the Guarantors or any other Person any information that it considers to be proprietary or confidential, and (B) the Borrower or such Guarantor, as the case may be, upon the request of such Issuing Bank, 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 such Issuing Bank, the Administrative Agent or such Lender, as the case may be, if such Issuing Bank, 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 years of the date the Borrower or such Guarantor, as the case may be, is paid such amount by such Issuing Bank, the Administrative Agent or such Lender, as the case may be.

(i) The agreements in this Section 4.05 shall survive the termination of this Agreement and the payment of the Borrower's Obligations.

4.06 General Provisions as to Payments.

(a) All payments to be made by the Borrower or the Guarantors, 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 Administrative Agent for the account of the Lenders, the Swing Line Lenders or the Issuing Banks, as the case may be, 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) (but not earlier than 11:30 a.m. (New York City time) in respect of any Drawing under a Standby L/C), on the dates specified herein but in no event prior to the payment by the relevant Issuing Bank of such Drawing, as the case may be, to be reimbursed. The Administrative Agent will promptly distribute to the relevant Issuing Bank or to each Lender its Commitment Percentage (or other applicable share as expressly provided herein) of each payment in like funds as received. Any payment received by the Administrative Agent 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.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to an Issuing Bank or 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 relevant Issuing Bank or each Lender, as the case may be, on such due date an amount equal to the amount then due to such Issuing Bank or such Lender. If and to the extent that the Borrower shall not have made such payment, the relevant Issuing Bank or each Lender, as the case may be, shall repay to the Administrative Agent forthwith on demand such amount distributed to such Issuing Bank or such Lender together with accrued interest thereon, for each day from the date such amount is distributed to such Issuing Bank or such Lender until the date such Issuing Bank or such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by the relevant Issuing Bank or any Lender for more than five Business Days after the Administrative Agent has made a demand for such amount, such Issuing Bank or 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 the relevant Issuing Bank or any Lender for more than ten Business Days, such Issuing Bank or 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%.

4.07 Funding Losses. If the Borrower makes any payment of principal with respect to any LIBOR Loan on any day other than the last day of the Interest Period applicable thereto, or if the Borrower fails to borrow any LIBOR Loans after notice has been given to any Lender in accordance with Section 2.01 or to convert or continue a Loan as a LIBOR Loan after a Notice of Extension/Conversion has been delivered by the Borrower pursuant to Section 2.01(e), or if the Borrower fails to prepay any LIBOR Loans after notice has been given pursuant to Section 2.01, the Borrower shall reimburse each Lender within 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 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.

4.08 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any LIBOR Loan:

(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 any Lender of making or maintaining its Loan for such Interest Period,

(c) 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.

4.09 Capital Adequacy.

If any Participating 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 Participating 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 Participating Lender's cost of maintaining its Commitment or Standby L/C, as the case may be, or making or maintaining any Loans or any Standby L/C, as the case may be, or reducing the rate of return on such Participating Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Participating 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 Participating Lender to the Borrower, the Borrower shall be obligated to pay to such Participating Lender such additional amount or amounts as will compensate such Participating Lender for such increased cost or reduction in amount received. Each determination by any such Lender of amounts owing under this Section 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 Participating Lender's making a claim for compensation under this Section 4.09, (i) such Participating 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 may replace such Lender in accordance with Section 4.12.

4.10 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 any Lender to make or maintain any Commitment or any Loan as contemplated by this Credit Agreement, then such Lender, together with Lenders giving notice under Section 4.08, shall be an "Affected Lender" and by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that such Loans will not thereafter (for the duration of such unlawfulness or impossibility) be made by such Lender hereunder, whereupon, in the case of any request for a LIBOR Loan, as to such Lender, such request shall only be deemed a request for a Base Rate Loan (unless it should also be illegal for the Affected Lender to provide a Base Rate Loan, in which case such Loan shall bear interest at a commensurate rate to be agreed upon by the Administrative Agent and the Affected Lender, and so long as no Event of Default shall have occurred and be continuing, the Borrower), unless such declaration shall be subsequently withdrawn;

(ii) such Lender may require that all outstanding LIBOR Loans, made by it be converted to Base Rate Loans, in which event all such LIBOR Loans shall be automatically converted to Base Rate Loans as of the effective date of such notice as provided in paragraph (b) below; and

(iii) if it is also illegal for the Affected Lender to make Base Rate Loans, such Lender may declare all amounts owed to them 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.

In the event any Lender shall exercise its rights under (i) or (ii) above with respect to any Loans, all payments and prepayments of principal that would otherwise have been applied to repay the LIBOR Loans that would have been made by such Lender or the converted LIBOR Loans of such Lender shall instead be applied to repay the Base Rate Loans made by such Lender in lieu of, or resulting from the conversion, of such LIBOR Loans.

(b) For purposes of this Section 4.10, a notice to the Borrower by any Lender shall be effective as to each such Loan, if lawful, on the last day of the Interest Period currently applicable to such Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

4.11 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 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 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 LIBOR 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; provided that, in any such case, the Borrower may elect to convert the LIBOR Loans made by such Lender hereunder to Base Rate Loans by giving the Administrative Agent at least one (1) Business Day's notice of such election. If any 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, through the Administrative Agent, 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 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 it shall promptly, upon the Lender becoming aware of such event, provide notice to the Borrower through the Administrative Agent.

4.12 Substitute Lenders. If any Lender has demanded compensation pursuant to Sections 4.09 or 4.11 or has exercised its rights pursuant to Section 4.10(a)(iii), and such Lender does not waive its right to future additional compensation pursuant to Section 4.09 or 4.11, 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 and a fee of U.S.$1,500 payable directly to each Issuing Bank; or (ii) to remove such Lender, 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 4.09 or 4.11 or exercised its rights pursuant to Section 4.10(a)(iii); 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 and the other Transaction Documents (including Sections 4.07 and 4.09) unless any such amount is being contested by the Borrower in good faith.

4.13 Sharing of Payments, 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 Commitment Percentage of payments on account of the Obligations obtained by all the Participating 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 Commitment Percentage (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 4.13 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 4.13 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 V
CONDITIONS PRECEDENT

5.01 Conditions to Effectiveness. The obligations of the Participating 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 "Effective Date"):

(a) Agreement. The Administrative Agent shall have received counterparts of this Agreement duly executed by each party hereto, and there shall have been delivered to the Administrative Agent for the

account of each Lender, a Note, executed by the Borrower.

(b) 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 Borrower and the Guarantors, in substantially the form of Exhibit E, and (ii) the opinion of Lic. Ramiro G. Villareal Morales, Mexican counsel to the Borrower, in substantially the form of Exhibit F.

(c) Opinion of Counsel to the Administrative Agent. The Administrative Agent shall have received (i) a favorable opinion of Ritch, Heather y Mueller, S.C., special Mexican counsel to the Administrative Agent and the Participating Lenders, and (ii) the opinion of Sullivan & Cromwell LLP, New York counsel to the Participating Lenders.

(d) Governmental Approvals. The Administrative Agent 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 each Guarantor to enter into, or perform its obligations under, the Transaction Documents.

(e) Organizational Documents of the Borrower and the Guarantors. The Administrative Agent shall have received certified copies of (i) the acta constitutiva and estatutos sociales in effect on the Effective Date of the Borrower and each Guarantor, (ii) the powers-of-attorney of each Person executing any Transaction Document on behalf of the Borrower and each 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 Business Days before the Effective Date).

(f) Agent for Service of Process. The Administrative Agent shall have received a power of attorney, notarized under Mexican law, granted by the Borrower and each 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 15.12.

(g) Fees and Expenses. The Borrower shall have paid all fees and expenses owing to the Participating Lenders, the Joint Bookrunner and the Administrative Agent to the extent of and payable on or before the Effective Date of the Agreement, and all other fees and expenses owing hereunder and under the Fee Letters to the extent due and payable on or before the Effective Date of the Agreement.

(h) 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 each Guarantor shall have provided a certificate from a Responsible Officer of the Borrower to such effect to the Administrative Agent.

(i) Representations and Warranties. The representations and warranties of the Borrower and of each Guarantor contained in this Agreement and each other Transaction Document shall be true on and as of the Effective Date, and the Borrower and each Guarantor shall have provided a certificate to such effect to the Administrative Agent.

(j) No Material Adverse Effect. No Material Adverse Effect shall have occurred since December 31, 2004 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 Guarantors to perform their obligations under this Agreement and the other Transaction Documents; for the avoidance of doubt, the fact that the Borrower has acquired the shares of RMC Group p.l.c. shall not itself be deemed to have been a Material Adverse Effect.

(k) 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 Participating Lender through the Administrative Agent.

(l) Fees, Costs and Expenses under the Existing Agreement. The Borrower shall have paid all accrued and unpaid fees payable under the Existing Agreement to the extent due and payable on or before the Effective Date of this Agreement.

(m) Existing Loans. All outstanding Loans under the Existing Agreement shall have been (or contemporaneously with the closing of the amendment and restatement will be) repaid in full or reallocated fully under this Credit Agreement, and all commitments thereunder shall have been terminated.

5.02 Conditions Precedent to Borrowings, Continuation or Conversion of the Loans and Issuances of Standby L/Cs. The obligation of any Lender to make a Loan on the occasion of any Borrowing or to continue or convert any Loan or for an Issuing Bank to issue a Standby L/C is subject to the satisfaction of the following conditions:

(a) Notices. In the case of Borrowings, continuance or conversion of Loans, the Administrative Agent shall have received a Notice of Borrowing, Swing Line Request or a Notice of Extension/Conversion as required by Section 2.01(c), 2.02(c) or 2.01(e), respectively, and, in the case of issuances of Standby L/Cs, the Appropriate Issuing Bank shall have received a Standby L/C Request as required by Section 3.01(c);

(b) Availability. (i) Immediately after such Borrowing (after giving effect to the payment of any unreimbursed Drawing with the proceeds of such Borrowing), the continuation or conversion of any Loan or the issuance of the Standby L/C, as the case may be, the Total Outstandings for such Lender shall not exceed the Commitment of such Lender; and (ii) in the case of issuances of Standby L/Cs, the stated amount of the Standby L/C subject of such issuance shall not exceed the Available Standby L/C Sublimit.

(c) No Default. Immediately before and after giving effect to such Borrowing or the continuation or conversion of any Borrowing or the issuance of such Standby L/C,

no Default or Event of Default shall have occurred and be continuing and such Borrowing or continuation or conversion of any Loan or issuance of a Standby L/C thereof will not cause or result in a Default or Event of Default; and

(d) Representations and Warranties. The representations and warranties of the Borrower contained in this Agreement and in each other Transaction Document and of each Guarantor contained in this Agreement shall be true and correct in all material respects on and as of the date of any Borrowing, continuation or conversion of any Loan or issuance of a Standby L/C thereof.

(e) Fees. In the case of issuances of Standby L/Cs, the Borrower shall have paid to the Issuing Banks all of the Standby L/C Fees due and payable on or before the issuance of such Standby L/C.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

6.01 Corporate Existence and Power.

(a) The Borrower 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 Borrower 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 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.

6.03 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.

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 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.

6.05 Financial Information. The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2004, 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, 2005, and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the three months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2005, and said statements of income and cash flows for the three 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 GAAP, consistently applied.

6.06 Litigation. Except as set forth in Schedule 6.06, 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 6.06.

6.07 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).

6.08 Governmental Regulations. The Borrower is not, and is not controlled by, (a) an "investment company" within the meaning of the United States Investment Company Act

of 1940, as amended or (b) a "holding company", or of a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.09 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) The obligations of the Borrower under this Agreement and the Loans 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.

6.10 Subsidiaries. As of March 31, 2005, all Material Subsidiaries of the Borrower are listed on Schedule 6.10, without giving effect to the acquisition of RMC Group p.l.c.

6.11 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 8.05.

6.12 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 Administrative Agent or any Participating 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 Participating Lender, that the Administrative Agent or

such Participating Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

6.13 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 GAAP. 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 each Guarantor is permitted to pay any additional amounts payable pursuant to Section 4.05.

6.14 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.

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 Borrower to the Administrative Agent, the Joint Bookrunners or any Participating 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 Administrative Agent, the Joint Bookrunners or any Participating 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 Participating Lenders in writing any and all facts which may have a Material Adverse Effect.

6.17 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, any Participating Lender, the Joint Bookrunners 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 15.10, 15.11 and 15.13.

6.18 Aggregate Exposure. The Aggregate Exposure does not exceed the Aggregate Committed Amount.

6.19 Existing Standby L/C's. Attached hereto as Schedule 3.01 is a complete and accurate list of the outstanding Standby L/C's under the Existing Agreement, listed by number, stated amount, date of issue and expiry.

6.20 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 302(f) 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 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.

6.21 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, without limitation, 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.

- This Section 6.21 constitutes the only representations and warranties of the Credit Parties with respect to any Environmental Law or Hazardous Substance.

6.22 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, or for the purpose of purchasing or carrying or trading in any securities. If requested by any Participating Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Participating 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 Loans hereunder was or will be incurred for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U or any "margin security" within the meaning of Regulation T. "Margin stock" within the meaning of Regulation U does not constitute more than 25% of the value of the consolidated assets of the Borrower and its Subsidiaries. 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.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

7.01 Corporate Existence and Power.

(a) Such 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 such Guarantor has been validly issued and is fully paid and non-accessible.

7.02 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* 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.

7.03 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* of such Guarantor or any provision of any Requirement of Law applicable to such Guarantor.

7.04 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.

7.05 Litigation; Material Adverse Effect. Except as set forth in Schedule 7.05, 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 (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 Borrower or any of its Subsidiaries, of the litigation described in Schedule 7.05.

7.06 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).

7.07 Governmental Regulations. Such Guarantor is not, and is not controlled by, (a) an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7.08 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.

7.09 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 the Borrower or the Guarantors; 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.

7.10 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 Participating Lenders, the Joint Bookrunners 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 15.10, 15.11 and 15.13.

ARTICLE VIII
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid, any Standby L/Cs remain outstanding or any Lender has any Commitment hereunder:

8.01 Financial Reports and Other Information. The Borrower will deliver to the Administrative Agent (with a copy for each Participating 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 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 Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Mexican 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 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 GAAP 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 GAAP consistent with those applied in the preparation of the financial statements referred to in Section 6.05 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 GAAP 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 GAAP 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 GAAP consistent with those applied in the preparation of the financial statements referred to in Section 6.05 and provided further that all such documents will be prepared in English; and

(c) Together with the financials delivered pursuant to Section 8.01(b) with respect to the fiscal quarter ended June 30, 2005 only, a schedule of all Material Subsidiaries of the Borrower, after giving effect to the acquisition of RMC Group p.l.c.

8.02 Notice of Default and Litigation. The Borrower will furnish to the Administrative Agent (and the Administrative Agent will notify each Participating Lender):

(a) as soon as practicable and in any event within five days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the chief financial 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 6.06 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 but not limited to Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

8.03 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.

8.04 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.

8.05 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.

8.06 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 9.03; 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.

8.07 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 GAAP, consistently applied.

8.08 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.

8.09 Use of Proceeds.

(a) The Borrower will use the proceeds of all Loans made hereunder for general corporate purposes, including but not limited to the repayment of indebtedness.

(b) The Borrower will ensure that at no time shall the Aggregate Exposure of the Participating Lenders exceed the Aggregate Committed Amount then in effect.

8.10 Pari Passu Ranking. The Borrower will ensure that at all times the Obligations of the Borrower and each of the Guarantors 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.

8.11 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.

8.12 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 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.

8.13 Measurement Date. The Borrower shall provide to the Administrative Agent a certificate of a Responsible Officer detailing the latest twelve month total Consolidated Net Debt/EBITDA Ratio as soon as practicable, but in no event later than five Business Days after the consolidated financial statements of the Borrower and its Subsidiaries have been delivered pursuant to Section 8.01 (each such date, a "Measurement Date").

8.14 Inspection of Property. At any reasonable time during normal business hours and from time to time with at least ten 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 Participating 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, each of the Borrower or the Guarantors, and to discuss the affairs, finances and accounts of the Borrower or such 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 inspecting Participating 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 the Borrower and the Guarantors.

ARTICLE IX
NEGATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid, any Standby L/C remains outstanding or any Lender has any Commitment hereunder:

9.01 Financial Conditions.

(a) 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 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 8.01 the Borrower shall deliver to the Administrative Agent (with a copy to each Participating Lender) a certificate from a Responsible Officer containing all information and calculations necessary for determining compliance by the Borrower with Sections 9.01 (a) and (b) above.

9.02 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 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 Mexican 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 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 (other than liens with respect to the acquisition of RMC Group p.l.c.) that are described in Schedule 9.02(e)(i) hereto and liens existing as of March 31, 2005 (including liens with respect to the acquisition of RMC Group p.l.c.) that are described in Schedule 9.02(e)(ii) 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 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 Borrower 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 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 9.04; and provided, further that such Liens may not secure Debt of the Borrower or any Subsidiary (unless permitted under another clause of this Section 9.02);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any Receivables Program Assets which are or may be sold or transferred pursuant to a Qualified Receivables Transaction; and

(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;

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.

9.03 Consolidations and Mergers. None of the Guarantors 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 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 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 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 Participating Lender and the Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Participating 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 IX and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

9.04 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, 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.

9.05 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.

9.06 Margin Regulations. The Borrower shall not use any part of the proceeds of the Loans or any Standby L/C for any purpose which would result in any violation (whether by the Borrower, the Administrative Agent, any Issuing Bank or the Lenders) 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 X
OBLIGATIONS OF GUARANTORS

10.01 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 Participating Lender, the Administrative Agent and the Joint Bookrunners 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).

10.02 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.

10.03 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, the

Issuing Banks, 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 (including for the reason that the obtaining of the Standby L/Cs may be in excess of the powers of the Borrower or of its officers, directors or other agents, acting or purporting to act on its behalf, or be in any way irregular or defective);

(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 Participating 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.

10.04 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 Participating 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 Participating 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 Participating 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 Participating Lenders in favor of the Borrower or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent or the Participating 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.

10.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this ARTICLE X 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 Participating Lenders against, and any other notice, to the Guarantors.

10.06 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 X, 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, 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 Participating 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 X 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 Participating 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 Participating 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 XI, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof. Furthermore, each of the Guarantors 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 Guarantors further expressly waive the benefits of order, *excusión y division* 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 Guarantors hereby represent that the terms of each such provision of each such civil code are known in form and substance to each such Guarantor.

10.07 Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, each of the Guarantors 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, *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 Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Participating Lenders.

(c) The obligations of each of the Guarantors under this ARTICLE X 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 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 10.07(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 Participating Lenders that the Obligations which are to be purchased by the Guarantors pursuant to this ARTICLE X 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 Participating 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 Participating 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 X, to the extent permitted by applicable law.

10.08 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 Participating Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Participating 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 Participating 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 Participating 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 Issuing Bank, 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.

10.09 Right of Contribution. Subject to Section 10.08, 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 10.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Joint Bookrunners and the Participating Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Joint Bookrunners and the Participating Lenders for the full amount guaranteed by such Guarantor hereunder.

10.10 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 Section 10.10 would otherwise, taking into account the provisions of Section 10.09, 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 10.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Participating 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.

10.11 Covenants of the Guarantors. Each Guarantor hereby covenants and agrees that, so long as any Obligations under this Agreement and any other Transaction Document remains unpaid, any Standby L/C remains outstanding or any Participating 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 XI
EVENTS OF DEFAULT

11.01 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 reimburse any Drawing or fail to pay any principal of any Loan when due in accordance with the terms hereof or (ii) fail to pay any interest on any

Drawing, or any Loan, any fee or any other amount payable under this Agreement or any Note within three 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 either 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 30 days after the earlier of the date on which (i) the chief financial officer of the Borrower or such 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 Administrative Agent; or

(c) Specific Defaults. The Borrower or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in Section 8.01, 8.02(a), 8.06 (with respect to the Borrower's and each Guarantor's existence only), 8.09(b) or 8.10 or ARTICLE IX; or

(d) Other Defaults. The Borrower or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in this Agreement or the Notes, the Fee Letter, any Notice of Borrowings, any certificates, waivers, or any other agreements 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 30 days after the earlier of the date on which (i) the chief financial 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 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 30 days thereafter; or

(i) Pari Passu. The Obligations of the Borrower under this Agreement or of any Guarantor under this Agreement shall fail to rank at least pari passu with all other senior unsecured Debt 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 or shall deny generally the liability of the Borrower under any Transaction Documents

or either Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of either Guarantor under ARTICLE X hereof shall not be (or is claimed by either 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 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 Participating 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 under this Agreement or the Notes, the Fee Letter, any Notice of Borrowings, 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 Notes, the Fee Letter, any Notice of Borrowings, 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 and 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; 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.

11.02 Remedies. If any Event of Default has occurred and is continuing,

(a) the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders or the relevant Issuing Bank, as applicable:

(i) terminate all or a portion of the Commitments, including with respect to Standby L/Cs;

(ii) 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 any fees and all other 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; and/or

(iii) demand that the Borrower promptly and in any event no later than the next Business Day deliver cash to the Administrative Agent for the benefit of Issuing Banks (and Borrower shall then promptly and in any event no later than the next Business Day after receipt of such demand so deliver) in an amount equal to 100% of the aggregate outstanding amount of Standby L/Cs;

(b) In the case of any Event of Default specified in Section 11.01(f) or (g), without notice or any other act by the Lenders, the Commitments shall be automatically terminated and the Loans (together with accrued interest thereon) and all other Obligations

of the Borrower hereunder shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and the Borrower shall immediately deliver cash to the Administrative Agent for the benefit of Issuing Banks (and Borrower shall then immediately so deliver) in an amount equal to 100% of the aggregate outstanding amount of Standby L/Cs;

(c) Borrower hereby agrees that all amounts deposited pursuant to section 11.02 (a)(iii) above shall be held in a segregated account, for the benefit of the Issuing Banks and each Lender with a participation in any Standby L/Cs then outstanding, and that the Borrower hereby agrees that it will have no rights or access to such accounts during the continuation of the Event of Default, except as set forth in Section 11.02(d) below. Any such cash shall be made available by the Administrative Agent to the Issuing Banks to reimburse the Issuing Banks for payments of drafts drawn under such Standby L/C and any fees and all other Obligations in connection therewith and the unused portion thereof, after all such Standby L/Cs shall have expired or been fully drawn upon, shall be applied to pay any other Obligations.

(d) After all such Standby L/Cs shall have expired or been fully drawn upon or the Event of Default is waived or cured, the balance, if any, of such cash shall be (subject to any rights of third parties and except as otherwise directed by a court of competent jurisdiction) returned to the Borrower.

provided, however, that nothing in this Section 11.02 shall (x) impair the obligation of any Issuing Bank to make payments in accordance with the Standby L/Cs or (y) impair the obligation of the Borrower to reimburse each Issuing Bank for, or the obligation of any Lender to fund its participation in, any Drawing, made subsequent to the time any remedy provided in this paragraph shall have been exercised.

11.03 Notice of Default. The Administrative Agent shall give notice to the Borrower of any event occurring under Section 11.01(a), (b), (c) or (d) promptly upon being requested to do so by any Participating Lender and shall thereupon notify all the Participating Lenders thereof.

11.04 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 Administrative Agent (as well after as before judgment) at the rate specified in Section 2.03(d). So long as the 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 the Borrower is in default.

ARTICLE XII
THE ADMINISTRATIVE AGENT

12.01 Appointment and Authorization. Each Participating Lender hereby irrevocably designates and appoints ING Capital LLC as the Administrative Agent of such Participating Lender under this Agreement, and each Participating 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. 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 Participating 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.

12.02 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.

12.03 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 Participating Lenders for any recital, statement, representation or warranty made by the Borrower, the Guarantors 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 the Borrower, the Guarantors 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 Participating 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 or the Guarantors.

12.04 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 or the relevant Issuing Bank, as the case may be, as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders or the relevant Issuing Bank, as the case may be, 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), or the relevant Issuing Bank, as the case may be, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders or such Issuing Bank, as the case may be.

(b) For purposes of determining compliance with the conditions specified in Section 5.01, each Participating 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 Participating Lender for consent, approval, acceptance or satisfaction on or before the Effective Date.

12.05 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 with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of each Issuing Bank and the Lenders) unless the Administrative Agent shall have received written notice from a Lender, an Issuing Bank 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 each Issuing Bank and 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; 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 and the Issuing Banks.

12.06 Credit Decision. Each Participating 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 the Borrower, the Guarantors, or any of their Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Participating Lender. Each Participating Lender acknowledges to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Participating 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 Participating Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Participating Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Participating 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 the Borrower or the Guarantors. Except for notices, reports and other documents expressly herein required to be furnished to the Participating Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Participating Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or the Guarantors which may come into the possession of the Administrative Agent or any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact.

12.07 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, 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 respective amounts of their Commitment Percentages in effect on the date the cause for indemnification arose, 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 Termination 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 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.

12.08 Administrative Agent in 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 Participating Lenders. The Participating Lenders acknowledge that, pursuant to such activities, ING Capital LLC, New York Branch 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 the Borrower or the Guarantors) 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.

12.09 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders and/or the Issuing Banks shall, resign as Administrative Agent upon 30 days’ notice to the Participating Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders and/or the Issuing Banks shall appoint from among the Participating Lenders a successor agent for the Participating 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 Participating Lenders and the

Borrower, a successor agent from among the Participating 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 XII and Sections 15.04 and 15.05 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 Administrative Agent has accepted the appointment as Administrative Agent by the date which is 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 Participating Lenders, appoint a successor Administrative 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 XIII
THE ISSUING BANKS

13.01 Appointment. Each Lender hereby irrevocably designates and appoints each of Barclays Bank PLC, New York Branch and ING Bank N.V., as an Issuing Bank under this Agreement, and each Lender hereby irrevocably authorizes each of Barclays Bank PLC, New York Branch and ING Bank N.V., as an Issuing Bank, to take such action 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 Issuing Banks by the terms of this Agreement or any other Transaction Document, together with such other powers as are

reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or in any other Transaction Document, the Issuing Banks shall not have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, nor shall the Issuing Banks 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 Issuing Banks; provided, however, that nothing contained in this ARTICLE XIII shall be deemed to limit or impair the rights and obligations of the Issuing Banks under the Standby L/Cs issued hereunder.

13.02 Liability of Issuing Bank. Neither of the Issuing Banks nor any of their respective 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 (except for its or such Person'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 Issuing Banks 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 Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, and except for the obligation to examine all documents stipulated in any Standby L/C issued hereunder, in accordance with the Uniform Customs and Practice for Documentary Credits and applicable law, the Issuing Banks 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 or the Guarantors.

13.03 Reliance by Issuing Banks. Each of the Issuing Banks 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 an Issuing Bank. Except for the issuance of any Standby L/Cs issued hereunder, in accordance with the terms of this Agreement and the payment of Drawings, as the case may be, thereunder, each of the Issuing Banks 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 as such Issuing Bank deems appropriate 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. Each Issuing Bank shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Transactions Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant

thereto shall be binding upon all of the Lenders.

13.04 Credit Decision. Each Lender expressly acknowledges that neither of the Issuing Banks nor any of either of their respective Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by any Issuing Bank hereafter taken, including any review of the affairs of the Borrower, the Guarantors or any of their Affiliates, shall be deemed to constitute any representation or warranty by any Issuing Bank to any Lender. Each Lender acknowledges to the Issuing Banks that it has, independently and without reliance upon the Issuing Banks, 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 bank 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 Issuing Banks, 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 the Borrower and the Guarantors.

13.05 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand from an Issuing Bank or its Affiliates, directors, officers, agents and employees (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so in accordance with Section 15.05), ratably according to the respective amounts of their Commitment Percentages in effect on the date the cause for indemnification arose, from and against any and all 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 Termination Date) be imposed on, incurred by or asserted against such Issuing Bank (or any of its Affiliates, directors, officers, agents or 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 such Issuing Bank under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for (a) the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent it results from such Issuing Bank's gross negligence or willful misconduct or (b) any untrue statement of a material fact in the material furnished in writing by such Issuing Bank to the Borrower for inclusion in any offering statement or any omission in such offering statement to state a material fact required to be stated therein in light of the circumstances under which they were made. Notwithstanding the foregoing, no Lender shall be required to fund any other Lender's portion of an unreimbursed Drawing or Standby L/C Drawing, as the case may be, which such other Lender fails to fund hereunder.

13.06 Issuing Banks in their Individual Capacities. Each of Barclays Bank PLC and ING Bank N.V. and its Affiliates 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 or any of its Affiliates as though it was not an Issuing Bank hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, each Issuing Bank 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 the Borrower or the Guarantors) and acknowledge that each Issuing Bank shall be under no obligation to provide such information to them. With respect to the Obligations, each of Barclays Bank PLC, New York Branch and ING Bank N.V. shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Issuing Bank, and the terms "Lender" and "Lenders" shall include each of ING Bank N.V. and Barclays Bank PLC, New York Branch in its individual capacity.

13.07 Notice of Default. Neither of Issuing Banks shall be deemed to have knowledge or notice of any Default or Event of Default unless such Issuing Bank shall have received written notice from the Administrative Agent, any Participating Lender, the Borrower or a Guarantor referring to this Agreement and describing such Default or Event of Default.

ARTICLE XIV

THE JOINT BOOKRUNNERS

14.01 The Joint Bookrunners. The Borrower hereby confirms the designation of Barclays Capital, the Investment Banking Division of Barclays Bank PLC, ING Capital LLC, and Citigroup Global Markets Inc., as arrangers and Joint Bookrunners for the Revolving Facility and the Standby L/C Facility. The Joint Bookrunners assume no responsibility or obligation hereunder for servicing, enforcement or collection of the Obligations, or any duties as agent for the Participating Lenders. The title "Joint Bookrunner" or "Book-runner" implies no fiduciary responsibility on the part of the Joint Bookrunners to the Administrative Agent, or the Participating Lenders and the use of either such title does not impose on the Joint Bookrunners any duties or obligations under this Agreement except as may be expressly set forth herein.

14.02 Liability of Joint Bookrunners. Neither the Joint Bookrunners nor any of their 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 Joint Bookrunner'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 Arrangers 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 Joint Bookrunners 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.

14.03 Joint Bookrunners in their respective Individual Capacities. Each of Barclays Capital, the Investment Banking Division of Barclays Bank PLC and its Affiliates, ING Capital LLC and its Affiliates, and Citigroup Global Markets Inc. 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 they were not the Joint Bookrunners hereunder.

14.04 Credit Decision. Each Lender expressly acknowledges that neither the Joint Bookrunners nor any of their respective Affiliates, officers, directors, employees, agents or attorneys-in-fact have made any representation or warranty to it, and that no act by the Joint Bookrunners hereafter taken, including any review of the affairs of the Borrower or the Guarantors, shall be deemed to constitute any representation or warranty by the Joint Bookrunners to any Lender. Each Lender acknowledges to the Joint Bookrunners that it has, independently and without reliance upon the Joint Bookrunners, 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 or the Guarantors and their Affiliates and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Joint Bookrunners, 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 the Borrower or the Guarantors. The Joint Bookrunners 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 Arrangers or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XV
MISCELLANEOUS

15.01 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: (i) in the case of the Borrower, the Guarantors, the Issuing Banks, the Joint Bookrunners 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 Issuing Banks, the Joint Bookrunners and the Administrative Agent.

(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 Administrative Agent under ARTICLE II, III, IV, V or XII shall not be effective until received.

15.02 Amendments and Waivers. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower or any 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 applicable Guarantors, as the case may be, 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 Participating Lender;

(ii) extend the maturity of any of the Obligations, extend the time of payment of interest thereon, or, other than as provided in Section 4.02, extend the Termination Date;

(iii) forgive any Obligation, reduce the principal amount of the Obligations, reduce the rate of interest thereon, reduce the amount or change the method of calculation of any Fee hereunder (other than the Standby L/C Fees, Agency Fees or Arrangement Fees), or change the provisions of 4.06(a);

in each case without the consent of the Borrower and each Participating Lender directly affected thereby;

(b) (i) amend, modify or waive any provision of this Section 15.02;

(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 (except as provided in Article IV for Non-Extending Lenders); or

(iii) amend, modify or waive any provision of Section 5.01;

(iv) amend or modify the definition of "Available Standby L/C Sublimit" in Section 1.01 hereof;

(v) amend, modify or waive any provision of Section 5.02; or

(vi) amend, modify or waive any provision of Section 15.06;

in each case without the consent of the Borrower and all the Participating Lenders;

(c) amend, modify or waive any provision of ARTICLE XII without the written consent of the Administrative Agent;

(d) amend, modify or waive any provision of ARTICLE XIV without the consent of the Joint

Bookrunners;

(e) amend, modify or waive any provision of ARTICLE III and XIII without the consent of the Required Lenders and the Issuing Bank; and

(f) amend, modify or waive any provision of Section 2.02, without the consent of the Required Lenders and the Swing Line Lenders.

15.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Participating 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.

15.04 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 to the Administrative Agent, English and New York counsel to the Issuing Banks 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 Transactions Documents, subject to the maximum amount set forth in a letter agreement between the Borrower and the Joint Bookrunners;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent and the Issuing Banks 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 and New York counsel to the Administrative Agent and the Issuing Banks; and

(c) all reasonable and documented, out-of-pocket costs and expenses incurred by the Administrative Agent or any Participating 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 and New York counsel to the Administrative Agent and such Participating Lender.

15.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Joint Bookrunners, the Administrative Agent, each Issuing Bank 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 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 15.05 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 each Guarantor also agrees not to assert any claim against the Joint Bookrunners, the Administrative Agent, an Issuing Bank, 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 Joint Bookrunner, the Administrative Agent, an Issuing Bank nor any Lender shall be deemed to have any fiduciary relationship with the Borrower or any Guarantor.

15.06 Successor 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 Issuing Bank, the Joint Bookrunners, the Administrative Agent and the Lenders and their respective successors and assigns, except that the Borrower and the Guarantors may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of all Lenders except pursuant to the terms of this Agreement.

(b) Any Lender (other than an Issuing Bank in its capacity as such) may at any time, and any Lender, if demanded by the Borrower or an Issuing Bank pursuant to Section 2.01(d) or Section 4.10 upon at least five Business Days' notice to such Lender and the Administrative Agent, shall, 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 Commitment and 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 such transferor Lender, with (and subject to) the subscribed consent of the Borrower and the Administrative Agent (which consents shall not be unreasonably withheld or delayed, and if a Default or Event of Default has occurred and is continuing,

the consent of the Borrower shall not be required) and the Issuing Bank (which consent may be withheld for any reason; except that where such Assignee is an OECD Bank, consent may not be unreasonably withheld); provided, however, that if an Assignee is an Affiliate of such 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 other than from the relevant Issuing Bank; and provided further that, in the case of an assignment of only part of such rights and obligations, the Assignee shall acquire a Total Exposure of not less than U.S.$3,000,000 and integral multiples of U.S.$1,000,000 in excess thereof. 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 such 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 with a Commitment as set forth in such instrument of assumption (in addition to any Commitment previously held by it), 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, the Administrative Agent and the Borrower shall make appropriate arrangements so that a new 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 transferor Lender (or in the case of Section 2.01(d) or 4.11, 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.$2,000 and to the Issuing Bank a fee of U.S.$1,000.

(c) Nothing herein shall prohibit any 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 15.06; 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, the Issuing Banks 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 such 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 Commitment or any or all of its Loans or its share of the Standby L/C Exposure. 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, the Issuing Banks 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 4.07 and 4.10 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 15.06, 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.

15.07 Right of Set-off. In addition to any rights and remedies of the Participating Lenders provided by law, each such Participating Lender shall have the right, without prior notice to the Borrower or the Guarantors, any such notice being expressly waived by the Borrower and the Guarantors to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower or the Guarantors 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, including any amounts deposited pursuant to Section 11.02(a)(iii)), 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 Participating Lender, or any branch or agency thereof to or for the credit or the account of the Borrower or the Guarantors. Each Participating Lender agrees promptly to notify the Borrower, or such Guarantor, as the case may be, and the Administrative Agent after any such set-off and application made by such Participating Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

15.08 Confidentiality. Neither the Administrative Agent nor any Participating Lender shall disclose any Confidential Information to any other Person without the prior written

consent of the Borrower, other than (a) to the Administrative Agent's, or such Participating Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 15.06(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 Participating 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.

15.09 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 5.01(e)(iii), Section 8.01 and Section 8.02 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.

15.10 **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.**

15.11 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 Guarantors, 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 OR PROCEEDING 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, ANY ISSUING BANK OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.**

15.12 Appointment of Agent for Service of Process.

(a) The Borrower and each 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 any Guarantor, as the case may be, in care of the Process Agent at its address specified above, and the Borrower and each 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 each 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 15.11 or in this Section 15.12 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.

15.13 Waiver of Sovereign Immunity. To the extent that the Borrower or a 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 each Guarantor agrees that the waivers set forth in this Section 15.13 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.

15.14 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, each Issuing Bank or each Lender, as the case may be, could purchase Dollars with such currency 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 any Lender, an Issuing Bank 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, such Issuing Bank or the Administrative Agent of any sum adjudged to be so due in such other currency such Lender, such Issuing Bank 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 Issuing Bank, such Lender or the Administrative Agent, the Borrower and each of the Guarantors agree, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Issuing Bank, such Lender or the Administrative Agent against such resulting loss.

15.15 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.

15.16 USA PATRIOT Act. The Participating 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 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 Issuing Banks to identify the Borrower in accordance with the Act.

15.17 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.

15.18 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 4.05, 4.07, 4.09, 4.10, 15.04, 15.05, 15.08, 15.09, 15.11, 15.12 and 15.14, and the obligations of the Lenders under Sections 12.07 and 13.05, shall survive the termination of the Commitments, the expiration of Standby L/Cs 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.

Exhibit 4.4.1

EXECUTION VERSION

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Amendment No. 1 to the Credit Agreement (as defined below), dated as of June 21, 2006 (this "Amendment No. 1"), is entered into by and among **CEMEX, S.A. de C.V.**, a *sociedad anonima 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 anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, **EMPRESAS TOLTECA DE MÉXICO**, **S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States (each a " Guarantor" and together, the "Guarantors"), **BARCLAYS BANK PLC, NEW YORK BRANCH** ("Barclays"), as an Issuing Bank and Documentation Agent, **ING BANK N.V.**, as an Issuing Bank (together with Barclays in its capacity as an Issuing Bank, the "Issuing Banks"), the several Lenders party hereto, **BARCLAYS CAPITAL**, **THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC**, as a Joint Bookrunner, **CITIGROUP GLOBAL MARKETS INC.**, as a Joint Bookrunner and Syndication Agent and **ING CAPITAL LLC**, as Administrative Agent (the Syndication Agent, the Documentation Agent and the Administrative Agent, together the "Agents").

RECITALS

A. The Borrower, the Guarantors, Barclays, as an Issuing Bank and Documentation Agent, ING Bank N.V., as an Issuing Bank, the several Lenders party thereto, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Bookrunner, Citigroup Global Markets Inc., as a Joint Bookrunner and Syndication Agent, and ING Capital LLC, as Administrative Agent, are parties to that certain amended and restated credit facility, dated as of June 6, 2005 (as now or hereafter amended, restated or otherwise modified, the " Credit Agreement").

B. Borrower has requested that the Agents and the Lenders consent to the following amendment to the Credit Agreement.

C. This Amendment No. 1 shall constitute a Transaction Document and these Recitals shall be construed as part of this Amendment No. 1.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and of the Loans and other extensions of credit heretofore, now or hereafter made to, or for the benefit of, Borrower by Lenders, the Borrower, the Agents, and the Lenders hereby agree as follows:

1. Definitions. Except to the extent otherwise specified herein, capitalized terms used in this Amendment No. 1 shall have the same meanings ascribed to them in the Credit Agreement and Exhibits thereto.

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2. Amendments.

2.1 The definition for "Applicable Margin" in Section 1.01 of the Credit Agreement shall be deleted and replaced in its entirety with the following language:

""Applicable Margin" means, at any date, the applicable margin set forth below based upon the Borrower's Consolidated Net Debt/EBITDA Ratio (it being understood that measurement of the Consolidated Net Debt/EBITDA Ratio as of the most recent Measurement Date is sufficient for this purpose):

	Applicable Margin	
Consolidated Net Debt/EBITDA Ratio	Base Rate Loans	LIBOR Loans
3.00 to 1 or greater	0.35%	0.35%
Less than 3.00 to 1, but greater than or equal to 2.50 to 1	0.30%	0.30%
Less than 2.50 to 1, but greater than or equal to 2.00 to 1	0.25%	0.25%
Less than 2.00 to 1	0.20%	0.20%

2.2 The following definitions will be added to Section 1.01:

""Loan Extension Request Date" has the meaning specified in Section 4.14.

"Loan Extension Consent" has the meaning specified in Section 4.14.

"Loan Extension Consent Date" has the meaning specified in Section 4.14."

2.3 A new Section 4.14 shall be added to the Credit Agreement to read as follows:

"4.14 Loan Extension.

(i) Extension of Termination Date of Loan. The Borrower may, within 60 days, but not less than 45 days, prior to June 6, 2007 (the "Loan Extension Request Date"), by notice to the Administrative Agent, make written request of the Lenders to extend the Termination Date for an additional period of one (1) year. The Administrative Agent will give prompt notice to each of the Lenders of its receipt of any such request for extension of the Termination Date. Each Lender shall make a determination not later than 30 days prior to the then applicable Loan Extension Request Date (the "Loan Extension Consent Date") as to whether or not it will agree to extend the Termination Date as requested (such approval of extension shall be an " Loan Extension Consent"); provided, however, that failure by any Lender to make a timely response to the Borrower's request for extension of the Termination Date shall be deemed to constitute a refusal by such Lender to extension of the Termination Date.

(ii) Lender Not Consenting. If by any Loan Extension Consent Date the Borrower and the Administrative Agent have not received a Loan Extension Consent from any Lender, the Termination Date, as it relates to such Lender, shall not be extended, the Commitment of such Lender shall terminate on the Termination Date applicable to it and any Loans made by such Lender and all accrued and unpaid interest thereon shall be due and payable on such Termination Date. Upon the termination of the Commitment of any such Lender, unless this Agreement is amended as provided in Section 4.14(iv), the aggregate amount of the Commitments shall be reduced by the amount of such terminated Commitment, and the Commitment Percentage of each other Lender shall be adjusted to that percentage obtained by dividing the Commitment of such Lender by the aggregate amount of the Commitments after giving effect to such reduction as provided in the definition of "Commitment Percentage" unless an Additional Lender is added as provided in Section 4.14 (iv).

(iii) Other Lenders. No refusal by any one Lender to consent to any extension of the Termination Date shall affect the extension of the Termination Date as it may relate to the Commitment and Loans of any Lender that consents to such extension as provided in Section 4.14(i), and one or more Lenders may consent to the extension of the Termination Date as it relates to them notwithstanding any refusal by any other Lenders so to consent.

(iv) Additional Lender or Lenders . If any Lender does not deliver a Loan Extension Consent as provided in Section 4.14(i), upon the expiration of the Commitment of such Lender, the Borrower may, with the approval of the Administrative Agent, amend this Agreement as provided in Sections 15.02 and 15.06 to add one or more other Lenders as parties, with such Commitment or Commitments as may be agreed to by the Administrative Agent and such other Lender or Lenders; provided that such additions do not increase the aggregate amount of the Commitments to an amount greater than the aggregate amount of Commitments in effect immediately before such expiration or termination.

(v) Notice. The Administrative Agent shall promptly advise each Lender of any change in Commitment Percentages and shall promptly provide each of the Lenders with a copy of any amendment made pursuant to Section 4.14(iv)."

3. Representations and Warranties. The Borrower and Credit Parties hereby represent and warrant to the Administrative Agent and the Lenders that:

3.1 The representations and warranties contained in the Credit Agreement are true and correct as of the date of this Amendment No. 1.

3,2 The execution, delivery and performance by the Borrower and the other Credit Parties of this Amendment No. 1 has been duly authorized by all necessary corporate action, and this Amendment No. 1 constitutes the legal, valid and binding obligation of the Borrower and Credit Parties enforceable against the Borrower and Credit Parties in accordance with its terms, except as the enforcement hereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally or to general principles of equity.

3.3 The execution, delivery and performance of this Amendment No. 1 does not, and will not,

contravene or conflict with any provision of (i) law, (ii) any judgment, decree or order, or (iii) the certificate or articles of incorporation or by-laws or other constituent documents of the Borrower and Credit Parties, and does not, and will not, contravene or conflict with, or cause any Lien to arise under, any provision of any indenture, agreement, mortgage, lease, instrument or other document binding upon or otherwise affecting the Borrower and Credit Parties or any property of the Borrower and Credit Parties.

3.4 No Default or Event of Default exists under the Credit Agreement or any other Transaction Document or will exist after or be triggered by the execution, delivery and performance of this Amendment No. 1. In addition, the Borrower and Credit Parties hereby represents, warrants and reaffirms that the Credit Agreement and each of the other Transaction Documents remains in full force and effect.

4. Conditions Precedent to Effectiveness. The effectiveness of the amendments set forth in Section 2 hereof are in each instance subject to the satisfaction of each of the following conditions precedent:

4.1 Amendment No. 1. This Amendment No. 1 shall have been duly executed and delivered by each of the Borrower, the Administrative Agent and Lenders.
No Default. No Default or Event of Default shall have occurred and be continuing or would result from the effectiveness of this Amendment No. 1.

4.2 Opinions. The Administrative Agent and the Lenders shall have received opinions from the Borrower's General Counsel, with respect to this Amendment No. 1 in form and substance acceptable to the Administrative Agent.

4.3 Miscellaneous. The Administrative Agent and Lenders shall have received such other agreements, instruments and documents as the Administrative Agent or Lenders may reasonably request.

5. Reference to and Effect Upon the Credit Agreement and other Transaction Documents .

5.1 Full Force and Effect. Except as specifically provided herein, the Credit Agreement, the Notes and each other Transaction Document shall remain in full force and effect and each is hereby ratified and confirmed by the Borrower.

5.2 No Waiver. The execution, delivery and effect of this Amendment No. 1 shall be limited precisely as written and shall not be deemed to (i) be a consent to any waiver of any term or condition, or to any amendment or modification of any term or condition (except as specifically provided herein) of the Credit Agreement, the Notes or any other Transaction Document or (ii) prejudice any right, power or remedy which the Administrative Agent or any Lender now has or may have in the future under or in connection with the Credit Agreement or any other Transaction Document.

5.3 Certain Terms. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in any other Transaction Document to the Credit Agreement or any word or words of similar import shall be and mean a reference to the Credit Agreement as amended hereby.

6. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, each of which when so executed shall be deemed an original but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment No. 1 by telecopier shall be as effective as delivery of a manually executed counterpart signature page to this Amendment No. 1.

7. Costs and Expenses. As provided in the Credit Agreement, the Borrower shall pay the fees, costs and expenses incurred by Agent in connection with the preparation, execution and delivery of this Amendment No. 1 (including, without limitation, attorneys' fees).

8. GOVERNING LAW. THIS AMENDMENT NO. 1 SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPALS.

9. Headings. Section headings in this Amendment No. 1 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 1 for any other purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 1 has been duly executed as of the date first written above.

CEMEX, S.A. DE C.V.,
as Borrower

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

[Amendment $700 mil Facility]

CEMEX MÉXICO, S.A. DE C.V.,
as Guarantor

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

[Amendment $700 mil Facility]

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.,
as Guarantor

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

[Amendment $700 mil Facility]

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank, Documentation Agent, and a Lender

By /s/ Rose Mary Perez
Name: Rose Mary Perez
Title: Associate Director

[Amendment $700 mil Facility]

ING BANK N.V.,
as Issuing Bank and a Lender

By /s/ J. van Steenderen
Name: J. van Steenderen
Title: General Manager

By /s/ A. Felipa-Ventura

Name: A. Felipa-Ventura
Title: Manager Credit Administration

[Amendment $700 mil Facility]

BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC,
as a Joint Bookrunner

By /s/ Rose Mary Perez
Name: Rose Mary Perez
Title: Associate Director

[Amendment $700 mil Facility]

ING CAPITAL LLC,
as a Joint Bookrunner and Administrative Agent

By /s/ Vicente M. León
Name: Vicente M. León
Title: Director

[Amendment $700 mil Facility]

CITIGROUP GLOBAL MARKETS INC.,
as Joint Bookrunner and Syndication Agent

By /s/ Carlos Corona
Name: Carlos Corona
Title: Director

[Amendment $700 mil Facility]

BANCO SANTANDER CENTRAL HISPANO, S.A., NEW YORK BRANCH,
as a Lender

By /s/ L. Ruben Perez-Romo
Name: L. Ruben Perez-Romo
Title: Vice President

By /s/ Carlos F. de Paula
Name: Carlos F. de Paula
Title: Executive Director

[Amendment $700 mil Facility]

THE BANK OF NOVA SCOTIA,
as a Lender

By /s/ Stephen Guthrie

Name: Stephen Guthrie
Title: Vice President

[Amendment $700 mil Facility]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as a Lender

By /s/ Pamela D. Price

Name: Pamela D. Price
Title: Vice President & Manager

[Amendment $700 mil Facility]

BANCO BILBAO VIZCAYA ARGENTARIA, S.A., GRAND CAYMAN BRANCH,
as a Lender

By /s/ Jay Levit

Name: Jay Levit
Title: Vice President

By /s/ Hector Villegas

Name: Hector Villegas
Title: Vice President

[Amendment $700 mil Facility]

BNP PARIBAS PANAMA BRANCH,
as a Lender

By /s/ Jorge Dixon

Name: Jorge Dixon
Title: Executive Vice President

By /s/ Nair Gonzalez

Name: Nair Gonzalez
Title: Senior Vice President

[Amendment $700 mil Facility]

CALYON NEW YORK BRANCH,
as a Lender

By /s/ Jesus Tueme

Name: Jesus Tueme
Title: Managing Director

By /s/ Marcello Peixoto

Name: Marcello Peixoto
Title: Director

[Amendment $700 mil Facility]

MIZUHO CORPORATE BANK, LTD.,
as a Lender

By /s/ David Costa
Name: David Costa
Title: Senior Vice President

[Amendment $700 mil Facility]

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By /s/ Kathleen Reedy
Name: Kathleen Reedy
Title: Managing Director

[Amendment $700 mil Facility]

BANK OF AMERICA, N.A.,
as a Lender

By /s/ Emilio Arriaga
Name: Emilio Arriaga
Title: Attorney-in-Fact

[Amendment $700 mil Facility]

STANDARD CHARTERED BANK,
as a Lender

By /s/ Steven Aloupis
Name: Steven Aloupis
Title: Senior Vice President

By /s/ Christina M. Hover
Name: Christina M. Hover
Title: Credit Documentation Manager

[Amendment $700 mil Facility]

CITIBANK N.A. NASSAU, BAHAMAS
BRANCH,
as a Lender

By /s/

Name:
Title:

[Amendment $700 mil Facility]

CITIBANK (BANAMEX USA),
as a Lender

By /s/ Jeff Healy

Name: Jeff Healy
Title: Vice President

By /s/ Martin Breidsprecher

Name: Martin Breidsprecher
Title: Senior Vice President

[Amendment $700 mil Facility]

BAYERISCHE LANDESBANK,
as a Lender

By /s/ Michael Jakob

Name: Michael Jakob
Title: First Vice President

By /s/ Norman McClave

Name: Norman McClave
Title: First Vice President

[Amendment $700 mil Facility]

HSBC MEXICO, S.A., INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO HSBC,
as a Lender

By /s/ Jorge Casas de la Torre

Name: Jorge Casas de la Torre
Title: Vice President

[Amendment $700 mil Facility]

COMERICA BANK,
as a Lender

By /s/ Juan Carlos Sanchez

Name: Juan Carlos Sanchez
Title: Vice President

[Amendment $700 mil Facility]

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By /s/
Name:
Title:

By /s/
Name:
Title:

[Amendment $700 mil Facility]

DRESDNER BANK AG, ACTING THROUGH ITS LENDING OFFICE DRESDNER BANK AG, NEW YORK BRANCH,
as a Lender

By /s/ Mark T. McGuigan
Name: Mark T. McGuigan
Title: Vice President

By /s/ Brian M. Smith
Name: Brian M. Smith
Title: Managing Director

[Amendment $700 mil Facility]

SANPAOLO IMI S.P.A.,
as a Lender

By /s/ Barbara Bassi
Name: Barbara Bassi
Title: VP

By /s/ Renato Carducci
Name: Renato Carducci
Title: GM

[Amendment $700 mil Facility]

BANCA DI ROMA, S.P.A., NEW YORK BRANCH,
as a Lender

By /s/ Linda Lee
Name: Linda Lee
Title: Assistant Treasurer

By /s/ Alessandro Paoli
Name: Alessandro Paoli

Title: First Vice President

[Amendment $700 mil Facility]

JPMORGAN CHASE BANK NEW YORK,
as a Lender

By /s/ Linda Meyer
Name: Linda Meyer
Title: Vice President

[Amendment $700 mil Facility]

SOCIETE GENERALE,
as a Lender

By /s/ Alejandro Garcia
Name: Alejandro Garcia
Title: Vice President

[Amendment $700 mil Facility]

Exhibit 4.4.2

EXECUTION COPY

AMENDMENT AND WAIVER AGREEMENT

THIS AMENDMENT AND WAIVER AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of December 1, 2006, is entered into between CEMEX, S.A.B. DE C.V., a *sociedad anónima bursátil de capital variable* organized under the laws of the United Mexican States ("Mexico") (formerly CEMEX, S.A. de C.V.) (the "Borrower"), Cemex México, S.A. de C.V., a *sociedad anónima de capital variable* organized under the laws of Mexico and Empresas Tolteca de México, S.A. de C.V., a *sociedad anónima de capital variable* organized under the laws of Mexico (each a "Guarantor" and collectively the "Guarantors") and ING CAPITAL LLC, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") acting on the instructions of the Required Lenders for and on behalf of the Lenders party to the Credit Agreement (as defined below).

W I T N E S S E T H

WHEREAS, the Borrower, the Guarantors, the Lenders from time to time party thereto, the Administrative Agent for the Lenders, Barclays Bank PLC, New York branch, as Issuing Bank and Documentation Agent, ING Bank N.V., as Issuing Bank, Barclays Capital, the Investment Banking Division of Barclays Bank plc, as Joint Bookrunner and Citigroup Global Markets Inc., as Joint Bookrunner and Syndication Agent, entered into an amended and restated credit agreement, dated as of June 6, 2005, to amend the credit agreement, dated as of June 23, 2004, among the Borrower, the Guarantors, Barclays, as Issuing Bank and Documentation Agent, ING Bank N.V., as an Issuing Bank, the several lenders party thereto, Barclays Capital, the Investment Banking Division of Barclays, as a Joint Bookrunner and ING Capital LLC, as Joint Bookrunner and Administrative Agent (as amended, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"); and

WHEREAS, the parties hereto desire to amend the terms of the Credit Agreement pursuant to this Agreement; and

WHEREAS, the Administrative Agent on behalf of the Required Lenders is willing to consent to certain amendments to the Credit Agreement and grant such requested waiver, upon the terms and conditions set forth below;

NOW THEREFORE, in consideration of the waiver and amendment herein obtained, and in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, shall have the respective meanings set forth in the Credit Agreement.

ARTICLE II

EFFECTIVE DATE

This Agreement shall become effective upon the execution and delivery of this Agreement by the Borrower and the Administrative Agent (acting on the instructions of the Required Lenders) (the " Effective Date"). On the Effective Date, the Credit Agreement shall be amended as set forth in this Agreement.

ARTICLE III

WAIVER OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT

On the date on which the offer made by CEMEX Australia Pty Ltd., a proprietary limited company organized under the laws of Victoria, Australia ("Cemex Australia") (as evidenced by the announcement made by the Borrower on October 27, 2006) to acquire the issued and outstanding shares of the Rinker Group Limited, a public limited company organized under the laws of the New South Wales, Australia, not previously owned by CEMEX Australia (as such offer may be amended, supplemented, revised, renewed, waived or otherwise modified from time to time) becomes, or is declared to be, unconditional in all respects (the " Waiver Effective Date"), the Required Lenders agree to waive compliance by the Borrower of the Credit Agreement to the extent set forth in this Article III. Except as expressly so waived, the Credit Agreement shall continue in full force and effect in accordance with its terms.

SECTION 3.1 Waiver of Section 9.01(a) (Financial Condition) of the Credit Agreement. From the Waiver Effective Date up to, and including, December 31, 2007, or such other later date as may be agreed between the parties to this Agreement (the "Waiver Termination Date"), the Required Lenders in accordance with Section 15.02 of the Credit Agreement, hereby waive compliance by the Borrower with the financial condition covenant set forth in Section 9.01(a) of the Credit Agreement.

SECTION 3.2 Waiver of Compliance with Section 9.01(a) (Financial Condition) of the Credit Agreement. As a result of the waiver provided in Section 3.1 hereof, the Borrower shall at no time during the period commencing on the Waiver Effective Date up to, and including the Waiver Termination Date (such period, the "Waiver Period") be obliged to ensure that it complies with such financial condition covenant or provide any compliance or other certificate in relation to such covenant and no consequences whatsoever shall flow under the Credit Agreement or any other Transaction Document from the failure by the Borrower to comply with such covenant during the Waiver Period.

SECTION 3.3 Extent of Waiver of Section 9.01(a) (Financial Condition) of the Credit Agreement. The waiver set forth in Section 3.1 hereof shall not be deemed to constitute a waiver with respect to compliance with any other term, provision or condition of the Credit Agreement, any other Transaction Document or any other instrument or agreement referred to therein or relating thereto or prejudice any right or remedy that the Administrative Agent or any Lender may now have or may in the future arise under or in connection with the

Credit Agreement, any other Transaction Document or any other instrument or agreement referred to therein or relating thereto.

SECTION 3.4 Compliance with Section 9.01(a) (Financial Condition) of the Credit Agreement. In the event that the Waiver Termination Date is December 31, 2007, and provided such waiver Termination Date is not extended pursuant to agreement between the parties to this Agreement, the waiver shall cease to be effective commencing on January 1, 2008. After the Waiver Termination Date, the Borrower undertakes to comply with the financial condition covenant set forth in Section 9.01(a) of the Credit Agreement as amended pursuant to Article IV hereof.

ARTICLE IV

AMENDMENT

On the Effective Date, the Administrative Agent, on behalf of the Required Lenders, agrees to amend, without any further action, the provision of the Credit Agreement referred to below and such provision is hereby modified and amended in accordance with this Article IV. Except as so modified and amended, the Credit Agreement shall continue in full force and effect in accordance with its terms.

SECTION 4.1 Amendment to Section 9.01 of the Credit Agreement. Section 9.01 of the Credit Agreement is amended by inserting the following paragraph (d) at the end of Section 9.01:

> "(d) For the purposes of calculating the Consolidated Net Debt to EBITDA Ratio in Section 9.01(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 generally accepted accounting principles applicable to the Borrower which are in effect as at the time that such Debt is entered into, issued or incurred."

ARTICLE V

FEE

SECTION 5.1 Fee. The Borrower hereby agrees to pay to the Administrative Agent for the benefit of the Lenders that (i) consent in writing to the provisions of this Agreement (the "Written Consent") on or prior to November 28, 2006 (the "Consent Date"), (ii) provide to the Administrative Agent (with a copy to the Borrower) its Written Consent on or prior to the Consent Date, and (iii) instruct the Administrative Agent to execute and deliver this Agreement in accordance with the terms hereof on or prior to the Consent Date (the "Consenting Lenders"), a fee of 0.025% (the "Consent Fee") of the outstanding commitment amount of each Consenting Lender under the Credit Agreement; provided that, the Consent Fee shall only be payable if the Written Consent is delivered to the Administrative Agent on or prior to the Consent Date. The Consent Fee shall

be payable within two Business Days of the execution by the Administrative Agent (acting on the instructions of the Required Lenders) of this Agreement, provided that, if such date is not a Business Day, then the Consent Fee shall be payable on the next succeeding Business Day.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1 No Other Agreements; References to the Credit Agreement . Other than as specifically provided herein, this Agreement shall not operate as a waiver or amendment of any right, power or privilege of the Lenders under the Credit Agreement or any other Transaction Document or of any other term or condition of the Credit Agreement or any other Transaction Document nor shall the entering into of this Agreement preclude the Lenders from refusing to enter into any further waivers or amendments with respect to the Credit Agreement. All references to the Credit Agreement in any document, instrument, agreement, or writing shall from and after the Effective Date be deemed to refer to the Credit Agreement, and, as used in the Credit Agreement, the terms "Agreement", "herein", "hereafter", "hereunder", "hereto", and words of similar import shall mean, from and after the Effective Date, the Credit Agreement.

SECTION 6.2 Headings. The descriptive headings of the various sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

SECTION 6.3 Execution in Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of any executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 6.4 Governing Law; Entire Agreement . THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE. This Agreement and the other Transaction Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

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

By: /s/ Rodrigo Treviño
Name: Rodrigo Treviño

Title: Chief Financial Officer

CEMEX MÉXICO, S.A. DE C.V.

By: /s/ Rodrigo Treviño
Name: Rodrigo Treviño

Title: Chief Financial Officer

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.

By: /s/ Rodrigo Treviño
Name: Rodrigo Treviño

Title: Chief Financial Officer

ING CAPITAL LLC, as Administrative Agent acting in its own capacity and for and on behalf of the Required Lenders

By: /s/ Vicente M. León
Name: Vicente M. León

Title: Director

Exhibit 4.4.3

EXECUTION COPY

THIRD AMENDMENT TO CREDIT AGREEMENT

This Third Amendment to the Credit Agreement (as defined below), dated as of May 9, 2007 (this "**Amendment No. 3**"), is entered into by and among **CEMEX, S.A.B. de C.V.**, a *sociedad anonima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States (formerly known as "CEMEX, S.A. de C.V.") (the "**Borrower**"), **CEMEX MÉXICO, S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, **EMPRESAS TOLTECA DE MÉXICO, S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States (each a "**Guarantor**" and together, the "**Guarantors**"), **BARCLAYS BANK PLC, NEW YORK BRANCH** ("**Barclays**"), as an Issuing Bank and Documentation Agent, **ING BANK N.V.**, as an Issuing Bank (together with Barclays in its capacity as an Issuing Bank, the " **Issuing Banks**"), the several Lenders party hereto, **BARCLAYS CAPITAL**, **THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC**, as a Joint Bookrunner, **CITIGROUP GLOBAL MARKETS INC.**, as a Joint Bookrunner and Syndication Agent and **ING CAPITAL LLC**, as a Joint Bookrunner and Administrative Agent (the Syndication Agent, the Documentation Agent and the Administrative Agent, together the "**Agents**").

RECITALS

A. The Borrower, the Guarantors, Barclays, as an Issuing Bank and Documentation Agent, ING Bank N.V., as an Issuing Bank, the several Lenders party thereto, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Bookrunner, Citigroup Global Markets Inc., as a Joint Bookrunner and Syndication Agent, and ING Capital LLC, as Administrative Agent, are parties to that certain amended and restated credit facility, dated as of June 6, 2005, as amended by Amendment No. 1 to the Credit Agreement, dated as of June 21, 2006 (the "**Amendment No. 1**") and the Amendment and Waiver Agreement, dated as of December 1, 2006 (the "**Amendment No. 2**")(as now or hereafter amended, restated or otherwise modified, the "**Credit Agreement**").

B. The Borrower has requested that the Agents and the Lenders consent to the following amendment to the Credit Agreement.

C. This Amendment No. 3 shall constitute a Transaction Document and these Recitals shall be construed as part of this Amendment No. 3.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and of the Loans and other extensions of credit heretofore, now or hereafter made to, or for the benefit of, the Borrower by the Lenders, the Borrower, the Agents, and the Lenders hereby agree as follows:

---

1. Definitions. Except to the extent otherwise specified herein, capitalized terms used in this Amendment No. 3 shall have the same meanings ascribed to them in the Credit Agreement.

2. Amendments. Subject to Section 5, the Credit Agreement is hereby amended as follows:

2.1 The definition for "Termination Date" in Section 1.01 ("Certain Definitions") shall be deleted and replaced in its entirety with the following language:

""Termination Date" means the earlier of (a) the date five years following the Effective Date, or if extended with the written consent of a Participating Lender pursuant to Section 4.02, such later date as it relates to such Participating Lender or (b) if no Loans or Standby L/Cs are outstanding, the date the Commitments are terminated in full in accordance with this Agreement."

2.2 The following definition shall be added to Section 1.01 (" Certain Definitions"):

""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."

2.3 Section 6.22 ("Margin Regulations") shall be deleted and replaced in its entirety with the following language:

6.22 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 Participating Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Participating 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 Loans 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.

2.4 Section 8.09 ("Use of Proceeds") shall be deleted and replaced in its entirety with the following language:

"(a) The Borrower will use the proceeds of all Loans made hereunder for general corporate purposes, including but not limited to the repayment of indebtedness, and to finance acquisitions;

(b) The Borrower will ensure that at no time shall the Aggregate Exposure of the Participating Lenders exceed the Aggregate Commitment Amount then in effect."

2.5 A new clause (l) shall be added to Section 9.02 (" Liens") of the Credit Agreement to read as follows:

"(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 Borrower and its Subsidiaries exceeds 25% of the value of the total assets of the Borrower and its Subsidiaries;"

2.6 Section 9.04 ("Sales of Assets, Etc.") shall be deleted and replaced in its entirety with the following language:

"9.04 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, (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 with the proceeds of the Loans through the 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."

3. Fee. The Borrower hereby agrees to pay to the Administrative Agent for the benefit of the Lenders that (i) consent in writing to all the provisions (Sections 2.1–2.5) of this Amendment No. 3 (the " Written Consent") on or prior to May 9, 2007 (the "Consent Date") and (ii) provide to the Administrative Agent (with a copy to the Borrower) its Written Consent on or prior to the Consent Date (the "Consenting Lenders"), a fee of 0.025% (the " Consent Fee") of the outstanding commitment amount of each Consenting Lender under the Credit Agreement; provided that, the Consent Fee shall only be payable to a Consenting Lender if (i) its Written Consent is delivered to the Administrative Agent on or prior to the Consent Date and (ii) the Required Lenders have given their consents to Sections 2.2–2.5 of this Amendment. The Consent Fee shall be payable within two Business Days of the execution by the Required Lenders of this Agreement, provided that, if such date is not a Business Day, then the Consent Fee shall be payable on the next succeeding Business Day.

4. Representations and Warranties. The Borrower and the Credit Parties hereby represent and warrant to the Administrative Agent and the Lenders that:

4.1 The representations and warranties contained in the Credit Agreement are true and correct as of the date of this Amendment No. 3.

4.2 The execution, delivery and performance by the Borrower and the other Credit Parties of this Amendment No. 3 has been duly authorized by all necessary corporate action, and this Amendment No. 3 constitutes the legal, valid and binding obligation of the

Borrower and the Credit Parties enforceable against the Borrower and the Credit Parties in accordance with its terms, except as the enforcement hereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally or to general principles of equity.

4.3 The execution, delivery and performance of this Amendment No. 3 does not, and will not, contravene or conflict with any provision of (i) law, (ii) any judgment, decree or order, or (iii) the certificate or articles of incorporation or by-laws or other constituent documents of the Borrower and the Credit Parties, and does not, and will not, contravene or conflict with, or cause any Lien to arise under, any provision of any indenture, agreement, mortgage, lease, instrument or other document binding upon or otherwise affecting the Borrower and the Credit Parties or any property of the Borrower and the Credit Parties.

4.4 No Default or Event of Default exists under the Credit Agreement or any other Transaction Document or will exist after or be triggered by the execution, delivery and performance of this Amendment No. 3. In addition, the Borrower and the Credit Parties hereby represent, warrant and reaffirm that the Credit Agreement and each of the other Transaction Documents remain in full force and effect.

5. Conditions Precedent to Effectiveness. The effectiveness of the amendments set forth in Section 2 hereof are in each instance subject to the satisfaction of each of the following conditions precedent:

5.1 Amendment No. 3. This Amendment No. 3 shall have been duly executed and delivered by each of the Borrower, the Administrative Agent and the Lenders.

5.2 No Default. No Default or Event of Default shall have occurred and be continuing or would result from the effectiveness of this Amendment No. 3.

5.3 Opinions. The Administrative Agent and the Lenders shall have received opinions from the Borrower's General Counsel, with respect to this Amendment No. 3 in form and substance acceptable to the Administrative Agent.

5.4 Miscellaneous. The Administrative Agent and the Lenders shall have received such other agreements, instruments and documents as the Administrative Agent or the Lenders may reasonably request.

6. Reference to and Effect Upon the Credit Agreement and other Transaction Documents.

6.1 Full Force and Effect. Except as specifically provided herein, the Credit Agreement, the Notes and each other Transaction Document shall remain in full force and effect and each is hereby ratified and confirmed by the Borrower.

6.2 No Waiver. The execution, delivery and effect of this Amendment No. 3 shall be limited precisely as written and shall not be deemed to (i) be a consent to any waiver of any term or condition, or to any amendment or modification of any term or condition (except as specifically provided herein) of the Credit Agreement, the Notes or any other Transaction Document or (ii) prejudice any right, power or remedy which the Administrative Agent or any

Lender now has or may have in the future under or in connection with the Credit Agreement or any other Transaction Document.

6.3 Certain Terms. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in any other Transaction Document to the Credit Agreement or any word or words of similar import shall be and mean a reference to the Credit Agreement as amended hereby.

7. Counterparts. This Amendment No. 3 may be executed in any number of counterparts, each of which when so executed shall be deemed an original but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment No. 3 by telecopier shall be as effective as delivery of a manually executed counterpart signature page to this Amendment No. 3.

8. Costs and Expenses. As provided in the Credit Agreement, the Borrower shall pay the reasonable fees, costs and expenses incurred by Agent in connection with the preparation, execution and delivery of this Amendment No. 3

(including, without limitation, attorneys' fees).

9. GOVERNING LAW. THIS AMENDMENT NO. 3 SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

10. Headings. Section headings in this Amendment No. 3 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 3 for any other purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 3 has been duly executed as of the date first written above.

CEMEX, S.A.B. de C.V.,
as Borrower

By: /s/ Agustín Blanco
Name: Agustín Blanco
Title: Attorney-in-Fact

CEMEX MÉXICO, S.A. DE C.V.,
as Guarantor

By: /s/ Agustín Blanco
Name: Agustín Blanco
Title: Attorney-in-Fact

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.,
as Guarantor

By: /s/ Agustín Blanco
Name: Agustín Blanco
Title: Attorney-in-Fact

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank, Documentation Agent and Lender

By: /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

ING BANK N.V. (acting through its Curacao Branch), as
Issuing Bank and a Lender

By: /s/ John van Steenderen
Name: John van Steenderen
Title: General Manager

By:
Name:
Title: Director, Head Human Resources

BARCLAYS CAPITAL, THE INVESTMENT
BANKING DIVISION OF BARCLAYS BANK PLC,
as a Joint Bookrunner

By: /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

ING CAPITAL LLC,
as a Joint Bookrunner and Administrative Agent

By: /s/ Vicente M. León
Name: Vicente M. León
Title: Director

CITIGROUP GLOBAL MARKETS INC.,
as Joint Bookrunner and Syndication Agent

By: _____
Name:
Title:

[Amendment No. 3 to $700 mil Facility]

BANCO SANTANDER CENTRAL HISPANO SA
NEW YORK BRANCH,
as a Lender

By: /s/ Jesus Lopez
Name: Jesus Lopez
Title: Vice President

By: /s/ Ramón E. Colón
Name: Ramón E. Colón
Title: Vice President

[Amendment No. 3 to $700 mil Facility]

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Bob Finlay
Name: Bob Finlay
Title: Managing Director

[Amendment No. 3 to $700 mil Facility]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD,
as a Lender

By: /s/ Pamela D. Price
Name: Pamela D. Price
Title: Vice President & Manager

BANCO BILBAO VIZCAYA ARGENTARIA S.A. New York BRANCH,
as a Lender

By: /s/ Juan Urquiola
Name: Juan Urquiola
Title: Chief Operating Officer

By: /s/ Kathryn Barrios
Name: Kathryn Barrios
Title: Senior Vice President

BNP PARIBAS PANAMA BRANCH,
as a Lender

By: /s/ Raul Ardito-Barletta
Name: Raul Ardito-Barletta
Title: Executive Vice President

By: /s/ Nair Gonzalez
Name: Nair Gonzalez
Title: Senior Vice President

CALYON New York Branch,
as a Lender

By: /s/ Jesus Tueme
Name: Jesus Tueme
Title: Managing Director

By: /s/ Kevin Flood
Name: Kevin Flood

Title: Vice President

MIZUHO CORPORATE BANK LTD,
as a Lender

By: /s/ David Costa
Name: David Costa
Title: Deputy General Manager

WACHOVIA BANK NA,
as a Lender

By: /s/ Kathleen E. Reedy
Name: Kathleen E. Reedy
Title: Managing Director

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Emilio Arriaga
Name: Emilio Arriaga
Title: VP Investment Bank

STANDARD CHARTERED BANK,
as a Lender

By: /s/ Maria Carolina Torres
Name: Maria Carolina Torres

Title: Syndications, Capital Markets

By: /s/ Christina M. Hover
Name: Christina M. Hover
Title: Credit Documentation Manager

[Amendment No. 3 to $700 mil Facility]

CITIBANK NA NASSAU, BAHAMAS BRANCH,
as a Lender

By: /s/ L. Munroe
Name: L. Munroe
Title: Attorney-in-Fact

[Amendment No. 3 to $700 mil Facility]

CITIBANK (BANAMEX USA),
as a Lender

By: /s/ Jeff Healy
Name: Jeff Healy
Title: Senior Vice President

By: /s/ Martin Breidsprecher
Name: Martin Breidsprecher
Title: Senior Vice President

[Amendment No. 3 to $700 mil Facility]

BAYERISCHE LANDESBANK,
as a Lender

By: /s/ Nikolai von Mengden
Name: Nikolai von Mengden
Title: Senior Vice President

By: /s/ Annette Schmidt
Name: Annette Schmidt
Title: First Vice President

HSBC MEXICO S.A. INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO HSBC,
as a Lender

By: /s/ Oswaldo Ponce Hernández
Name: Oswaldo Ponce Hernández
Title: Attorney-in-Fact

[Amendment No. 3 to $700 mil Facility]

COMERICA BANK,
as a Lender

By: /s/ Mark F. Layton
Name: Mark F. Layton
Title: Vice President

[Amendment No. 3 to $700 mil Facility]

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Eugenia Wilds
Name: Eugenia Wilds
Title: Director

By: /s/ Jorge Otero
Name: Jorge Otero
Title: Director

[Amendment No. 3 to $700 mil Facility]

DRESDNER BANK AG ACTING
THROUGH ITS LENDING OFFICE
DRESDNER BANK AG, NEW YORK BRANCH,
as a Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

[Amendment No. 3 to $700 mil Facility]

INTESA SANPAOLO S.P.A.,
as a Lender

By: /s/ Barbara Bassi
Name: Barbara Bassi
Title: Vice President

By: /s/ D. Mara Lowenstein
Name: D. Mara Lowenstein
Title: V.P. and General Counsel

[Amendment No. 3 to $700 mil Facility]

BANCA DI ROMA S.P.A. NEW YORK BRANCH
as Lender

By: /s/ Guido Filippi
Name: Guido Filippi
Title: Assistant Treasurer

By: /s/ Alessandro Paoli
Name: Alessandro Paoli
Title: First Vice President

[Amendment No. 3 to $700 mil Facility]

JPMORGAN CHASE BANK NA,
as a Lender

By: /s/ Stephanie Connor
Name: Stephanie Connor
Title: Executive Director

[Amendment No. 3 to $700 mil Facility]

SOCIETE GENERALE,
as a Lender

By: /s/ Sibila C. Glöggler
Name: Sibila C. Glöggler
Title: Vice President

Exhibit 4.9.1

EXECUTION VERSION

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Amendment No. 1 to the Credit Agreement (as defined below), dated as of June 19, 2006 (this "Amendment No. 1"), is entered into by and among **CEMEX, S.A. de C.V.**, a *sociedad anonima 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 anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, **EMPRESAS TOLTECA DE MÉXICO**, **S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States (each a "Guarantor" and together, the "Guarantors"), the several Lenders party hereto, **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.

RECITALS

A. Borrower, the Guarantors, the Administrative Agent, the several Lenders party thereto, Barclays Bank PLC, The 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, are parties to that certain senior secured credit facility, dated as of May 31, 2005 (as now or hereafter amended, restated or otherwise modified, the " Credit Agreement").

B. Borrower has requested that the Administrative Agent and the Lenders consent to the following amendment to the Credit Agreement.

C. This Amendment No. 1 shall constitute a Transaction Document and these Recitals shall be construed as part of this Amendment No. 1.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and of the Loans and other extensions of credit heretofore, now or hereafter made to, or for the benefit of, Borrower by Lenders, the Borrower, the Administrative Agent, and the Lenders hereby agree as follows:

1. Definitions. Except to the extent otherwise specified herein, capitalized terms used in this Amendment No. 1 shall have the same meanings ascribed to them in the Credit Agreement and Exhibits thereto.

2. Amendments.

2.1 The definition for "Applicable Margin" in Section 1.01 of the Credit Agreement shall be deleted and replaced in its entirety with the following language:

""Applicable Margin" means, at any date, the applicable margin set forth below based upon the Borrower's Consolidated Net Debt/EBITDA Ratio (it being understood that measurement of the Consolidated Net Debt/EBITDA Ratio as of the most recent Measurement Date is sufficient for this purpose):

	Applicable Margin		
Consolidated Net Debt/EBITDA Ratio	Base Rate Loans	LIBOR Loans	Euribor Loans
3.00 to 1 or greater	0.40%	0.40%	0.40%
Less than 3.00 to 1, but greater than or equal to 2.50 to 1	0.35%	0.35%	0.35%
Less than 2.50 to 1, but greater than or equal to 2.00 to 1	0.30%	0.30%	0.30%
Less than 2.00 to 1	0.25%	0.25%	0.25%

."

2.2 The following definitions will be added to Section 1.01:

""Loan Extension Request Date" has the meaning specified in Section 3.13.

"Loan Extension Consent" has the meaning specified in Section 3.13.

"Loan Extension Consent Date" has the meaning specified in Section 3.13."

2.3 A new Section 3.13 shall be added to the Credit Agreement to read as follows:

"3.13 Loan Extension.

(i) Extension of Termination Date of Loan. The Borrower may, within 60 days, but not less than 45 days prior to June 6, 2007 (the "Extension Request Date"), by notice to the Administrative Agent, make written request of the Lenders to extend the Termination Date for an additional period of one (1) year. The Administrative Agent will give prompt notice to each of the Lenders of its receipt of any such request for extension of the Termination Date. Each Lender shall make a determination not later than 30 days prior to the Extension Request Date (the " Extension Consent Date") as to whether or not it will agree to extend the Termination Date as requested (such approval of extension shall be an "Extension Consent"); provided, however, that failure by any Lender to make a timely response to the Borrower's request for extension of the Termination Date shall be deemed to constitute a refusal by such Lender to extension of the Termination Date.

(ii) Lender Not Consenting. If by any Extension Consent Date the Borrower and the Administrative Agent have not received an Extension Consent from any Lender, the Termination Date, as it relates to such Lender, shall not be extended, the Commitment of such Lender shall terminate on the Termination Date applicable to it and any Loans made by such Lender and all accrued and unpaid interest thereon shall be due and payable on such Termination

Date. Upon the termination of the Commitment of any such Lender, unless this Agreement is amended as provided in Section 3.13(iv), the aggregate amount of the Commitments shall be reduced by the amount of such terminated Commitment, and the Commitment Percentage of each other Lender shall be adjusted to that percentage obtained by dividing the Commitment of such Lender by the aggregate amount of the Commitments after giving effect to such reduction as provided in the definition of "Commitment Percentage" unless an Additional Lender is added as provided in Section 3.13 (iv).

(iii) Other Lenders. No refusal by any one Lender to consent to any extension of the Termination Date shall affect the extension of the Termination Date as it may relate to the Commitment and Loans of any Lender that consents to such extension as provided in Section 3.13(i), and one or more Lenders may consent to the extension of the Termination Date as it relates to them notwithstanding any refusal by any other Lenders so to consent.

(iv) Additional Lender or Lenders. If any Lender does not deliver an Extension Consent as provided in Section 3.13(i), upon the expiration of the Commitment of such Lender, or upon its termination as provided in Section 3.13(iv), the Borrower may with the approval of the Administrative Agent amend this Agreement as provided in Section 13.02 and 13.06 to add one or more other Lenders as parties, with such Commitment or Commitments as may be agreed to by the Administrative Agent and such other Lender or Lenders; provided that such additions do not increase the aggregate amount of the Commitments to an amount greater than the aggregate amount of Commitments in effect immediately before such expiration or termination.

(v) Notice. The Administrative Agent shall promptly advise each Lender of any change in Commitment Percentages and shall promptly provide each of the Lenders with a copy of any amendment made pursuant to Section 3.13(iv)."

3. Representations and Warranties. The Borrower and Credit Parties hereby represent and warrant to the Administrative Agent and the Lenders that:

3.1. The representations and warranties contained in the Credit Agreement are true and correct as of the date of this Amendment No. 1.

3.2. The execution, delivery and performance by the Borrower and the other Credit Parties of this Amendment No. 1 has been duly authorized by all necessary corporate action, and this Amendment No. 1 constitutes the legal, valid and binding obligation of the Borrower and Credit Parties enforceable against the Borrower and Credit Parties in accordance with its terms, except as the enforcement hereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally or to general principles of equity.

3.3. The execution, delivery and performance of this Amendment No. 1 does not, and will not, contravene or conflict with any provision of (i) law, (ii) any judgment, decree or order, or (iii) the certificate or articles of incorporation or by-laws or other constituent documents of the Borrower and Credit Parties, and does not, and will not, contravene or conflict

with, or cause any Lien to arise under, any provision of any indenture, agreement, mortgage, lease, instrument or other document binding upon or otherwise affecting the Borrower and Credit Parties or any property of the Borrower and Credit Parties.

3.4. No Default or Event of Default exists under the Credit Agreement or any other Transaction Document or will exist after or be triggered by the execution, delivery and performance of this Amendment No. 1. In addition, the Borrower and Credit Parties hereby represents, warrants and reaffirms that the Credit Agreement and each of the other Transaction Documents remains in full force and effect.

4. Conditions Precedent to Effectiveness. The effectiveness of the amendments set forth in Section 2 hereof are in each instance subject to the satisfaction of each of the following conditions precedent:

4.1. Amendment No. 1. This Amendment No. 1 shall have been duly executed and delivered by the Borrowers, the Administrative Agent and Lenders.

4.2. No Default. No Default or Event of Default shall have occurred and be continuing or would result from the effectiveness of this Amendment No. 1.

4.3. Opinion. The Administrative Agent and the Lenders shall have received opinions from the Borrower's General Counsel, with respect to this Amendment No. 1 in form and substance acceptable to Agent.

4.4. Miscellaneous. Agent and Lenders shall have received such other agreements, instruments and documents as Agent or Lenders may reasonably request.

5. Reference to and Effect Upon the Credit Agreement and other Transaction Documents.

5.1. Full Force and Effect. Except as specifically provided herein, the Credit Agreement, the Notes and each other Transaction Document shall remain in full force and effect and each is hereby ratified and confirmed by the Borrower.

5.2. No Waiver. The execution, delivery and effect of this Amendment No. 1 shall be limited precisely as written and shall not be deemed to (i) be a consent to any waiver of any term or condition, or to any amendment or modification of any term or condition (except as specifically provided herein) of the Credit Agreement, the Notes or any other Transaction Document or (ii) prejudice any right, power or remedy which the Administrative Agent or any Lender now has or may have in the future under or in connection with the Credit Agreement or any other Transaction Document.

5.3. Certain Terms. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in any other Transaction Document to the Credit Agreement or any word or words of similar import shall be and mean a reference to the Credit Agreement as amended hereby.

6. Counterparts. This Amendment No. 1 may be executed in any number of counterparts, each of which when so executed shall be deemed an original but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment No. 1 by telecopier shall be as effective as delivery of a manually executed counterpart signature page to this Amendment No. 1.

7. Costs and Expenses. As provided in the Credit Agreement, the Borrower shall pay the fees, costs and expenses incurred by Agent in connection with the preparation, execution and delivery of this Amendment No. 1 (including, without limitation, attorneys' fees).

8. GOVERNING LAW. THIS AMENDMENT NO. 1 SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPALS.

9. Headings. Section headings in this Amendment No. 1 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 1 for any other purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 1 has been duly executed as of the date first written above.

CEMEX, S.A. DE C.V.,
as Borrower

By /s/ Victor Manuel Naranjo Bandala
Name: Victor Manuel Naranjo Bandala
Title: Treasury Director

[Amendment $1.2 bil Facility]

CEMEX MÉXICO, S.A. DE C.V.,
as Guarantor

By /s/ Victor Manuel Naranjo Bandala
Name: Victor Manuel Naranjo Bandala
Title: Treasury Director

[Amendment $1.2 bil Facility]

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.,
as Guarantor

By /s/ Victor Manuel Naranjo Bandala
Name: Victor Manuel Naranjo Bandala
Title: Treasury Director

[Amendment $1.2 bil Facility]

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent and a Lender

By /s/ Rose Mary Perez
Name: Rose Mary Perez
Title: Associate Director

BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC,
as Joint Lead Arranger and Joint Bookrunner

By / s/ Rose Mary Perez
Name: Rose Mary Perez
Title: Associate Director

[Amendment $1.2 bil Facility]

CITIGROUP GLOBAL MARKETS INC.,
as Documentation Agent, Joint Lead Arranger and Joint Bookrunner

By /s/ Carlos Corona
Name: Carlos Corona
Title: Director

[Amendment $1.2 bil Facility]

CITIBANK, N.A. NASSAU, BAHAMAS BRANCH,
as a Lender

By /s/ L. Munroe
Name: L. Munroe
Title: Attorney-in-Fact

[Amendment $1.2 bil Facility]

BANCO SANTANDER CENTRAL HISPANO, S.A., NEW YORK BRANCH,
as a Lender

By /s/ Ruben Perez-Romo
Name: Ruben Perez-Romo
Title: Vice President

By /s/ Carlos F. De Paula
Name: Carlos F. De Paula
Title: Executive Director

THE BANK OF NOVA SCOTIA,
as a Lender

By /s/ Stephen Guthrie
Name: Stephen Guthrie
Title: Vice-President

[Amendment $1.2 bil Facility]

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.,
GRAND CAYMAN BRANCH,
as a Lender

By /s/ Jay Levit
Name: Jay Levit
Title: Vice President

By /s/ Hector Villegas
Name: Hector Villegas
Title: Vice President

[Amendment $1.2 bil Facility]

BNP PARIBAS PANAMA BRANCH,
as a Lender

By /s/ Jorge Dixon
Name: Jorge Dixon
Title: Executive Vice President

By /s/ Nair Gonzalez
Name: Nair Gonzalez
Title: Senior Vice President

[Amendment $1.2 bil Facility]

CALYON NEW YORK BRANCH,
as a Lender

By /s/ Jesus Tueme
Name: Jesus Tueme
Title: Managing Director

By /s/ Marcello Peixoto

Name: Marcello Peixoto
Title: Director

ING BANK N.V.,
as a Lender

By /s/ J. van Steenderen

Name: J. van Steenderen
Title: General Manager

By /s/ A.A. Felipa-Ventura

Name: A.A. Felipa-Ventura
Title: Manager Credit Administration

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By /s/ Kathleen Reedy

Name: Kathleen Reedy
Title: Managing Director

BAYERISCHE LANDESBANK,
as a Lender

By /s/ Michael Jakob

Name: Michael Jakob
Title: First Vice President

By /s/ Norman McClave

Name: Norman McClave
Title: First Vice President

FORTIS CAPITAL CORP.,
as a Lender

By /s/ John W. Deegan

Name: John W. Deegan
Title: Senior Vice President

By /s/ Junichi Ogasawara

Name: Junichi Ogasawara
Title: Vice President

[Amendment $1.2 bil Facility]

HSBC BANK PLC SURCURSAL EN ESPANA,
as a Lender

By /s/ Francisco Neira

Name: Francisco Neira
Title: Director

[Amendment $1.2 bil Facility]

THE ROYAL BANK OF SCOTLAND PLC,
as a Lender

By s/ Antonio Casteleiro

Name: Antonio Casteleiro
Title: Senior Director

By /s/ Guillermo Poggio

Name: Guillermo Poggio
Title: Associate Director

[Amendment $1.2 bil Facility]

SOCIETE GENERALE,
as a Lender

By /s/ Alejandro Garcia

Name: Alejandro Garcia
Title: Vice President

[Amendment $1.2 bil Facility]

BANK OF AMERICA, N.A.,
as a Lender

By /s/ Emilio Arriaga

Name: Emilio Arriaga
Title: Attorney-in-Fact

THE BANK OF TOKYO-MITSUBISHI, LTD.,
as a Lender

By /s/ Pamela D. Price

Name: Pamela D. Price
Title: Vice President & Manager

JPMORGAN CHASE BANK NEW YORK,
as a Lender

By /s/ Linda Meyer

Name: Linda Meyer
Title: Vice President

SANPAOLO IMI S.P.A.,
as a Lender

By /s/ Barbara Bassi

Name: Barbara Bassi
Title: V.P.

By /s/ Renato Carducci

Name: Renato Carducci
Title: G.M.

BANCA MONTE DEI PASCHI DI SIENA S.P.A.,
as a Lender

By /s/ Gennaro Miccoli

Name: Gennaro Miccoli
Title: Senior Vice President & General Manager

By /s/ Brian R. Landy
Name: Brian R. Landy
Title: Vice President

CAJA MADRID MIAMI AGENCY,
as a Lender

By /s/ Gema Gámez
Name: Gema Gámez
Title: Capital Markets

By /s/ Ricardo Benedé
Name: Ricardo Benedé
Title: Corporate Banking

[Amendment $1.2 bil Facility]

COMERICA BANK,
as a Lender

By /s/ Juan Carlos Sanchez
Name: Juan Carlos Sanchez
Title: Vice President

[Amendment $1.2 bil Facility]

KBC BANK, N.V., NEW YORK BRANCH,
as a Lender

By
Name:
Title:

[Amendment $1.2 bil Facility]

MORGAN STANLEY BANK,
as a Lender

By /s/ Daniel Twenge
Name: Daniel Twenge
Title: Vice President

[Amendment $1.2 bil Facility]

Exhibit 4.9.2

EXECUTION COPY

AMENDMENT AND WAIVER AGREEMENT

THIS AMENDMENT AND WAIVER AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of November 30, 2006, is entered into between CEMEX, S.A.B. DE C.V., a *sociedad anónima bursátil de capital variable* organized under the laws of the United Mexican States ("Mexico") (formerly CEMEX, S.A. de C.V.) (the "Borrower"), Cemex México, S.A. de C.V., a *sociedad anónima de capital variable* organized under the laws of Mexico and Empresas Tolteca de México, S.A. de C.V., a *sociedad anónima de capital variable* organized under the laws of Mexico (each a "Guarantor" and collectively the "Guarantors") and BARCLAYS BANK PLC, NEW YORK BRANCH, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") acting on the instructions of the Required Lenders for and on behalf of the Lenders party to the Credit Agreement (as defined below).

W I T N E S S E T H

WHEREAS, the Borrower, the Guarantors, the Lenders from time to time party thereto, the 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, entered into a credit agreement, dated as of May 31, 2005 (as amended, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"); and

WHEREAS, the parties hereto desire to amend the terms of the Credit Agreement pursuant to this Agreement; and

WHEREAS, the Administrative Agent on behalf of the Required Lenders is willing to consent to certain amendments to the Credit Agreement and grant such requested waiver, upon the terms and conditions set forth below;

NOW THEREFORE, in consideration of the waiver and amendment herein obtained, and in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, shall have the respective meanings set forth in the Credit Agreement.

ARTICLE II

EFFECTIVE DATE

This Agreement shall become effective upon the execution and delivery of this Agreement by the Borrower and the Administrative Agent (acting on the instructions of the Required Lenders) (the " Effective Date"). On the Effective Date, the Credit Agreement shall be amended as set forth in this Agreement.

ARTICLE III

WAIVER OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT

On the date on which the offer made by CEMEX Australia Pty Ltd., a proprietary limited company organized under the laws of Victoria, Australia ("Cemex Australia") (as evidenced by the announcement made by the Borrower on October 27, 2006) to acquire the issued and outstanding shares of the Rinker Group Limited, a public limited company organized under the laws of the New South Wales, Australia not previously owned by Cemex Australia (as such offer may be amended, supplemented, revised, renewed, waived or otherwise modified from time to time) becomes, or is declared to be, unconditional in all respects (the " Waiver Effective Date"), the Required Lenders agree to waive compliance by the Borrower of the Credit Agreement to the extent set forth in this Article III. Except as expressly so waived, the Credit Agreement shall continue in full force and effect in accordance with its terms.

SECTION 3.1 Waiver of Section 8.01(a) (Financial Condition) of the Credit Agreement . From the Waiver Effective Date up to, and including, December 31, 2007, or such other later date as may be agreed between the parties to this Agreement (the "Waiver Termination Date"), the Required Lenders in accordance with Section 13.02 of

the Credit Agreement, hereby waive compliance by the Borrower with the financial condition covenant set forth Section 8.01(a) of the Credit Agreement.

SECTION 3.2 Waiver of Compliance with Section 8.01(a) (Financial Condition) of the Credit Agreement. As a result of the waiver provided in Section 3.1 hereof, the Borrower shall at no time during the period commencing on the Waiver Effective Date up to, and including, the Waiver Termination Date (such period, the "Waiver Period") be obliged to ensure that it complies with such financial condition covenant or provide any compliance or other certificate in relation to such covenant and no consequences whatsoever shall flow under the Credit Agreement or any other Transaction Document from the failure by the Borrower to comply with such covenant during the Waiver Period.

SECTION 3.3 Extent of Waiver of Section 8.01(a) (Financial Condition) of the Credit Agreement. The waiver set forth in Section 3.1 hereof shall not be deemed to constitute a waiver with respect to compliance with any other term, provision or condition of the Credit Agreement, any other Transaction Document or any other instrument or agreement referred to therein or relating thereto or prejudice any right or remedy that the Administrative Agent or any Lender may now have or may in the future arise under or in connection with the Credit

Agreement, any other Transaction Document or any other instrument or agreement referred to therein or relating thereto.

SECTION 3.4 Compliance with Section 8.01(a) (Financial Condition) of the Credit Agreement. In the event that the Waiver Termination Date is December 31, 2007, and provided such Waiver Termination Date is not extended pursuant to agreement between the parties to this Agreement, the waiver shall cease to be effective commencing on January 1, 2008. After the Waiver Termination Date, the Borrower undertakes to comply with the financial condition covenant set forth in Section 8.01(a) of the Credit Agreement, as amended pursuant to Article IV hereof.

ARTICLE IV

AMENDMENT

On the Effective Date, the Administrative Agent, on behalf of the Required Lenders, agrees to amend, without any further action, the provision of the Credit Agreement referred to below and such provision is hereby modified and amended in accordance with this Article IV. Except as so modified and amended, the Credit Agreement shall continue in full force and effect in accordance with its terms.

SECTION 4.1 Amendment to Section 8.01of the Credit Agreement. Section 8.01 of the Credit Agreement is amended by inserting the following paragraph (d) at the end of Section 8.01:

> "(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 generally accepted accounting principles applicable to the Borrower which are in effect as at the time that such Debt is entered into, issued or incurred."

ARTICLE V

FEE

SECTION 5.1 Fee. The Borrower hereby agrees to pay to the Administrative Agent for the benefit of the Lenders that (i) consent in writing to the provisions of this Agreement (the " Written Consent") on or prior to November 28, 2006 (the "Consent Date"), (ii) provide to the Administrative Agent (with a copy to the Borrower) its Written Consent on or prior to the Consent Date, and (iii) instruct the Administrative Agent to execute and deliver this Agreement in accordance with the terms hereof on or prior to the Consent Date (the " Consenting Lenders"), a fee of 0.025% (the "Consent Fee") of the outstanding commitment amount of each Consenting Lender under the Credit Agreement; provided that, the Consent Fee shall only be payable if the

Written Consent is delivered to the Administrative Agent on or prior to the Consent Date. The Consent Fee shall be payable within two Business Days of the execution by the Administrative Agent (acting on the instructions of the Required Lenders) of this Agreement, provided that, if such date is not a Business Day, then the Consent Fee shall be payable on the next succeeding Business Day.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1 No Other Agreements; References to the Credit Agreement . Other than as specifically provided herein, this Agreement shall not operate as a waiver or amendment of any right, power or privilege of the Lenders under the Credit Agreement or any other Transaction Document or of any other term or condition of the Credit Agreement or any other Transaction Document nor shall the entering into of this Agreement preclude the Lenders from refusing to enter into any further waivers or amendments with respect to the Credit Agreement. All references to the Credit Agreement in any document, instrument, agreement, or writing shall, from and after the Effective Date, be deemed to refer to the Credit Agreement, and, as used in the Credit Agreement, the terms "Agreement", "herein", "hereafter", "hereunder", "hereto", and words of similar import shall mean, from and after the Effective Date, the Credit Agreement.

SECTION 6.2 Headings. The descriptive headings of the various sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

SECTION 6.3 Execution in Counterparts . This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of any executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 6.4 Governing Law; Entire Agreement . THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE. This Agreement and the other Transaction Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CEMEX, s.a.b. de c.v.

By: /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

CEMEX MÉXICO, s.a. de c.v.

By: /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

EMPRESAS TOLTECA DE MÉXICO, s.a. de c.v.

By: /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

BARCLAYS BANK PLC, NEW YORK BRANCH, as Administrative Agent acting in its own capacity and for and

on behalf of the Required Lenders

By: /s/ Rose Mary Perez

Name: Rose Mary Perez
Title: Associate Director

Exhibit 4.9.3

EXECUTION COPY

THIRD AMENDMENT TO CREDIT AGREEMENT

This Third Amendment to the Credit Agreement (as defined below), dated as of May __, 2007 (this "**Amendment No. 3**"), is entered into by and among **CEMEX, S.A.B. de C.V.**, a *sociedad anonima bursátil de capital variable* organized and existing pursuant to the laws of the United Mexican States (formerly known as "CEMEX, S.A. de C.V.") (the "**Borrower**"), **CEMEX MÉXICO, S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States, **EMPRESAS TOLTECA DE MÉXICO, S.A. de C.V.**, a *sociedad anonima de capital variable* organized and existing pursuant to the laws of the United Mexican States (each a "**Guarantor**" and together, the "**Guarantors**"), the several Lenders party hereto, **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.

RECITALS

A. The Borrower, the Guarantors, the Administrative Agent, the several Lenders party thereto, Barclays Bank PLC, The 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, are parties to that certain senior secured credit facility, dated as of May 31, 2005, as amended by Amendment No. 1, dated as of June 19, 2006 (the "**Amendment No. 1**") and the Amendment and Waiver, dated as of November 30, 2006 (the "**Amendment No. 2**") (as now or hereafter amended, restated or otherwise modified, the "**Credit Agreement**").

B. The Borrower has requested that the Administrative Agent and the Lenders consent to the following amendment to the Credit Agreement.

C. This Amendment No. 3 shall constitute a Transaction Document and these Recitals shall be construed as part of this Amendment No. 3.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and of the Loans and other extensions of credit heretofore, now or hereafter made to, or for the benefit of, the Borrower by the Lenders, the Borrower, the Administrative Agent, and the Lenders hereby agree as follows:

---

1. Definitions. Except to the extent otherwise specified herein, capitalized terms used in this Amendment No. 3 shall have the same meanings ascribed to them in the Credit Agreement.

2. Amendments. Subject to Section 5, the Credit Agreement is hereby amended as follows:

2.1 The definition for "Termination Date" in Section 1.01 ("Certain Definitions") shall be deleted and replaced in its entirety with the following language:

""Termination Date" means the earlier of (a) the date six (6) years following the Effective Date, or (b) if no Loans are outstanding, the date the Commitments are terminated in full in accordance with this Agreement."

2.2 The following definition shall be added to Section 1.01 ("Certain Definitions"):

""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."

2.3 Section 5.21 ("Margin Regulations") shall be deleted and replaced in its entirety with the following language:

5.21 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 Participating Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Participating 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 Loans 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.

2.4 Section 7.09 ("Use of Proceeds") shall be deleted and replaced in its entirety with the following language:

"The Borrower will use the proceeds of all Loans made hereunder for general corporate purposes (including the repayment of existing indebtedness) and to finance acquisitions."

2.5 A new clause (l) shall be added to Section 8.02 (" Liens") of the Credit Agreement to read as follows:

"(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 Borrower and its Subsidiaries exceeds 25% of the value of the total assets of the Borrower and its Subsidiaries;"

2.6 Section 8.04 ("Sales of Assets, Etc.") shall be deleted and replaced in its entirety with the following language:

"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 (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 with the proceeds of the Loans through the 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."

3. Fee. The Borrower hereby agrees to pay to the Administrative Agent for the benefit of the Lenders that (i) consent in writing to all the provisions (Sections 2.1–2.5) of this Amendment No. 3 (the " Written Consent") on or prior to May 9, 2007 (the "Consent Date") and (ii) provide to the Administrative Agent (with a copy to the Borrower) its Written Consent on or prior to the Consent Date (the "Consenting Lenders"), a fee of 0.025% (the " Consent Fee") of the outstanding commitment amount of each Consenting Lender under the Credit Agreement; provided that, the Consent Fee shall only be payable to a Consenting Lender if (i) its Written Consent is delivered to the Administrative Agent on or prior to the Consent Date and (ii) the Required Lenders have given their consents to Sections 2.2–2.5 of this Amendment. The Consent Fee shall be payable within two Business Days of the execution by the Required Lenders of this Agreement, provided that, if such date is not a Business Day, then the Consent Fee shall be payable on the next succeeding Business Day.

4. Representations and Warranties. The Borrower and Credit Parties hereby represent and warrant to the Administrative Agent and the Lenders that:

4.1 The representations and warranties contained in the Credit Agreement are true and correct as of the date of this Amendment No. 3.

4.2 The execution, delivery and performance by the Borrower and the other Credit Parties of this Amendment No. 3 has been duly authorized by all necessary corporate action, and this Amendment No. 3 constitutes the legal, valid and binding obligation of the

Borrower and the Credit Parties enforceable against the Borrower and the Credit Parties in accordance with its terms,

except as the enforcement hereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally or to general principles of equity.

4.3 The execution, delivery and performance of this Amendment No. 3 does not, and will not, contravene or conflict with any provision of (i) law, (ii) any judgment, decree or order, or (iii) the certificate or articles of incorporation or by-laws or other constituent documents of the Borrower and the Credit Parties, and does not, and will not, contravene or conflict with, or cause any Lien to arise under, any provision of any indenture, agreement, mortgage, lease, instrument or other document binding upon or otherwise affecting the Borrower and the Credit Parties or any property of the Borrower and the Credit Parties.

4.4 No Default or Event of Default exists under the Credit Agreement or any other Transaction Document or will exist after or be triggered by the execution, delivery and performance of this Amendment No. 3. In addition, the Borrower and Credit Parties hereby represent, warrant and reaffirm that the Credit Agreement and each of the other Transaction Documents remain in full force and effect.

5. Conditions Precedent to Effectiveness. The effectiveness of the amendments set forth in Section 2 hereof are in each instance subject to the satisfaction of each of the following conditions precedent:

5.1 Amendment No. 3. This Amendment No. 3 shall have been duly executed and delivered by each of the Borrower, the Administrative Agent and the Lenders.

5.2 No Default. No Default or Event of Default shall have occurred and be continuing or would result from the effectiveness of this Amendment No. 3.

5.3 Opinions. The Administrative Agent and the Lenders shall have received opinions from the Borrower's General Counsel, with respect to this Amendment No. 3 in form and substance acceptable to the Administrative Agent.

5.4 Miscellaneous. The Administrative Agent and the Lenders shall have received such other agreements, instruments and documents as the Administrative Agent or the Lenders may reasonably request.

6. Reference to and Effect Upon the Credit Agreement and other Transaction Documents.

6.1 Full Force and Effect. Except as specifically provided herein, the Credit Agreement, the Notes and each other Transaction Document shall remain in full force and effect and each is hereby ratified and confirmed by the Borrower.

6.2 No Waiver. The execution, delivery and effect of this Amendment No. 3 shall be limited precisely as written and shall not be deemed to (i) be a consent to any waiver of any term or condition, or to any amendment or modification of any term or condition (except as specifically provided herein) of the Credit Agreement, the Notes or any other Transaction Document or (ii) prejudice any right, power or remedy which the Administrative Agent or any

Lender now has or may have in the future under or in connection with the Credit Agreement or any other Transaction Document.

6.3 Certain Terms. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in any other Transaction Document to the Credit Agreement or any word or words of similar import shall be and mean a reference to the Credit Agreement as amended hereby.

7. Counterparts. This Amendment No. 3 may be executed in any number of counterparts, each of which when so executed shall be deemed an original but all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment No. 3 by telecopier shall be as effective as delivery of a manually executed counterpart signature page to this Amendment No. 3.

8. Costs and Expenses. As provided in the Credit Agreement, the Borrower shall pay the reasonable fees, costs and expenses incurred by Agent in connection with the preparation, execution and delivery of this Amendment No. 3 (including, without limitation, attorneys' fees).

9. GOVERNING LAW. THIS AMENDMENT NO. 3 SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

10. Headings. Section headings in this Amendment No. 3 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 3 for any other purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment No. 3 has been duly executed as of the date first written above.

CEMEX, S.A.B. de C.V.,
as Borrower

By: /s/ Agustín Blanco
Name: Agustín Blanco
Title: Attorney-in-Fact

[Amendment No. 3 to $1200 mil Facility]

CEMEX MÉXICO, S.A. DE C.V.,
as Guarantor

By: /s/ Agustín Blanco
Name: Agustín Blanco
Title: Attorney-in-Fact

[Amendment No. 3 to $1200 mil Facility]

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.,
as Guarantor

By: /s/ Agustín Blanco
Name: Agustín Blanco
Title: Attorney-in-Fact

[Amendment No. 3 to $1200 mil Facility]

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent and a Lender

By: /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC,
as Joint Lead Arranger and Joint Bookrunner

By: _____
Name:
Title:

[Amendment No. 3 to $1200 mil Facility]

Citigroup Global Markets Inc.,
as Documentation Agent, Joint Lead Arranger and Joint Bookrunner

By: _____
Name:
Title:

[Amendment No. 3 to $1200 mil Facility]

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Bob Finlay
Name: Bob Finlay
Title: Managing Director

[Amendment No. 3 to $1200 mil Facility]

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.,
GRAND CAYMAN BRANCH,
as a Lender

By: /s/ Juan Urquiola
Name: Juan Urquiola
Title: Chief Operating Officer

By: /s/ Kathryn Barrios
Name: Kathryn Barrios
Title: Senior Vice President

[Amendment No. 3 to $1200 mil Facility]

BNP PARIBAS PANAMA BRANCH,
as a Lender

By: /s/ Raul Ardito-Barletta
Name: Raul Ardito-Barletta
Title: Executive Vice President

By: /s/ Nair Gonzalez
Name: Nair Gonzalez
Title: Senior Vice President

[Amendment No. 3 to $1200 mil Facility]

CALYON NEW YORK BRANCH,
as a Lender

By: /s/ Jesus Tueme
Name: Jesus Tueme
Title: Managing Director

By: /s/ Kevin Flood
Name: Kevin Flood
Title: Vice President

[Amendment No. 3 to $1200 mil Facility]

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Kathleen Reedy
Name: Kathleen Reedy
Title: Managing Director

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Emilio Arriaga
Name: Emilio Arriaga
Title: VP Investment Bank

[Amendment No. 3 to $1200 mil Facility]

CITIBANK N.A. NASSAU, BAHAMAS BRANCH,
as a Lender

By: /s/ L. Munroe
Name: L. Munroe
Title: Attorney-in-Fact

[Amendment No. 3 to $1200 mil Facility]

BAYERISCHE LANDESBANK,
as a Lender

By: /s/ Nikolai von Mengden
Name: Nikolai von Mengden
Title: Senior Vice President

By: /s/ Annette Schmidt
Name: Annette Schmidt
Title: First Vice President

[Amendment No. 3 to $1200 mil Facility]

JPMORGAN CHASE BANK, N. A.,
as a Lender

By: /s/ Mark Petrinovic
Name: Mark Petrinovic
Title: Managing Director

SOCIETE GENERALE,
as a Lender

By: /s/ Sibila C. Glöggler
Name: Sibila C. Glöggler
Title: Vice President

SOCIETE GENERALE,
as a Lender

By: /s/ Ramón E. Colón
Name: Ramón E. Colón
Title: Vice President

By: /s/ Jesus Lopez
Name: Jesus Lopez
Title: Vice President

Ing Bank N.V. (acting through its Curacao Branch),
as a Lender

By: /s/ John van Steenderen
Name: John van Steenderen
Title: General Manager

Fortis Capital Corp.,
as a Lender

By: /s/ Douglas Riahi
Name: Douglas Riahi
Title: Managing Director

By: /s/ Steven D. Silverstein
Name: Steven D. Silverstein
Title: Director

[Amendment No. 3 to $1200 mil Facility]

HSBC Bank Plc Surcusal Ene Espana,
as a Lender

By: /s/ Francisco Neira
Name: Francisco Neira
Title: Director

By: /s/ Fernando Alvarez-Quiñones
Name: Fernando Alvarez-Quiñones
Title: Director

[Amendment No. 3 to $1200 mil Facility]

The Royal Bank of Scotland Plc,
as a Lender

By: _____
Name:
Title:

[Amendment No. 3 to $1200 mil Facility]

The Bank of Tokyo-Mitsubishi
UFJ, Ltd.,
as a Lender

By: /s/ Pamela D. Price
Name: Pamela D. Price
Title: Vice President and Manager

Banca Monte Dei Paschi DI Siena S.P.A.,
as a Lender

By: /s/ Gennaro Miccoli
Name: Gennaro Miccoli
Title: Senior Vice President & General Manager

By: /s/ Brian R. Landy
Name: Brian R. Landy
Title: Vice President

Caja Madrid Miami Agency,
as a Lender

By: /s/ Jesus Miramón
Name: Jesus Miramón
Title: Deputy General Manager

By: /s/ Pablo Hernández
Name: Pablo Hernández
Title: Head of IFIs

Morgan Stanley Bank,
as a Lender

By: /s/ Daniel Twenge
Name: Daniel Twenge
Title: Authorized Signatory

Intesa SANPAOLO S.P.A.,
as a Lender

By: /s/ Barbara Bassi
Name: Barbara Bassi
Title: Vice President

By: /s/ D. Mara Lowenstein
Name: D. Mara Lowenstein
Title: V.P. and General Counsel

ComeriCa BANK,
as a Lender

By: /s/ Mark F. Layton
Name: Mark F. Layton
Title: Vice President

C L I F F O R D
C H A N C E

Exhibit 4.10.1

LIMITED LIABILITY PARTNERSHIP

EXECUTION COPY

NEW SUNWARD HOLDING B.V.

as Borrower

CEMEX, S.A. DE C.V.,

CEMEX MÉXICO, S.A. DE C.V.

and

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.

as Guarantors

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

and

CITIGROUP GLOBAL MARKETS, INC.

as Joint Bookrunners

with

CITIBANK, n.a.

acting as Agent

AMENDMENT AGREEMENT RELATING TO A US$700,000,000 TERM AND REVOLVING FACILITIES AGREEMENT DATED 27 JUNE 2005

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THIS AMENDMENT AGREEMENT is dated June 2006 and made between:

(1) **NEW SUNWARD HOLDING B.V**. (the "**Borrower**");

(2) **THE COMPANIES** listed in Part I of Schedule 1 (*The Original Obligors*) as original guarantors (the "**Original Guarantors**");

(3) **BANCO BILBAO VIZCAYA ARGENTARIA, S.A. AND CITIGROUP GLOBAL MARKETS, INC.** as joint bookrunners (whether acting individually or together the " **Arranger**");

(4) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (*The Original Lenders*) as lenders (the "**Original Lenders**"); and

(5) **CITIBANK, N.A.,** acting through its Delaware Branch, as agent of the other Finance Parties (the " **Agent**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Amended Agreement**" means the Original Facility Agreement, as amended by this Agreement.

"**Effective Date**" means the date on which the Agent confirms to the Lenders and the Company that it has received each of the documents listed in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent.

"**Original Facility Agreement**" means the US$700,000,000 term and revolving facilities agreement dated 27 June 2005 between the Borrower, the Original Guarantors, the Arranger, the Original Lenders and the Agent.

1.2 Incorporation of defined terms

(a) Unless a contrary indication appears, a term defined in the Original Facility Agreement has the same meaning in this Agreement.

(b) The principles of construction set out in the Original Facility Agreement shall have effect as if set out in this Agreement.

1.3 Clauses

In this Agreement any reference to a "Clause" or a "Schedule" is, unless the context otherwise requires, a reference to a Clause or a Schedule to this Agreement. Clause headings are for ease of reference only.

1.4 **Third party rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

1.5 **Designation**

In accordance with the Original Facility Agreement, each of the Borrower and the Agent designates this Agreement as a Finance Document.

2. **AMENDMENT OF THE ORIGINAL FACILITY AGREEMENT**

With effect from the Effective Date, the Original Facility Agreement shall be amended as set out in Schedule 3 (*Amendments to Original Facility Agreement*).

3. **CONTINUITY**

3.1 **Continuing obligations**

The provisions of the Original Facility Agreement and the other Finance Documents shall, save as amended by this Agreement, continue in full force and effect.

3.2 **Affirmation**

Each of the Guarantors confirm that notwithstanding the amendments effected by this Agreement, the guarantee given by each Guarantor in the Original Facility Agreement will remain in full force and effect and will continue to constitute its legal, valid and binding obligations enforceable in accordance with its terms.

3.3 **No novation**

The execution of this Agreement shall not constitute a novation (*novación*) of the obligations of the Parties under the Original Facility Agreement and the other Finance Documents.

4. **MISCELLANEOUS**

4.1 **Incorporation of terms**

The provisions of clause 30 (*Notices*), clause 32 (*Partial Invalidity*), clause 33 (*Remedies and waivers)* and clause 37 (*Enforcement*) of the Original Facility Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to "this Agreement" are references to this Agreement.

4.2 **Counterparts**

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

5. **GOVERNING LAW**

This Agreement is governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

PART I
THE ORIGINAL GUARANTORS

CEMEX, S.A. de C.V.

Cemex México, S.A. de C.V.

Empresas Tolteca de México, S.A. de C.V.

PART II
THE ORIGINAL LENDERS

Name of Original Lender	**Facility A Commitment** US$	**Facility B Commitment** US$
Citibank, N.A. Nassau Bahamas Branch	27,416,666.67	34,916,666.67
Banco Bilbao Vizcaya Argentaria, S.A.	27,416,666.67	34,916,666.67
BNP Paribas	31,166,666.67	31,166,666.67
Calyon Sucursal en España	24,250,000.00	24,250,000.00
ING Bank N.V.	48,500,000.00	24,250,000.00
JPMorgan Chase Bank	24,250,000.00	24,250,000.00
Lloyds TSB Bank plc	24,250,000.00	24,250,000.00
Santander Overseas Bank Inc.	24,250,000.00	24,250,000.00
The Royal Bank of Scotland plc	24,250,000.00	24,250,000.00
Mizuho Corporate Bank, Ltd	15,000,000.00	24,250,000.00
Wachovia Bank, National Association	24,250,000.00	24,250,000.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,000,000.00	15,000,000.00
Fortis Bank S.A./N.V.	15,000,000.00	15,000,000.00
Banco de Sabadell, S.A.	10,000,000.00	10,000,000.00
Bank of America, N.A.	7,500,000.00	7,500,000.00
The Governor and Company of the Bank of Ireland	7,500,000.00	7,500,000.00

TOTALS (US$)	**350,000,000.00**	**350,000,000.00**

SCHEDULE 2
CONDITIONS PRECEDENT

1. **Obligors**

(a) A copy of the current constitutional documents of each Obligor or a certificate of an authorised signatory of each relevant Obligor certifying that the constitutional documents previously delivered to the Agent pursuant to Part I of Schedule 2 of the Original Facility Agreement have not been amended and remain in full force and effect.

(b) A power of attorney granting a specific individual or individuals sufficient power to sign this Agreement on behalf of each Original Obligor and in relation to the Borrower, a copy of a resolution of the board of directors of the Borrower:

(i) approving the terms of, and the transactions contemplated by, this Agreement and resolving that it execute this Agreement;

(ii) authorising a specified person or persons to execute this Agreement; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with this Agreement.

(c) A specimen of the signature of each person authorised by the resolution or power of attorney referred to in paragraph (b) above.

(d) A certificate of each of the Obligors (signed by an Authorised Signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Obligor to be exceeded.

(e) A certificate of an Authorised Signatory of the relevant Obligor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. **Legal opinions**

(a) A legal opinion from Clifford Chance LLP, legal advisers to the Arranger and the Agent in England, as to English law substantially in the form distributed to the Original Lenders prior to signing this Agreement satisfactory to the Lenders.

(b) An opinion with respect to the laws and regulations of The Netherlands from Warendorf, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(c) An opinion with respect to the laws and regulations of Mexico from Ritch Mueller, S.C., substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(d) An opinion from in-house counsel of the Guarantors, substantially in the form distributed to the Original Lenders prior to signing the Agreement.

3. **Other documents and evidence**

(a) A copy of this Agreement, duly executed and delivered by each Party.

(b) A copy of the Notes executed and delivered by the Borrower and each Guarantor, in favour of each Lender.

SCHEDULE 3
AMENDMENTS TO ORIGINAL FACILITY AGREEMENT

The following amendments are made to the Original Facility Agreement:

1. the definition of Margin shall be deleted and replaced with the following:

""**Margin**" means in relation to any Loan the percentage rate per annum determined pursuant to the table set out below:

Facility	**Margin % p.a.**
Facility A	0.30
Facility B	0.325

(a) in relation to any Unpaid Sum the percentage rate per annum specified above applicable to the Facility in relation to which that Unpaid Sum arises or if such Unpaid Sum does not arise in relation to a particular Facility, the rate per annum specified above applicable to the Facility to which the Agent reasonably determines the Unpaid Sum most closely relates, or if none, the highest rate per annum specified above,

but if:

(i) no Default has occurred and is continuing; and

(ii) for Cemex Parent and its Subsidiaries, the Consolidated Leverage Ratio in respect of the most recently completed Relevant Period is within a range set out below,

then the Margin for each Loan under each Facility (and for any Unpaid Sum related to that Facility) will be the

percentage rate per annum set out below opposite that range:

Consolidated Leverage Ratio	**Margin % p.a.**	
	Facility A	**Facility B**
Greater than or equal to 3.0:1	0.30	0.325
Less than 3.0:1 but greater than or equal to 2.5:1	0.25	0.275
Less than 2.5:1 but greater than or equal to 2.0:1	0.20	0.225
Less than 2.0:1	0.15	0.175

However any increase or decrease in the Margin shall take effect on the date (the " **reset date**") which is the first day of the next Interest Period for that Loan following receipt by

the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 20.2 (*Compliance Certificate*) and in the case of a then current Interest Period will apply to the whole of such Interest Period unless any payments of interest have already been made in which case any adjustments to the Margin will apply only from the date of such payment." and

2. the definition of Termination Date shall be deleted and replaced with the following:

""**Termination Date**" means:

(a) in relation to Facility A, the day which is 24 Months after the Effective Date;

(b) in relation to Facility B, the day which is 48 Months after the Effective Date,

or, in each case, if such day would not be a Business Day, the first succeeding Business Day, unless such day would fall into the next month, in which case the immediately preceding Business Day."

SIGNATURES

NEW SUNWARD HOLDING B.V.

as Borrower

By: /s/ Agustín Blanco

Name: Agustín Blanco

Title: Attorney-in-Fact

CEMEX, S.A. DE C.V.

as Original Guarantor

By: /s/ Rodrigo Treviño

Name: Rodrigo Treviño

Title: Chief Financial Officer

CEMEX MÉXICO, S.A. DE C.V.

as Original Guarantor

By: /s/ Victor Manuel Naranjo Bandala

Name: Victor Manuel Naranjo Bandala

Title: Treasury Director

EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.

as Original Guarantor

By: /s/ Victor Manuel Naranjo Bandala

Name: Victor Manuel Naranjo Bandala

Title: Treasury Director

CITIBANK, N.A.

as Agent

By: /s/ Carlos Corona

Name: Carlos Corona

Title: Vice President

CITIGROUP GLOBAL MARKETS, INC.

as Arranger

By: /s/ Carlos Corona

Name: Carlos Corona

Title: Director

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

as Arranger

By: /s/ Alvaro Bánez

Name: Alvaro Bánez

Title: Authorized Signatory

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

as Original Lender

By: /s/ Natalia Gonzalez

Name: Natalia Gonzalez

Title: Authorized Signatory

BNP PARIBAS

as Original Lender

By: /s/ Genoveva Ramon Borja

Name: Genoveva Ramon Borja

Title: Director

CITIBANK, N.A. NASSAU BAHAMAS BRANCH

as Original Lender

By: /s/ L. Munroe

Name: L. Munroe

Title: Attorney-in-Fact

CALYON SUCURSAL EN ESPAÑA

as Original Lender

By: /s/ Javier Alvarez-Rendueles

Name: Javier Alvarez-Rendueles

Title: Executive Director

ING BANK N.V.

(acting through its Curacao Branch)

as Original Lender

By: /s/ J. van Steenderen

Name: J. van Steenderen

Title: General Manager

By: /s/ A. Felipa-Ventura

Name: A. Felipa-Ventura

Title: Manager Credit Administration

JPMORGAN CHASE BANK

as Original Lender

By: /s/ Linda Meyer

Name: Linda Meyer

Title: Vice President

LLOYDS TSB BANK PLC

as Original Lender

By:

Name:

Title:

MIZUHO CORPORATE BANK, LTD

as Original Lender

By: /s/ Takeo Kada

Name: Takeo Kada

Title: Deputy General Manager

SANTANDER OVERSEAS BANK INC.

as Original Lender

By: /s/ José Luis Muñoz Cintrón

Name: José Luis Muñoz Cintrón

Title: Vice President

THE ROYAL BANK OF SCOTLAND PLC

as Original Lender

By: /s/ Antonio Casteleiro

Name: Antonio Casteleiro

Title: Senior Director

By: /s/ Guillermo Poggio

Name: Guillermo Poggio

Title: Associate Director

WACHOVIA BANK, NATIONAL ASSOCIATION

as Original Lender

By: /s/ Kathleen Reedy

Name: Kathleen Reedy

Title: Managing Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

as Original Lender

By: /s/ Pamela D. Price

Name: Pamela D. Price

Title: Vice President & Manager

FORTIS BANK S.A./N.V.

as Original Lender

By: /s/ Hans De Langhe

Name: Hans De Langhe

Title: Manager

BANCO DE SABADELL, S.A.

as Original Lender

By: /s/ Francisco Javier González Moñux

Name: Francisco Javier González Moñux

Title:

BANK OF AMERICA, N.A.

as Original Lender

By: /s/ Emilio Arriaga

Name: Emilio Arriaga

Title: Attorney-in-Fact

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND

as Original Lender

By: /s/ Trevor Manning

Name: Trevor Manning

Title: Associate

EXECUTION VERSION

Exhibit 4.10.2

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 Original Guarantors

and

CITIBANK, N.A.
acting as Agent on the instructions of the Majority Lenders

DEED OF WAIVER AND SECOND AMENDMENT
RELATING TO A US$700,000,000 TERM AND
REVOLVING FACILITIES AGREEMENT
DATED 27th JUNE, 2005 (AS AMENDED PURSUANT
TO AN AMENDMENT AGREEMENT DATED 22nd JUNE, 2006)

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SCHEDULE AMENDMENT TO THE ORIGINAL FACILITY AGREEMENT		6

THIS DEED OF WAIVER AND SECOND AMENDMENT is dated , 2006 and is made between:

(1) **NEW SUNWARD HOLDING B.V.** (the "**Borrower**");

(2) **CEMEX, S.A.B. DE C.V., CEMEX MÉXICO, S.A. DE C.V.** and **EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.** (the "**Original Guarantors**"); and

(3) **CITIBANK, N.A.**, acting through its Delaware Branch, as agent of the other Finance Parties (the " **Agent**") and, in accordance with clause 34 (*Amendments and Waivers*) of the Original Facility Agreement, acting on the instructions of the Majority Lenders for and on behalf of: (i) the Lenders and (ii) each of Banco Bilbao Vizcaya Argentaria, S.A. and Citigroup Global Markets Inc., as mandated lead arrangers and joint bookrunners (whether acting individually or together).

NOW THIS DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this Deed:

"**CEMEX Australia**" means CEMEX Australia Pty Ltd, a proprietary limited company organised under the laws of Victoria, Australia;

"**Consent Deadline Date**" means 28th November, 2006;

"**Consenting Lender**" means a Lender that, on or prior to the Consent Deadline Date, provided to the Agent (with a copy to the Borrower) its written consent to the Agent entering into this Deed on its behalf;

"**Deed**" means this deed of waiver and second amendment;

"**Effective Date**" means the date on which the offer made by CEMEX Australia (as evidenced by the announcement made by Cemex Parent on 27th October, 2006) to acquire all of the issued and outstanding share capital of the Target not already owned by CEMEX Australia (as such offer may from time to time be amended, added to, revised, renewed or waived) becomes, or is declared to be, unconditional in all respects;

"**Original Facility Agreement**" means the US$700,000,000 term and revolving facilities agreement dated 27th June, 2005 between the Borrower, the Original Guarantors, the Arranger, the Original Lenders and the Agent as amended by the amendment agreement entered into on 22nd June, 2006 between the same parties;

"**Target**" means Rinker Group Limited, a public limited company organised under the laws of New South Wales, Australia;

"**Waiver Period**" has the meaning given to it in Clause 2.1; and

"**Waiver Termination Date**" means 31st December, 2007 or such other later date as may be agreed between the parties to this Deed (in the case of the Agent, acting on the instructions of the Majority Lenders).

1.2 **Incorporation of defined terms**

(a) Unless a contrary indication appears, a term defined in the Original Facility Agreement has the same meaning in this Deed.

(b) The principles of construction set out in the Original Facility Agreement shall have effect as if set out in this Deed.

1.3 **Clauses**

In this Deed any reference to a "Clause" or the "Schedule" is, unless the context otherwise requires, a reference to a Clause of or the Schedule to this Deed. Clause headings are for ease of reference only.

1.4 **Third party rights**

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

1.5 **Designation**

In accordance with the Original Facility Agreement, each of the Borrower and the Agent designates this Deed as a Finance Document.

2. WAIVER OF FINANCIAL COVENANT

2.1 If the Effective Date occurs prior to the Waiver Termination Date, then from the Effective Date up to, and including, the Waiver Termination Date (the "**Waiver Period**"), compliance with the financial condition covenant under clause 21.13(a) of the Original Facility Agreement is hereby waived.

2.2 In consequence of the waiver provided in Clause 2.1, the Borrower and each Original Guarantor shall at no time during the Waiver Period be obliged to ensure that the Borrower, each Original Guarantor or any Subsidiary of the Borrower or each Original Guarantor complies with such financial condition covenant or provides any compliance or other certificate for the purpose of proving compliance with such covenant and no consequences whatsoever shall flow under the Original Facility Agreement or any other Finance Document from a failure by the Borrower and each Original Guarantor to comply with such covenant during the Waiver Period.

2.3 Notwithstanding Clause 2.2 above, the Borrower agrees that any Compliance Certificate provided by it pursuant to clause 20.2 (*Compliance Certificate*) of the Original Facility Agreement with each set of financial statements delivered pursuant to paragraph (a)(i)(A), (a)(ii), (b)(i)(A) or (b)(ii) of clause 20.1 (*Financial statements*) of the Original

Facility Agreement which are drawn up to a date falling within the Waiver Period shall include a calculation of the Consolidated Leverage Ratio as at the date at which those financial statements were drawn up for the purposes of determining the Margin applicable to each Facility.

2.4 The waiver set forth in this Clause 2 shall not be deemed to constitute a waiver with respect to any other term, provision or condition of the Original Facility Agreement (including, without limitation, the definition of Margin in such Agreement), any other Finance Document or any other instrument or agreement referred to therein or relating thereto or prejudice any right or remedy that the Agent or any Lender may now have or may in the future arise under or in connection with the Original Facility Agreement, any other Finance Document or any other instrument or agreement referred to therein or relating thereto.

2.5 On the day following the Waiver Termination Date (which, for the avoidance of doubt, shall be 1st January, 2008 if the Waiver Termination Date is 31st December, 2007), the Borrower and each Original Guarantor undertakes to comply with the financial condition covenant set out in clause 21.13(a) (*Financial condition covenants*) of the Original Facility Agreement as amended pursuant to Clause 3 of this Deed.

2.6 For the avoidance of doubt, if the Effective Date does not occur prior to the Waiver Termination Date there shall be no waiver under this Clause 2.

3. AMENDMENT OF THE ORIGINAL FACILITY AGREEMENT

With effect from the date of this Deed, the Original Facility Agreement shall be amended as set out in the

Schedule (*Amendment to the Original Facility Agreement*).

4. CONTINUITY

4.1 Continuing obligations

The provisions of the Original Facility Agreement and the other Finance Documents shall, save as waived or amended by this Deed, continue in full force and effect.

4.2 No novation

The execution of this Deed shall not constitute a novation (*novación*) of the obligations of the Parties under the Original Facility Agreement and the other Finance Documents.

4.3 Affirmation

Each Original Guarantor confirms that notwithstanding the amendments effected by this Deed, the guarantee given by it in the Original Facility Agreement remains in full force and effect and continues to constitute its legal, valid and binding obligation enforceable in accordance with its terms.

4.4 Expenses

The Borrower confirms that the waiver and amendment set out herein is being made at its request and that the provisions of clause 17.2 (*Amendment Costs*) of the Original Facility Agreement shall apply in respect of costs and expenses reasonably incurred by the Agent, the Arranger and each Lender in responding to, evaluating, negotiating or complying with that request.

5. FEES

5.1 The Borrower shall, in accordance with Clause 5.2, pay to the Agent (for the account of each Consenting Lender) a fee of 0.025 per cent. of: (i) in the case of a Consenting Lender that is a Lender under Facility A, that Consenting Lender's Facility A Commitment; and (ii) in the case of a Consenting Lender that is a Lender under Facility B, that Consenting Lender's Facility B Commitment.

5.2 The fee provided for in Clause 5.1 shall be paid by the Borrower within 2 Business Days of the date of this Deed in accordance with clause 28 of the Original Facility Agreement.

6. MISCELLANEOUS

6.1 Lender consents

In order for the Borrower to be able to determine which Lenders are Consenting Lenders, the Agent confirms that it informed each Lender that, if it wishes to be a Consenting Lender, such Lender must provide:

(a) to the Agent written consent to the Agent entering into this Deed on its behalf with such consent being dated on or prior to the Consent Deadline Date; and

(b) a copy of such written consent to the Borrower.

6.2 Incorporation of terms

The provisions of clause 30 (*Notices*), clause 32 (*Partial Invalidity*), clause 33 (*Remedies and waivers*) and clause 37 (*Enforcement*) of the Original Facility Agreement shall be incorporated into this Deed as if set out in full in this Deed and as if references in those clauses to "this Agreement" are references to this Deed.

6.3 **Counterparts**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

7. GOVERNING LAW

This Deed is governed by, and shall be construed in accordance with, English law.

IN WITNESS WHEREOF this Deed has been executed and delivered as a Deed on the date first above written.

SCHEDULE
AMENDMENT TO THE ORIGINAL FACILITY AGREEMENT

The following amendment is made to the Original Facility Agreement with effect from the date of this Deed of Waiver and Second Amendment:

Clause 21.13 is amended by adding at the end of clause 21.13 a new paragraph (e):

"(e) For the purposes of calculating the Consolidated Leverage Ratio in Clause 21.13(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 Cemex Parent on its consolidated balance sheet in accordance with generally accepted accounting principles applicable to Cemex Parent which are in effect as at the time that such Debt is entered into, issued or incurred."

SIGNATURE PAGE

Executed and delivered as a deed by	)	/s/ Humberto Lozano
NEW SUNWARD HOLDING B.V.	)	
acting by	)	Humberto Lozano
who, in accordance with the laws of the territory in which	)	
New Sunward Holding B.V. is incorporated, is acting under	)	.....
its authority	)	Authorised signatory

Executed and delivered as a deed by	)	/s/ Rodrigo Treviño
CEMEX, S.A.B. DE C.V.	)	
acting by	)	Rodrigo Treviño

who, in accordance with the laws of the territory in which Cemex, S.A.B. de C.V. is incorporated, is acting under its authority	)	..... Authorised signatory
Executed and delivered as a deed by **CEMEX MÉXICO, S.A. DE C.V.** acting by who, in accordance with the laws of the territory in which Cemex México, S.A. de C.V. is incorporated, is acting under its authority	)	/s/ Rodrigo Treviño Rodrigo Treviño ..... Authorised signatory
Executed and delivered as a deed by **EMPRESAS TOLTECA DE MÉXICO, S.A. DE C.V.** acting by who, in accordance with the laws of the territory in which Empresas Tolteca de México, S.A. de C.V. is incorporated, is acting under its authority	)	/s/ Rodrigo Treviño Rodrigo Treviño ..... Authorised signatory
Executed and delivered as a deed by **CITIBANK, N.A.**, acting through its Delaware Branch, as Agent acting on the instructions of the Majority Lenders and acting by who, in accordance with the laws of the territory in which Citibank, N.A. is incorporated, is acting under its authority	)	/s/ Carlos Corona Carlos Corona ..... Authorised signatory

Exhibit 4.11.1

AMENDMENT AGREEMENT

AMENDMENT AGREEMENT, dated as of September 1, 2006 (this "Agreement"), is entered into by and among Cemex España Finance LLC, a Delaware limited liability company (the "Company"), Cemex España, S.A., a corporation organized under the laws of the Kingdom of Spain ("Cemex España"), Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, Cemex Shipping B.V., a limited liability company organized under the laws of The Netherlands, Cemex Asia B.V., a limited liability company organized under the laws of The Netherlands (each a "Guarantor" and together with Cemex España the "Guarantors"), and the holders of the Notes party hereto relating to (i) the Note Purchase Agreement, dated as of June 13, 2005 (the "Note Purchase Agreement"), between the Company, Cemex España and each of the purchasers listed therein pursuant to which the Company issued (i) U.S.$133,000,000 aggregate principal amount of its 5.18% Series A Senior Notes due 2010 (the "Series A Notes") and (iii) U.S.$192,000,000 aggregate principal amount of its 5.62% Series B Senior Notes due 2015 (the "Series B Notes" and, together with the Series A Notes, the "Notes"), and (ii) the Note Guarantee dated as of June 13, 2005 (the "Note Guarantee") executed in favor of the holders of the Notes. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Note Purchase Agreement and the Note Guarantee.

W I T N E S S E T H

WHEREAS, the Company has entered into the Note Purchase Agreement with the Purchasers, pursuant to which the Company issued and sold the Notes;

WHEREAS, Cemex España and the other Guarantors have executed the Note Guarantee in favor of the holders of the Notes; and

WHEREAS, the parties hereto mutually desire to amend the terms of the Note Purchase Agreement and the Note Guarantee;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Amendments to Note Purchase Agreement. The Company, Cemex España and the undersigned holders of the Notes hereby agree that effective as of the date (the "Effective Date") on which the conditions precedent in Section 3 of this Agreement have been satisfied, without any further action, the Note Purchase Agreement shall be amended as follows:

1.1 A new Section 10.7 shall be inserted to read as follows:

10.7 Release of Guarantors.

(a) In the event that the Company delivers to the holders of the Notes a certificate (a "**Guarantor Release Certificate"**) signed by two authorized signatories of the Company confirming that (as at the date of the Guarantor Release Certificate) a substantial part of the Net Borrowings of Cemex España and each of its Subsidiaries:

(i) is guaranteed only by Cemex España and/or any other guarantors which are not Guarantors (whether, for the avoidance of doubt, as a result of the repayment, redemption, maturity or cancellation of any Financial Indebtedness, or any agreement with any creditor of Cemex España and each of its Subsidiaries or as a result of any other reason); and/or

(ii) (A) is subject to provisions in any agreements or documents (including this Agreement) with any creditor of Cemex España and each of its Subsidiaries (or any other party) relating to any Financial Indebtedness of Cemex España and each of its Subsidiaries, which allow for the release of all or any of the Guarantors as guarantors pursuant to such agreements or documents (other than Cemex España, such that the only remaining guarantors of such Financial Indebtedness would in each case be Cemex España and/or any other guarantors which are not Guarantors), and (B) the conditions (if any) to such release

pursuant to such agreements or documents have been met by the relevant Guarantor, and (C) any or all of the Guarantors (other than Cemex España) has or have been released (or will be so released at a date which is not later than the date scheduled for release of the relevant Guarantor pursuant to the relevant Guarantor Release Certificate) as guarantors of the relevant Financial Indebtedness pursuant to such agreements or other documents,

the obligations of the relevant Guarantor(s) (other than Cemex España) under the Note Guarantee shall terminate and such Guarantor(s) shall be discharged in full, and such Persons shall cease to be Guarantor(s), effective as of the date indicated in the Guarantor Release Certificate, which date shall not be earlier than 10 days of receipt by the holders of the Notes of the Guarantor Release Certificate, provided always that any such termination and discharge pursuant to this Section 10.7 would not result in a downgrading of the then current rating of Cemex España assigned by S&P or Fitch Investors Service, Inc. (or an outlook other than positive or stable with respect to such rating) and provided further that at the time of and immediately after giving effect to such termination and discharge pursuant to this Section 10.7, no Default or Event of Default shall have

occurred or be continuing, treating Financial Indebtedness of any Excluded Subsidiary Guarantor that is being so terminated and discharged pursuant to this Section 10.7 as being incurred on the date of such termination and discharge pursuant to Section 10.6.

(b) For purposes of this Section 10.7, a "**substantial part**" shall mean an aggregate amount equal to or greater than 85 per cent of the aggregate value of the Net Borrowings of Cemex España and each of its Subsidiaries.

The "**Net Borrowings**" of Cemex España and each of its Subsidiaries referred in this Section 10.7 shall be determined by reference to the most recent compliance certificate delivered to the holders of the Notes pursuant to Section 7.2 at the date of the relevant Guarantor Release Certificate.

(c) For the avoidance of doubt, the Guarantor Release Certificate shall also:

(i) specify the percentage of the Net Borrowings of Cemex España and each of its Subsidiaries which is guaranteed only by Cemex España and/or any guarantors which are not Guarantors;

(ii) specify the percentage of the Net Borrowings of Cemex España and each of its Subsidiaries which is subject to provisions in agreements or documents which allow for the release of the guarantors (other than Cemex España);

(iii) certify that the conditions (if any) to the release of such Guarantors in such agreements or documents have been met by Cemex España and each of its Subsidiaries (as appropriate) as at the date of the Guarantor Release Certificate;

(iv) certify that the relevant Guarantor(s) has or have been released (or will be so released at a date which is not later than the date scheduled for release of the relevant Guarantor pursuant to the relevant Guarantor Release Certificate) as Guarantor(s) of the relevant Financial Indebtedness (the "Released Guarantor(s)");

(v) identify the relevant Released Guarantor(s);

(vi) confirm that neither S&P nor Fitch Investors Service, Inc. will downgrade the then current Rating assigned to Cemex España as a result of the release of the relevant Guarantor(s) as Guarantor(s) under this Agreement; and

(vii) confirm that after giving effect to such release, no Default or Event of Default shall have occurred and be continuing.

(d) Following delivery of the Guarantor Release Certificate to the holders of the Notes, Cemex España shall provide notice of the release, and termination of the obligations of the Guarantors (other than Cemex España) to the holder of the Notes, in accordance with Section 18 of this Agreement.

1.2 A new Section 10.8 shall be inserted to read as follows:

10.8 Payment restrictions affecting Subsidiaries.

Cemex España shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any consensual agreement or arrangement directly limiting the ability of any of its Subsidiaries to (a) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary or (b) repay or capitalize any intercompany indebtedness owed by any Subsidiary to the Company or any Guarantor; provided that (x) the foregoing shall not restrict

(i) any agreement or arrangement entered into by a person prior to such person becoming a Subsidiary, in which case the Company and Cemex España shall use commercially reasonable efforts to remove such limitations (it being understood that if such limitations are reasonably likely to affect the ability of the Company to satisfy its payment obligations under the Notes, the Company and Cemex España shall use commercially reasonable efforts to remove such limitations as soon as possible),

(ii) any agreement or arrangement that is binding upon any Person in connection with a Permitted Securitization and any agreement or arrangement that limits the ability of any Subsidiary that transfers receivables and related assets to a Special Purpose Vehicle in a Permitted Securitization to distribute or transfer receivables and related assets, provided *that all such agreements and arrangements are customarily required by the institutional sponsor or arranger of such Permitted Securitization in similar types of documents relating to the purchase of receivables and related assets in connection with the financing thereof,*

(iii) customary provisions in joint venture agreements relating solely to the securities, assets and revenues of such joint venture,

(iv) any agreement or arrangement with respect to a Subsidiary in connection with Priority Indebtedness incurred by such Subsidiary and permitted under Section 10.6,

(v) restrictions on distributions applicable to Subsidiaries that are the subject of agreements to sell or otherwise dispose of the stock or assets of such Subsidiaries, in transactions not prohibited by this Agreement, pending such sale or other disposition and

(vi) restrictions on cash or other deposits or net worth in favor of counterparties under leases, licenses or other contracts entered into in the ordinary course of business,

and (y) for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Section 10.8.

1.3 Section 11(k) to the Note Purchase Agreement shall be amended by deleting such section in its entirety and replacing it with the following:

(k) the Note Guarantee shall cease to be in full force and effect with respect to Cemex España or any other Guarantor (other than in accordance with Section 10.2(a) and Section 10.7 of this Agreement); or Cemex España or any other Guarantor (or any Person by, through or on behalf of Cemex España or such other Guarantor) shall contest in any manner the validity, binding nature or enforceability of the Note Guarantee.

1.4 Schedule B to the Note Purchase Agreement shall be amended by adding the following definitions thereto, each in its appropriate alphabetical position:

"**CO_2 Emission Rights**" means any emission rights or allowance allocated to Cemex España or any

of its Subsidiaries without cost to emit one tonne of carbon dioxide equivalent (as defined in the Directive) during a specified period which is valid and/or transferable under the Directive and any other type of allowance recognized by the Directive in connection to the Kyoto Protocol on climate change.

"**Directive**" means Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003, establishing a scheme for greenhouse gas emission allowance trading within the European Community (as amended by Directive 2004/101/EC of the European Parliament and of the Council of October 27, 2004, and as the same may be further amended or otherwise modified from time to time).

1.5 Schedule B to the Note Purchase Agreement shall be amended as follows:

(1) amending the definition of "EBITDA" by deleting such definition in its entirety and replacing it with the following:

"**EBITDA**" means, for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortization of intangible assets plus annual amortization of start-up costs of Cemex España and its Subsidiaries plus dividends received from non-consolidated companies, plus an amount equal to the amount of Cemex Capital Contributions made during such period immediately preceding the date on which it is to be calculated (up to an amount equal to the amount of Royalty Expenses made in such period) plus the income recorded during such period for the use of CO_2 Emission Rights (to the extent not already included in the

calculation of operating profit). Such calculation shall be made in accordance with Spanish GAAP, where:

"Cemex Capital Contributions" means contributions in cash to the capital of Cemex España by Cemex or by any of its Subsidiaries not being a Subsidiary of Cemex España made after January 1, 2002.

"Intellectual Property Rights" means all copyrights (including rights in computer software), trade marks, service marks, business names, patents, rights in inventions, registered designs, design rights, database rights and similar rights, rights in trade secrets or other confidential information and any other intellectual property rights and any interests (including by way of license) in any of the foregoing (in each case whether registered or not and including all applications for the same) which may subsist in any given jurisdiction.

"Royalty Expenses" means expenses incurred by Cemex España or any of its Subsidiaries to Cemex or any of its Subsidiaries not being a Subsidiary of Cemex España as (a) consideration for the granting to Cemex España or any Subsidiary of a license to use, exploit and enjoy Intellectual Property Rights and any other intangible assets such as, but not limited to, know-how, formulae, process technology and other forms of intellectual and industrial property, whether or not registered, held by Cemex or any of its Subsidiaries not being a Subsidiary of Cemex España; or (b) fees, commissions or other amounts accrued in respect of any management contract, services contract, overhead expenses allocation arrangement or any other similar transaction; provided that in clauses (a)U and U(b)U such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

(2) amending the definition of "Excluded Subsidiary Guarantor" by adding the following sentence at the end of such definition but before the period:

; provided further, that a Subsidiary shall no longer be considered to be an Excluded Subsidiary Guarantor if such Subsidiary has been released from its obligations under the Note Guarantee in accordance with the terms of this Agreement

(3) amending the definition of "Guarantors" by deleting such definition in its entirety and replacing it with the following:

"**Guarantors**" means (a) each of (i) Cemex España, (ii) Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, (iii) Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, (iv) Cemex

Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, (v) Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, (vi) Cemex Shipping B.V., a limited liability company organized under the laws of The Netherlands and (vii) Cemex Asia B.V., a limited liability company organized under the laws of The Netherlands,

(b) any Person that, as a result of a consolidation, merger or asset transfer permitted by Section 10.2, assumes the obligations of a Person described in clause (a) above under the Note Guarantee and (if applicable) this Agreement and (c) any other Person that executes a joinder of the Note Guarantee from time to time; provided that any of the foregoing Persons (other than Cemex España) may cease to be a Guarantor as provided in Section 10.2(a); or be released as a Guarantor pursuant to Section 10.7; provided, further that any Person released as a Guarantor pursuant to Section 10.7 may subsequently become a Guarantor pursuant to this Agreement and the Note Guarantee; and "Guarantor" means any of them.

2. Amendment to Note Guarantee. The Company, Cemex España, the other Guarantors and the undersigned holders of the Notes hereby agree that effective as of the Effective Date on which the conditions precedent in Section 3 of this Agreement have been satisfied, without any further action, the Note Guarantee shall be amended as follows:

2.1 Section 13 of the Note Guarantee shall be amended by deleting such section in its entirety and replacing it with the following:

13. Counterparts; Additional Guarantors; Release; Amendments. This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original but all such counterparts shall together constitute one and the same Guarantee. At any time after the date of this Guarantee, one or more additional Persons may become parties hereto by executing and delivering to the holders a counterpart of this Guarantee. Immediately upon such execution and delivery (and without any further action), each such additional Person will become a party to, and will be bound by all of the terms of, this Guarantee. At any time after its execution hereof, any one of the undersigned (other than, in the case of Section 10.7 of the Note Purchase Agreement, Cemex España) may be released from liability hereunder in accordance with Sections 10.2(a) or 10.7 of the Note Purchase Agreement. This Guarantee may be amended pursuant to Section 17 of the Note Purchase Agreement.

3. Effective Date and Conditions Precedent. The effectiveness of the amendments provided in Sections 1 and 2 of this Agreement shall be subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties contained in Section 4 and 5 of this Agreement shall be true in all material respects on and as of the Effective Date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on the Effective Date.

(c) Compliance Certificate. The Company and Cemex España shall have delivered to each of the holders of Notes an Officer's Certificate, dated the Effective Date, certifying that the conditions specified in Section 3(a) above have been fulfilled.

(d) Execution and Delivery by the Required Holders. As of the Effective Date, this Agreement shall have been executed by the Required Holders and copies of the executed signature pages of the Required Holders shall have been delivered to all holders of the Notes.

(e) Delivery by the Company, Cemex España and the Other Guarantors. As of the Effective Date, original copies of this Agreement executed by the Company, Cemex España and each of the other Guarantors, shall have been delivered to each of the holders of Notes.

(f) Legal Fees. The Company shall have paid the fees and expenses of Latham & Watkins LLP, special counsel to the holders of the Notes, referred to in Section 9 of this Agreement, to the extent

reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Effective Date.

(g) Amendment Fee. The Company shall have paid to each holder of a Note, in the manner and at the address for payments specified in Section 14.1 of the Note Purchase Agreement, an amendment fee of 0.025% of the aggregate unpaid principal amount of the Notes held by such holder on the Effective Date.

4. Representations and Warranties of the Company. The Company represents and warrants to each of the undersigned holders of Notes that:

(a) Organization; Power and Authority. The Company is a Delaware limited liability company and is in good standing in its jurisdiction of organization.

(b) Authorization, etc. This Agreement has been duly authorized by all necessary corporate action on the part of the Company, and upon execution and delivery hereof this Agreement and the Note Purchase Agreement, as amended hereby, will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by the Company of this Agreement will not (i) contravene the provisions of the certificate of incorporation or bylaws of the Company or result in a breach of any of the terms of any Material agreement or instrument to which the Company or any of its Subsidiaries is bound or by which the Company or any of its Subsidiaries is a party, (ii) result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any of its Subsidiaries or (iii) violate any

provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any of its Subsidiaries.

(d) Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement.

(e) No Default. No Default or Event of Default has occurred and is continuing.

5. Representations and Warranties of Cemex España. Cemex España represents and warrants to each of the undersigned holders of Notes that:

(a) Organization; Power and Authority. Cemex España is a corporation duly organized, validly existing and in good standing under the laws of the Kingdom of Spain.

(b) Authorization, etc. This Agreement has been duly authorized by all necessary corporate or other organizational action on the part of Cemex España, and this Agreement and the Note Guarantee, as amended hereby, constitute, or will constitute upon execution and delivery thereof, legal, valid and binding obligations of Cemex España enforceable against Cemex España in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Compliance with Laws, Other Instruments, etc. The execution, delivery and performance by Cemex España of this Agreement will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of Cemex España or any Subsidiary under, any indenture, mortgage, deed of trust, loan purchase or credit agreement, lease, corporate charter or by-laws, or any other agreement or instrument to which Cemex España or any Subsidiary is bound or by which Cemex España or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to Cemex España or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to Cemex España or any Subsidiary.

(d) Governmental Authorizations, etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by Cemex España of this Agreement.

6. Survival of Representations and Warranties. All representations and warranties contained herein shall survive the execution and delivery of this Agreement. All representations and warranties contained herein also shall survive the transfer by a holder of any Note or portion

thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder, regardless of any investigation made at any time by or on behalf of any holder. All statements contained in any certificate or other instrument delivered by or on behalf of the Company or Cemex España pursuant to this Agreement shall be deemed representations and warranties of the Company or Cemex España, as applicable, under this Agreement.

7. Ratification of Note Purchase Agreement. This Agreement shall be construed in connection with and as part of the Note Purchase Agreement and the Note Guarantee, and except as modified and expressly amended by this Agreement, all terms, conditions and covenants contained in the Note Purchase Agreement, the Notes and the Note Guarantee are hereby ratified and shall remain in full force and effect.

8. References to Note Purchase Agreement and Note Guarantee. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Agreement may refer to the Note Purchase Agreement or the Note Guarantee without making specific reference to this Agreement but nevertheless all such references shall include this Agreement unless the context otherwise requires.

9. Expenses. The Company agrees to pay all out-of-pocket expenses of the holders arising in connection with this Agreement and the transactions contemplated hereby, including without limitation the reasonable fees and expenses of Latham & Watkins LLP, special counsel for the holders of the Notes in connection with this Agreement.

10. Headings. The descriptive headings of the various sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

11. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Very truly yours,

CEMEX ESPAÑA FINANCE LLC

By: /s/ Francisco Javier García
Name: Francisco Javier García
Title: Attorney-in-Fact

CEMEX ESPAÑA, S.A.

By: /s/ Francisco Javier García
Name: Francisco Javier García
Title: Attorney-in-Fact

CEMEX CARACAS INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX CARACAS II INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX EGYPTIAN INVESTMENTS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX ASIA B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX AMERICAN HOLDINGS B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

CEMEX SHIPPING B.V.

By: /s/ Angel Méndez
Name: Angel Méndez
Title: Attorney-in-Fact

The foregoing is hereby
agreed to as of the
date hereof:

Mellon Bank, N.A., solely in its capacity as Custodian for AVIVALIFE- Principal Glob Priv EG Convertible Securities (as directed by the Principal Global Investors, LLC), and not in its individual capacity (MAC & CO) - Nominee Name

By: /s/ Bernadette Rist
Name: Bernadette Rist
Title: Authorized Signatory

Mellon Bank, N.A., solely in its capacity as Custodian for **AVIVALIFE**-Principal Glob Priv General Account Deferred TSA (as directed by the Principal Global Investors, LLC), and not in its individual capacity (MAC & CO) - Nominee Name

By: /s/ Bernadette Rist
Name: Bernadette Rist
Title: Authorized Signatory

ING LIFE INSURANCE AND ANNUITY COMPANY
ING USA ANNUITY AND LIFE INSURANCE COMPANY
SECURITY LIFE OF DENVER INSURANCE COMPANY

By: _____
Name:
Title:

KNIGHTS OF COLUMBUS

By: /s/ Robert J. Lane
Name: Robert J. Lane
Title: Supreme Secretary

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ James R. Dingler
Name: James R. Dingler
Title: Director

METROPOLITAN TOWER LIFE INSURANCE COMPANY

NEW ENGLAND LIFE INSURANCE COMPANY

GENERAL AMERICAN LIFE INSURANCE COMPANY

By: /s/ James R. Dingler
Name: James R. Dingler
Title: Director

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY
NATIONWIDE LIFE INSURANCE COMPANY
NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT

By: _____
Name:
Title:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
By: New York Life Investment Management LLC, its Investment Manager

By: /s/ Lisa A. Scuderi
Name: Lisa A. Scuderi
Title: Director

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Lisa A. Scuderi
Name: Lisa A. Scuderi
Title: Director

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Cathy Schwartz
Name: Cathy Schwartz
Title: Assistant Vice President

By: /s/ Diane W. Dales
Name: Diane W. Dales
Title: Assistant Secretary

PHL VARIABLE INSURANCE COMPANY

By:
Name:
Title:

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC
A Delaware limited liability company
Its authorized signatory

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Vice President & Senior Investment Counsel

By: /s/ James C. Fifield
Name: James C. Fifield
Title: Counsel

RGA REINSURANCE COMPANY, A MISSOURI CORPORATION

By: Principal Global Investors, LLC
A Delaware limited liability company
Its authorized signatory

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Vice President & Senior Investment Counsel

By: /s/ James C. Fifield
Name: James C. Fifield
Title: Counsel

SYMETRA LIFE INSURANCE COMPANY, A WASHINGTON CORPORATION

By: Principal Global Investors, LLC
A Delaware limited liability company
Its authorized signatory

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Vice President & Senior Investment Counsel

By: /s/ James C. Fifield
Name: James C. Fifield
Title: Counsel

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

By: /s/ Lisa M. Ferraro
Name: Lisa M. Ferraro
Title: Director

THE BANK OF NEW YORK, AS TRUSTEE FOR THE SCOTTISH RE (U.S.), INC. AND SECURITY LIFE OF DENVER INSURANCE COMPANY SECURITY TRUST BY AGREEMENT DATED DECEMBER 31, 2004

By: Principal Global Investors, LLC
A Delaware limited liability company
Its authorized signatory

By: /s/ Christopher J. Henderson
Name: Christopher J. Henderson
Title: Vice President & Senior Investment Counsel

By: /s/ James C. Fifield
Name: James C. Fifield
Title: Counsel

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Barry Scheinhotlz
Name: Barry Scheinhotlz
Title: Private Placements Manager

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ David A. Barras
Name: David A. Barras
Title: Its Authorized Signatory

TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY

By: /s/ Christopher D. Pahlke
Name: Christopher D. Pahlke
Title: Vice President

FACILITY AGREEMENT AMONG:

I.BBVA BANCOMER, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, GRUPO FINANCIERO BBVA BANCOMER, HENCEFORTH REFERRED TO AS THE "BANK", REPRESENTED HEREIN BY MR. CARLOS DAVID VELAZQUEZ THIERRY AND AGUSTIN DE LA GARZA VIDAURRI;

II. CEMEX, S.A.B. DE C.V., HENCEFORTH REFERRED TO AS THE "BORROWER", REPRESENTED HEREIN BY AGUSTIN DE JESUS BLANCO GARZA.

III. WITH THE APPEARANCE OF CEMEX MEXICO, S.A. DE C.V. REPRESENTED HEREIN BY MR. AGUSTIN DE JESUS BLANCO GARZA AND EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., REPRESENTED HEREIN BY AGUSTIN DE JESUS BLANCO GARZA, HENCEFORTH JOINTLY REFERRED TO AS THE "GUARANTORS",

In accordance with the following statements and clauses:

STATEMENTS

I. The "BANK" states, through its representatives:

1. That it is a company duly incorporated in accordance to Mexican law and authorized to operate as a full service bank, and thus has the necessary legal capacity for the execution of, and compliance to this Agreement.

2. That its representatives have the sufficient legal capacity, which has not been revoked nor modified in any way, to attend in its name and representation to the execution and enforcement of this Agreement.

II. The "BORROWER" states, through its representatives:

1. That it is a company legally incorporated in accordance to Mexican law, and that its representative has the necessary and sufficient legal capacity, which has not been restricted or in any way modified, to represent it herein.

2. That its corporate purpose contemplates the possibility of executing the type of transaction established herein, as accredited with its current by-laws, reason for which this Agreement does not violate any of the Borrower's statutory provisions and its execution has been authorized by the competent statutory entities.

3. That on July 25, 2006 it provided the Bank the information and documentation which accurately reflects its financial, accounting, legal and in general, administrative situation. This information and documentation constituted the basis for the execution of this Agreement and the authorization of the credit, subject matter of the same, and which, on the signature date of this Agreement, has not undergone any significant amendment or substantial change.

4. That on the date of this deed, it is not on strike, nor does it have any knowledge of a call to strike, or that its workers or employees, or any workers' union, intends to strike against the Borrower.

5. That there exist no pending obligations, nor to the extent of its knowledge, do any threats to file a claim or begin proceedings against the Borrower or any of its properties, before a court, government agency, nor before any arbiter. It is also unaware of any Adverse Material Event that may affect the legality, validity or enforceability of this Agreement.

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6. That it has executed call money bank deposit agreements with the Bank, in Pesos checking account number 0447899564 (hereinafter "Pesos Checking Account") and in Dollars checking account number 0145905001 (hereinafter "Dollars Checking Account"), which the Borrower has with the Bank for the withdrawal and payment of the credit (hereinafter jointly referred to as the "Checking Accounts").

III. The "GUARANTORS" state through their representatives:

1. That they are companies duly incorporated in accordance to Mexican law, and that their representatives have the necessary and sufficient legal capacity, which has not been restricted or in any way modified, to represent them herein.

2. That their respective corporate purposes contemplate the possibility of executing the type of transaction

established herein, as accredited with their current by-laws, reason for which this Agreement does not violate any of the Guarantors' statutory provisions and its execution has been authorized by the competent statutory entities.

3. In view of the corporate, financial, administrative and legal relations they hold with the Borrower, it is in their interest to appear herein, with the purpose of guaranteeing in the Bank's favor, in the terms agreed to herein, the fulfillment of all the obligations arising on the Borrower's behalf, in this Agreement.

The parties state jointly:

That they acknowledge the Capacity they exercise, just as they recognize the full force and validity of the stipulations, statements and definitions contained herein.

In view of the foregoing, the parties bind themselves to the stipulations of the following:

C L A U S ES

FIRST CLAUSE:
DEFINITIONS The following terms capitalized in this Agreement will have the following meanings:

"Receivables Program Assets" means (a) all Receivables which are described as being transferred by the Borrower, another Seller or a Special Purpose Vehicle pursuant to the Receivables Documents, (b) all Receivables Related Assets with respect to such Receivables, and (c) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses.

"Receivables Related Assets" means with respect to any "Receivables" (i) any rights arising under the documentation governing or relating to such Receivables (including rights in respect of liens securing such Receivables), (ii) any proceeds of such Receivables, (iii) other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Adjusted Consolidated Net Tangible Assets" means the Borrower's and its Subsidiaries consolidated assets as a whole, minus (a) depreciation, amortization and other applicable reserves, (b) outstanding liabilities (excluding amortizations that become due in a less than one year term with respect to the long term debt) and (c) intangible assets, such as the excess of the book value (commercial credit or "goodwill"), commercial names, registries and brands, concessions, patents and other intangibles, pursuant to the GAAP in Mexico, calculated pursuant to the Borrower's most recent available internal consolidated financial statements.

"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, 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.

"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).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is subject to the common control of said Person. In virtue of this definition, "control" means the capacity to determine the administration and policy of said Person, directly or indirectly, whether through the custody of securities, with a right to vote, by contract or in any other form.

"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 GAAP 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 GAAP.

"Derivatives" means, with respect to any Person, any type of derivative transactions, including, with no limitation, equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swap

options or similar operations or combinations of the abovementioned operations, and all the obligations of said Person, direct or contingent, that guarantee the obligations of said Person with respect to the abovementioned transactions.

"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, promissory 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.

"Consolidated Net Debt" means, at any date, the sum (without duplication) of (a) the principal amount of all Debt of the Borrower and its Subsidiaries at such date, plus (b) to the extent not included in Debt, the total unpaid amount of all financial transactions derived from equity swaps at such date or in accordance to any similar transaction, minus (c) all Temporary Investments of the Borrower and its Subsidiaries at such date. In order to calculate the Consolidated Net Debt, the transactions that are considered Debt in the terms of such definition will not be considered, if they are not registered as a liability by the Borrower and its Subsidiaries pursuant to effective GAAP on the signature date of this Agreement.

Translation

"Relevant Debt" means the Borrower's and/or one or more of its Subsidiaries' debt, derived from one or more related or unrelated transactions, for a principal unpaid amount which exceeds USA$50'000,000.00, or its equivalent in other currencies.

"Asset Disposition" means, with respect to any asset, any sale, sale and lease back, lease, assignment, transmission or any other disposition thereof.

"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).

"Receivables Documents" means (a) a receivables purchase agreement, pooling and servicing agreement, credit agreement, agreements to acquire undivided interests or other agreement to transfer, or create a security interest in, Receivables Program Assets, in each case as amended, modified, supplemented or restated and in effect from time to time entered into by the Borrower, another Seller and/or a Special Purpose Vehicle, and (b) each other instrument, agreement and other document entered into by the Borrower, any other Seller or a Special Purpose Vehicle relating to the transactions contemplated by the items referred to in clause (a) above, in each case as amended, modified, supplemented or restated and in effect from time to time.

"Material Adverse Effect" means any circumstance, event or condition that has an adverse and significant 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 Promissory Notes or the rights and remedies of BBVA Bancomer with respect to the same (c) the ability of the Borrower and/or the Guarantors to perform their Obligations under this Agreement, the Promissory Notes, or any other Credit Document, in the understanding that a Material Acquisition will not be considered a Material Adverse Effect.

"Responsible Officer" means, of any Person, the Chief Financial Officer, the Corporate Finance Director, the Corporate Treasury Director, the Finance and Financial Planning Manager, the Finance Manager or the Comptroller of such 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 Interests Expenses" means, for any period, the total of the brute expenses for interests of the Borrower and its consolidated Subsidiaries attributable to said period pursuant to Mexican GAAP.

"Line of Credit" means, on the date of this Agreement, the quantity authorized by the different empowered authorities in order that the Bank, or its subsidiaries or affiliates may individually hire credits with the Borrower

and/or its Subsidiaries, whose joint amount be up to the amount of €1,000'000,000.00 (One billion Euros 00/100 legal Spanish currency) to be allocated by the Borrower and/or its Subsidiaries to perform a Material Acquisition.

"Withdrawal Notice" means the notice delivered by the Borrower, duly signed by a Responsible Officer of the Borrower in which the direct and/or indirect withdrawal amount and the date of withdrawal with at least three business days notice before the withdrawal date, are specified, thereby confirming and informing the Bank about the Material Acquisition. Said Withdrawal Notice will have to additionally include the name, corporate purpose of the company subject matter of this Material Acquisition.

The withdrawal date could be advanced if the Bank, pursuant to its capacity in that moment informs the Borrower such possibility, and the Borrower request it.

Translation

"Withdrawal Request" means the request and the confirmation of the Borrower to the Bank for the upcoming direct and/or indirect withdrawal of a part of or the whole credit, before the Effectiveness Termination Date, signed by a Responsible Officer of the Borrower's, in which it is specified that the Borrower has complied with the preceding conditions of the credit in order that it be withdrawn, and that the effects of the Credit once it has been withdrawn by the Borrower will not produce a cause of Early Maturity.

"Receivables Program Obligations" means (a) promissory notes, shares certificates, undivided interests, partnership interests or other interests representing the right to be paid a specified principal amount from the Receivables Program Assets and (b) related obligations of the Borrower, a Subsidiary of the Borrower or a Special Purpose Vehicle (including, without limitation, rights in respect of interest or yield hedging obligations, breach of warranty claims and expense reimbursement and indemnity provisions).

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Borrower or any Subsidiary pursuant to which the Borrower or any Subsidiary may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by the Borrower or any other Seller) and any other person (in the case of a transfer by a Special Purpose Vehicle), or may grant a security interest in, any Receivables Program Assets (whether now existing or arising in the future); provided that:

(a) no portion of the indebtedness or any other obligations (contingent or otherwise) of a Special Purpose Vehicle (i) is guaranteed by the Borrower or any other Seller or (ii) is recourse to or obligates the Borrower or any other Seller in any way such that the requirements for off balance sheet treatment under Financial Accounting Standards Bulletin 140 are not satisfied; and

(b)the Borrower and the other Sellers do not have any obligation to maintain or preserve the financial condition of a Special Purpose Vehicle or cause such entity to achieve certain levels of operating results.

"Debt Currency Derivatives" means transactions derived from 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.

"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.

"GAAP" means the Generally Accepted Accounting Principles in Mexico on the signature date of this Agreement.

"Consolidated Leverage Ratio" means, at any time during the fiscal quarter, the ratio of (a) the Consolidated Net Debt at that time, to (b) the consolidated EBITDA for the last four quarters before such quarter, which will have to be calculated based on the most recent Consolidated Financial Statements of the Borrower and its Subsidiaries available at that date, pursuant to GAAP.

"Consolidated Net Debt / EBITDA Ratio" means, at any time during the fiscal quarter, the ratio of (a) Consolidated Net Debt for that moment 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.

"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, pursuant to GAAP.

"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

Translation

corporation, the issued and outstanding capital stock with voting rights, (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. For purposes of determining whether a trust formed in connection with a Qualified Receivables Transaction is a Subsidiary, promissory notes, bonds, shares certificates, trustee certificates, trust certificates, undivided interests, partnership interests or other interests or certificates of the type described in clause (a) of the definition of Receivables Program Obligations shall be counted as beneficial interests in such trust.

"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.

"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.

"Material Subsidiary" means, at any date, any 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) each Guarantor will be considered a "Material Subsidiary" for the purposes of this Agreement.

"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 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 Borrowers 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.

"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).

Translation

"Special Purpose Vehicle" means a trust, partnership or other special purpose person established by the Borrower and/or its Subsidiaries to implement a Qualified Receivables Transaction.

"Seller" means the Borrower and any Subsidiary or other affiliate of the Borrower (other than a Subsidiary or affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

AMOUNT.

SECOND. The Bank establishes a credit for the Borrower in the form of a Simple Takeout Facility Credit, for the maximum amount of **USA$1,200'000,000.00 (One billion two hundred million American Dollars 00/100 legal currency of the United States of America)** or its equivalent in pesos, considering the exchange rate required to settle obligations in foreign currency by the Official Federal Gazette (*Diario Oficial de la Federación*) on the day to which corresponds the date of the respective asset disposition (hereinafter the "Credit") unless the authorities empowered to do so expressly authorize an increase in the Line of Credit.

In order to determine the available balance of the Credit for the withdrawals in a non-dollar currency, these withdrawals will be valued and registered as a balance withdrawn in dollars at the effective official exchange rate on the day of the withdrawal.

The Line of Credit is independent of the diverse lines of credit that the Bank and/or its Subsidiaries or affiliates have authorized in favor of the Borrower and/or its Subsidiaries.

"Pesos", means the legal currency in Mexico.

"Dollars", means the legal currency of the United States of America.

The resources will be supplied, in accordance to the availability of the Bank's Treasury and subject to the legal provisions that regulate the Bank's activity, or the activity of any of the franchises the Bank has established abroad, or if applicable, of some correspondent Bank with which the Bank has established a line of credit.

The principal amount of the Credit to which the immediately preceding paragraph makes reference, does not comprise ordinary, nor default interests, fees, additional charges and other expenses the Borrower must cover in favor of the Bank in accordance to this Agreement.

The Borrower will make use of the Credit in the form, terms and under the conditions agreed upon herein.

The credit is granted in accordance to the provisions of the General Law of Credit Instruments and Operations (*Ley General de Títulos y Operaciones de Crédito*), in the form of a Simple Credit take out facility and of that which the Twentieth clause establishes.

PURPOSE.
THIRD. The Borrower agrees to allocate the amount of the Credit precisely to complement the necessary resources to undertake a Significant Acquisition (the "Purpose").

EFFECTIVENESS.
FOURTH. The period of effectiveness of this Agreement ends on September 28, 2007 (hereinafter "Effectiveness Termination Date").

The parties will be able to agree upon the extension of the Effectiveness Termination Date, as well as, if applicable, the amendment to certain conditions established herein, which will have to be effected by means of the Borrower's written request, with 110 days notice before the Effectiveness Termination Date, to which the Bank must respond within 20 days following the reception of said request, stating whether it agrees or disagrees to the request.

Notwithstanding this Agreement's termination, it will continue to produce all its legal effects, until the Borrower has completely paid all the quantities in its name.

CREDIT WITHDRAWALS.
FIFTH. During the effectiveness of this Agreement the Borrower may totally or partially withdraw from the Credit:

i) directly, which means, through the withdrawal of the resources, subject matter of the Credit, which the Bank makes to the Pesos Checking Account or to the Dollar Checking Account, which the Borrower maintains open with the Bank for the withdrawal and payment of the Credit (hereinafter jointly referred to as "Checking Accounts").

and/or

ii) indirectly, through guarantee granting mechanisms, which may include without limitation, among others, the establishment of a banking guarantee issued through the documents or instruments which the law determines for such effects and which may be used by the Borrower to guarantee the Significant Acquisition, or to get a hold of money market resources in which the Bank, or any of its affiliates or Subsidiaries, would be able to receive an order from the Borrower to guide the necessary actions in order to obtain said resources. The purpose of these resources will have to complement a Significant Acquisition.

In any case, the direct or indirect withdrawals of the Credit are subject to the following:

(i) That there exists on behalf of the Borrower no fact or motive that may be considered default of its obligations established herein.

(ii) That the Borrower presents the Bank with a letter of request, (Withdrawal Request) which will have to be underwritten by the Borrower or the attorney(s)-in-fact with sufficient legal capacity of the Borrower. Said Withdrawal Notification will have to be delivered to the Bank at least 3 (three) business days before the date of withdrawal, in the understanding that this date could be advanced if the Bank, in accordance to its capacity in that moment, informed the Borrower of such possibility and the Borrower were thus to request it.

(iii) That the Guarantee constituted in the terms agreed upon in the Fifteenth Clause herein, continues in effect during the term of this Agreement and until the Borrower has not paid the Bank the principal, interests, and other additional charges of the Credit and/or if applicable, the banking guarantee issued is no longer valid.

(iv) That the Borrower has an available positive balance in the Credit, subject matter of this Agreement, in the understanding that to determine whether there exists an available balance, the parties agree that the result obtained from the sum of the principal balances on behalf of the Borrower, along with the sum of the banking guarantees issued in favor of the Borrower under the Credit subject matter of this Agreement, must not exceed the amount of USA$1,200’000,000.00 (One billion two hundred million American Dollars 00/100), in the understanding that the principal balances of the peso withdrawals and the banking guarantees also issued in pesos will be determined with the exchange rate agreed upon in the first paragraph of the Second Clause herein.

(v) That the Borrower has paid the Bank the respective fees, as the parties have agreed-upon pursuant to the Ninth Clause of this Agreement.

(vi) If applicable, that the documents necessary to the implementation of the direct or indirect withdrawals be executed.

Translation

For each occasion in which the Borrower intends to withdraw directly a part of or the whole Credit, the Borrower will have to establish the Payment Date for said withdrawal (hereinafter “Payment Date”), in the understanding that in no case will it be superior to the Effectiveness Termination Date of the Agreement.

The Payment Date for each withdrawal thus agreed-upon will appear in the respective and corresponding promissory notes (hereinafter the “Promissory Notes”) which the Borrower will underwrite in favor of the Bank for each withdrawal.

For each occasion in which the Borrower intends to withdraw indirectly a part or the whole of the Credit through a Guarantee, the Borrower will establish the effectiveness date for the guarantee (hereinafter “Guarantee Maturity Date”) in the understanding that in no case will it be superior to the Effectiveness Termination Date.

The underwritten Promissory Notes and/or deeds will have to, if applicable, have the characteristics designated by article 170 of the General Law of Credit Instruments and Transactions (*Ley General de Títulos y Operaciones de Crédito*), of the applicable laws and of this Agreement.

Every one of the direct and/or indirect provisions established in this Agreement will diminish the Amount available of the Credit and will not be withdrawn again, nor installed again when their effectiveness has terminated and/or they have been paid to and/or canceled by the Bank.

By virtue of the foregoing paragraph, only for those indirect withdrawals necessary to induce or establish a direct withdrawal will the combination of both provisions be considered only one direct withdrawal.

PAYMENT OF THE PRINCIPAL.
SIXTH. During the effectiveness period of this Agreement, the Borrower agrees to pay in favor of the Bank the quantities withdrawn, making the payments to the Bank for the principal, on each corresponding Payment Date, as established in the Promissory Note(s) with which the applicable provision has been documented.

In case of any principal Payment Date were on a non-Business Day, the payment will be effected on the following business day.

ORDINARY INTERESTS.
SEVENTH. The Borrower agrees to pay the Bank, during the effectiveness period of this Agreement, ordinary interests on the unpaid balance of the Credit if direct withdrawals were effected, which will be calculated for withdrawals in Pesos, at an annual rate equivalent to the TIIE Rate (as defined below) plus the Applicable Margin (as defined below), and for the withdrawals in Dollars, at an annual rate equivalent to the Libor Rate (as defined below)

plus the Applicable Margin.

The interest rates determined in accordance to what is set forth in the foregoing paragraph, will appear in the Promissory Notes as long as the Borrower documents said withdrawals from the Credit.

The interests will accrue as of the date of partial or total withdrawal of the Credit and will have to be paid to the Bank on each Interest Payment Date (as defined below).

In the assumption that a Payment Date were not a Business Day (as defined below), said payment will be made on the immediately following Business Day, with the corresponding interest recalculation.

By virtue of this Agreement:

"Business Day" means,

(i) for Peso withdrawals, every day except Saturday, Sunday and holidays, on which the headquarter offices of Mexico's credit institutions are open to the public for the execution of banking transactions, for peso withdrawals.

(ii) for Dollar withdrawals, Business day will be every day except Saturdays, Sundays or holidays, and on which the headquarter offices of Mexico's credit institutions, of New York City, United States of America, are open to the public for the execution of banking transactions.

"**Interest Payment Date**" means, the last day of each Interest Period.

"**Applicable Margin**" means the Margin that applies for each one of the direct withdrawals in accordance to the following periods, in the understanding that the maturity date of said periods will not be able to exceed the Effectiveness Termination Date:

i) Beginning on the date on which the first Credit withdrawal was made, until the first 90 days counted as of said date, the Applicable Margin over the unpaid balance of the Credit for this first period will be 0.175 percentage points if the withdrawal is made in Pesos and 0.20 percentage points if it is made in Dollars.

ii) As of the 91st day, until the 180th day, calculated as of the date on which the first Credit Withdrawal was made, or of any subsequent withdrawal were made in this period, the Applicable Margin over the unpaid balance of the Credit for this second period will be 0.225 percentage points if the withdrawal was or is made in Pesos and 0.25 percentage points if it was or is made in Dollars.

iii) As of the of any subsequent withdrawal were made in this period, the Applicable Margin over the unpaid balance of the Credit for this third period will be 0.35 percentage points if the withdrawal was or is made in Pesos, and 0.30 percentage points if the withdrawal was or is made in Dollars.

iv) As of the 271st day, until the 365th day, calculated as of the date on which the first Credit withdrawal was made, or of any subsequent withdrawal were made in this period, the Applicable Margin over the unpaid balance of the Credit for this fourth period will be 0.40 percentage points if the withdrawal was or is made in Pesos, and 0.35 percentage points if the withdrawal was or is made in Dollars.

"**Interest Period**" means, each period of a calendar month which is considered the basis for the calculation of interests generated by the unpaid balance of the Credit, with the knowledge that **(i)** the first Interest Period will begin on date of the first withdrawal or of the applicable withdrawal and will end precisely on the last day of the respective withdrawal's corresponding month **(ii)** the subsequent Interest Periods will begin on the day after the last day of the immediately preceding Interest Period and will end on the last day of the same month, and **(iii)** any Interest Period effective on the Effectiveness Termination Date will end on precisely such date.

"TIE Rate" means, the interbank equilibrium interest rate on a 28 day term, or in case the end of such term falls on a non-business day, of 26, 27 or 29 days, determined by the Bank of Mexico and published in the Official Federal Gazette (*Diario Oficial de la Federación*), the Business Day immediately preceding the beginning date of each Interest Period.

"Substitute Interest Rate of the TIIE Rate". For the case in which any of each of the Interest Periods in which interests accrued were not to be calculated with the Bank of Mexico's determination of the TIIE Rate, the interest rate that substitutes such TIIE Rate will be applied to this Agreement, which the Bank of Mexico itself made known, the same percentage points applied as a margin for the TIIE Rate, which are designated above and the same calculation system.

In case the Bank of Mexico does not make known the TIIE substitute interest rate, the CETES Rate will be applied to the Credit (as defined below) in addition to 1 one percentage point.

Translation

By virtue of this Agreement, **"CETES Rate"** means the last annual interest yield rate equivalent to the discount rate of the Certificates of the Federal Treasury in a 28 day term, or, in case the end of such term were to fall on a non-business day, of 26, 27 or 29 days, in the primary position weekly made known by the Federal Government through the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) through notices in the newspapers of major circulation in the country, being applicable to this Credit the last CETES Rate made known before the beginning of each Interest Period.

In case none of the aforementioned rates are published, the parties agree to the execution of an amendment agreement for this Agreement, with the purpose of establishing the interest rate applicable to the same. The foregoing, within a term no greater than 30 (thirty) calendar days notifies the Borrower of said circumstance.

"Libor Rate" (London Interbank Offered Rate), means the annual interest rate offered by the principle Banks in the interbank London market as the rate for Dollar deposits for a 30 day period, approximately at 11:00 (London, England time), that appears published 48 (forty eight) hours before the Beginning of each Interest Period in the page LIBOR 01 OF THE REUTERS INFORMATION SYSTEM, OR ALSO ON THE BTMM PAGE OF THE BLOOMBERG SYSTEM, both for the deposit in United States of America Dollars, or those to substitute, in case such pages were no longer published.

Said rate will be rounded to, if it were to be presented even in 1/100,000, or more than a percentage point, the 1/10,000 of the nearest percentage point. To this effect, five 1/100,000 of a point are considered nearer the 1/10,000 of the immediately superior percentage point.

In case the aforementioned rate is not published, the Bank and the Borrower agree to execute an amendment agreement to this Agreement, with the purpose of establishing the interest rate applicable to the same. The foregoing would be executed within a 30 (thirty) calendar day term, to the date on which the Bank notifies the Borrower of said circumstance.

If the parties do not reach an agreement with respect to the substitute rate applicable within the agreed upon, this will be considered cause for early maturity of this Agreement, in which case the Borrower will have to pay the Bank the unpaid Credit balance and its additional charges, on the date of said maturity, every time that on the contrary the unpaid balance accrues default interests pursuant to what was agreed-upon herein, taking as a basis the last ordinary applicable rate to the present Agreement.

To calculate the ordinary interests for each Interest Period, the annual applicable interest rate will be divided by 360 (THREE HUNDRED AND SIXTY) and the result will be multiplied by the number of calendar days that constitute the Interest Period at hand. The resulting rate will be multiplied by the unpaid balance of the Credit and the product will be the quantity that by virtue of interests the Borrower will have to pay the Bank on each Interest Payment Date.

DEFAULT INTERESTS.
EIGHTH. In case the Borrower does not pay punctually an amount it must cover in favor of the Bank in accordance to this Agreement, excepting interests, said amount will accrue default interests as of the date of its maturity until it is completely paid, interests that will accrue daily, that will be paid immediately and in accordance to an annual rate equal to the ordinary interests rate, plus 2 (two) percentage points.

To calculate default interests, the annual applicable default interest rate will be divided by 360 (THREE HUNDRED AND SIXTY) and the quotient will be applied to the unpaid and matured balances, thus resulting the default interest for each day, which the Borrower has agreed to pay in the terms of this Agreement.

FEES.
NINTH. "The Borrower": Will pay the Bank the fees they agree-upon jointly.

Translation

PLACE AND FORM OF PAYMENT.
TENTH. All the payments the Borrower must make in favor of the Bank under this Agreement, for capital, interests, fees and other legal consequences, it will effect on the agreed-upon dates, on business days and during business hours,

with no need of a prior request and in accordance to the following:

For Peso withdrawals. The payments of the withdrawals will be effected through payments to the account of the Bank with KEY number 012580001030025009 on behalf of the settlement Account Banca Corporativa Monterrey of the Bank and can be made in any other place that the Bank notifies the Borrower with at least 10 (ten) days before the respective Payment Date.

For Dollar withdrawals. The Borrower will meet its payment obligation precisely through payments made to the Dollars Checking Account number *400-210568 (four zero zero dash two one zero five six eight)* on behalf of BBVA Bancomer in JPMorgan Chase, located on 270 Park Avenue, 10017, New York, N.Y., United States of America in a sufficient amount for the Bank to receive the interests and the principal derived from the Credit, through said payments.

Notwithstanding the foregoing, the Borrower instructs the Bank expressly and irrevocably, in case of default of the payment obligations contained herein, charge to whichever of the Checking Accounts the Borrower has with the Bank for the withdrawal and payment of the Credit, the principal amount, ordinary interests and, if applicable, default interests, fees, expenses and other amortizations of the Credit.
The Bank will apply every one of the amounts it receives from the Borrower, in accordance to the following order: (i) collection and enforcement expenses if applicable; (ii) lawyers' fees in the case of enforcement; (iii) default interests; (iv) ordinary interests and (v) capital.

EARLY PAYMENTS.
ELEVENTH. The Borrower will be able to pay before its maturity with no penalty, the total amount for each withdrawal, by delivering prior written notice with 5 (five) Business Days notice to the Bank, the amount will be at least USA$10'000,000.00 (Ten million Dollars 00/100 legal currency of the United States of America or multiples of USA$$1'000,000.00 (One million Dollars 00/100 legal currency of the United States of America and on the Interest Payment Date; the amount for the early payments will be first applied to the payment of generated unmatured interests, and lastly to the capital.

In the assumption that the early payment causes some cost for the funding breach to the Bank, this cost will be covered by the Borrower, on the same date on which said payment is effected.

AFFIRMATIVE COVENANTS
TWELFTH
The Borrower covenants that as long as any payable amount pursuant to this Agreement and the promissory notes remain unpaid, the Borrower, and if applicable, the Guarantors agree to the following:

a) Financial Statements and other reports: the Borrower and the Guarantors will deliver to the Bank:

(i) Deliver the Bank annual financial statements, consolidated for the Borrower [and individual for the Guarantors], audited by a public accountants firms, acceptable to the Bank within 150 (one hundred and fifty) calendar days for the Guarantors and 120 (one hundred and twenty) calendar days for the Borrower, following the end of its fiscal year. Said financial statements must have a certificate from a responsible officer of the Borrower's, which states no default has occurred or continues to occur, nor that a cause of early maturity has occurred, or, if a default has occurred and continues to occur or a cause of early maturity occurs, a statement regarding its nature, as well as of the acts they have performed and intend to perform with respect to said default or cause of early maturity, and

(ii) Deliver to the Bank within 90 (ninety) calendar days following the end of each one of the first three trimesters of each fiscal year, the internal consolidated financial statements of the Borrower, which will include

the general balance, statement of results, of changes in the financial situation and of the variations in the accountable corresponding capital. Said financial statements must have a certificate by a responsible officer of the Borrower, which states no default has occurred or continues to occur, nor that a cause of early maturity has occurred, or, if a default has occurred and continues to occur or a cause of early maturity occurs, a statement regarding its nature, as well as of the acts they have performed and intend to perform with respect to said default or cause of early maturity.

(iii) Simultaneously with the delivery by the Borrower of the financial information pursuant to with this Twelfth Clause, the Borrower will deliver to the Bank a certificate of consolidated leverage ratio and the consolidated fixed charge coverage ratio of a Responsible Officer that includes all the information and calculations necessary to determine the compliance by the Borrower of subsections (a) (i) and (ii) of the thirteenth clause herein.

(b) Default and litigation notice. The Borrower will deliver to the Bank:

(i) As soon as possible, but in any case, within the 5 calendar days following any default or

cause of early maturity, a statement from a Responsible Officer of the Borrower that designates the details of said default or cause of early maturity and the acts the Borrower has performed and intends to perform with respect to the same, and

(ii) In a timely manner, a notice of any action or proceedings before any court, Governmental Authority or arbiter panel, which may affect the Borrower or any of its Subsidiaries with respect to any future responsibility or for any violation, of any law or regulation (including, with no limitation, Environmental Laws), in any case only if it had to or it were reasonable to wait for it to have to or be able to have in consequence an Adverse Material Effect.

(c) Compliance with contractual laws and obligations: The Borrower La will comply and will make every one of its Subsidiaries comply with all the requirements of applicable laws (including, in relation to licenses, concessions, certificates, permits, franchises, notices, registries and other necessary government authorizations to hold in ownership its assets or to perform its activities, antitrust and environmental laws and laws with respect to social security and pension funds), as well as all significant contractual obligations, except if from the default of the foregoing it were not reasonable to expect in consequence a Material Adverse Effect.

(d) Payment of Obligations: The Borrower will pay, and will make every one of its Subsidiaries pay, before falling in default, (i) all taxes, contributions, rights and government encumbrances that are determined, imposed or enforced and (ii) all the claims made pursuant to law, whose payment default, by operation of law, results in a Lien on its assets, in every case except if from the payment default it is not reasonable to expect in consequence a Material Adverse Effect; in the understanding, however, that neither the Borrower nor its Subsidiaries will be obligated to pay or force the payment of any taxes, encumbrances or claims that are challenged in good faith and through appropriate proceedings, and with respect to which adequate reserves are maintained, until any Lien that results therewith is established on its assets, and is enforceable with respect to third parties.

(e) Insurance maintenance: The Borrower will maintain and will make every one of its Subsidiaries maintains, insurance with well-known insurance companies, for the quantities and with the risk coverage that companies involved in similar business dealings and with the ownership of similar assets in the same areas in which the Borrower and its Subsidiaries operate, normally employ, in so far as said insurance are available in reasonable commercial terms.

(f) Business Leadership and Corporate Existence Conservation. The Borrower will to continue to dedicate itself to the same type of activities and business dealings to which it currently dedicates itself and will preserve and maintain and will make every one of its Material Subsidiaries preserve and maintain their legal existence, rights (be they statutory or legal), licenses, authorizations, permit,

notice, registry and franchises considered material for its business dealings; in the understanding that neither the Borrower, nor its Material Subsidiaries i will be obligated to maintain their legal existence regarding a merger or consolidation performed pursuant to what is established by the Thirteenth Clause (c); and in the understanding, likewise, that neither the Borrower, nor its Material Subsidiaries will be obligated to preserve any right or franchise if the Borrower or any of its Material Subsidiaries to their best judgment, in good faith, determine it is commercially desirable not to preserve said right or franchise, and that from the loss of said right or franchise it is not reasonable to expect that it have in consequence a Material Adverse Effect.

(g) Books and registries: The Borrower will maintain and will make all its Material Subsidiaries maintain, adequate registry and accounts, in which complete and correct entries will be made of all the financial transactions and of the assets and of the business dealings of the Borrower and of every one of its Material Subsidiaries, which entries will be made pursuant to the GAAP in Mexico (with respect to the Borrower and its Material Mexican Subsidiaries) or with any of the applicable accounting principles (with respect to the foreign Material Subsidiaries of the Borrower).

(h) Asset Maintenance: The Borrower:

(i) Will maintain and preserve and will make every one of its Subsidiaries maintains and preserves, all its assets used or that are useful to the performance of its activities in a good state and in normal conditions, except for the ordinary use and wear and tear and

(ii) Will maintain, preserve, and protect its intellectual property rights and all the governmental authorizations or of third parties, franchises, licenses and permits that are material to its business dealings and the business dealings of its Subsidiaries in the understanding that neither subsection (i) above, nor this subsection (ii) will impede the

Borrower or any of its Subsidiaries discontinue the operation and maintenance of any of its assets, or allow the maturity of certain authorizations, licenses or permits provided they are desirable in the performance of their business dealings and that from said discontinuance, individually or jointly, it not be reasonable to expect it have in consequence a Material Adverse Effect.

(i) Payment *parí passu* preference: The Borrower will perform all the necessary acts in order that the obligations of the Borrower and of the Guarantors pursuant to this Agreement, the Promissory Notes, and other documents related to the Credit, at all times constitute valid and enforceable obligations of the Borrower and of the Guarantors, with a payment preference at least at the same level with respect to all the remaining non-subordinated and unsecured debt of the Borrower and of each one of the Guarantors.

(j) Transactions with Affiliates: The Borrower will perform and will make every one of its Subsidiaries perform all the transactions with any of its Affiliates in reasonable market conditions, no less favorable for the Borrower or any of its Subsidiaries, as the case may be, than those it would obtain in a comparable transaction in commercial terms with a Person that were not its affiliate.

(k) Maintenance of government authorizations: The Borrower will maintain in full force and effect, all the authorizations of, and registries before, any governmental authority that are necessary pursuant to the applicable law for the performance of its activities (including, with no limit, environmental and antitrust laws), for the fulfillment of its obligations pursuant to this Agreement, and for the validity and enforceability of this Agreement, unless if from the default to maintain any of said authorizations or registry it would be unreasonable to expect an Adverse Material Effect would result.

(l) Inspection Rights: Upon the Bank's justifiable request, with at least ten business days notice, allow in writing the Bank's designated representatives to inspect the accounting registries and/or the properties of the Borrower and of the Guarantors and interview with their respective functionaries and external auditors, during business hours and days. The expenses related with said inspection will

have to be covered by the Bank, in the understanding that in case of default of any of the obligations herein, any expense related with the inspection will be paid for by the Borrower and the Guarantors.

(m) Ratification before a notary public. Ratify before a notary public the signatures which underwrite this Agreement.

NEGATIVE COVENANTS.
THIRTEENTH
Up until the total payment of the principal, interests and other additional charges of the Credit, the Borrower will have to comply with the following negative covenants, unless the Bank agrees in writing to something different:

(a) Financial Limitations: The Borrower with the financial information of its Affiliates and Subsidiaries will have to comply during the effectiveness period of the Agreement with the following financial indicators which will me measured in quarterly form, according to what is established in the financial statements prepared in accordance to GAAP:

(i) The Borrower will not allow the Consolidated Leverage Ratio to exceed 3.5 to 1.
(ii) The Borrower will not allow the Consolidated Fixed Charge Coverage Ratio to be, at any moment, less than 2.5 to 1 for any period of four consecutive trimesters.
(iii) On the date on which the Borrower delivers to the Bank the information to which the Eleventh clause, subsection (a) of this Agreement makes reference, the Borrower will deliver the Bank a signed certificate by a Responsible Officer that contains all the information and calculations necessary to determine the Borrower's adherence to the provisions contained in subsections (a) (i) and (ii).

(b) Liens: The Borrower will not constitute, assume, nor will allow any Lien to exist on any of its assets and will prevent its Subsidiaries from constituting, assuming or allowing any Lien to exist on any their respective assets, be they currently in their ownership or be they acquired after that date, unless the following liens are involved ("Permitted Liens"):

(i) Liens or deposits derived from any fiscal, work, or social security obligation, or created by operation of law, provided they were challenged in good faith through the corresponding proceedings and with respect to which reservations or any other provisions necessary were created according to GAAP in Mexico.
(ii) Liens created as a consequence of legal easements or other similar legal encumbrances

on the assets of the Borrower or its Subsidiaries, provided they were challenged in good faith through the corresponding proceedings and with respect to which reservations or any other provisions necessary were created according to GAAP in Mexico.

(iii) Liens or seizures that result from any court decision and judicial order of any court, except that such court decision not be declared inadmissible or its effects were suspended through another judicial order within the sixty days following its date.

(iv) Actual Liens already in existence.

(v) Liens on assets that the Borrower or any of the Subsidiaries acquire in the future, which already exist before the acquisition date of such assets (unless such liens were created exclusively because of such acquisition), as well as Liens created with the purpose of guaranteeing the total or partial payment of the acquisition price or the debt incurred or assumed to acquire said assets, in the understanding that (A) said Liens will be limited to the acquired assets or, if the documents that originate said Lien require it, to whichever other assets that constitute improvements or assets acquired for the specific use with the acquired assets (in case of company acquisition, the Borrower or any of the Subsidiaries will be able to constitute liens over shares, corporate shares, or similar deeds which represent the corporate capital of the acquired companies or of those which, directly or indirectly, effect the acquisition) and (B) in

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any case, said Liens can be created within the 9 following months, in the case of assets, their date of purchase, and in the case of improvements, to the date of their termination.

(vi) Liens which renew, extend, or substitute any of the permitted Liens mentioned in paragraph (v) above, provided the amount of the guaranteed debt for said Liens does not increase or the term of the same does not reduce itself, and said Liens do not extend to different assets.

(vii) Liens on representative shares on the Borrower's corporate capital or any of its Subsidiaries' created exclusively as a result of the transmission to a trust or other legal vehicle (including a company or other Legal Entity specifically constituted to have the ownership of said shares; in the understanding that said shares can be disposed of by the Borrower) whose net worth consists of said shares and whose purpose is not to guarantee the Borrower's or any of its Subsidiaries' debt (unless said guarantees are allowed by some other Permitted Lien).

(viii) Liens on securities that guarantee repo-transactions and repurchase obligations of said securities.

(ix) Liens on any Receivables Program Assets that are sold or assigned pursuant to a Qualified Receivables Transaction.

(x) Additionally to the permitted liens pursuant to subsection (i) and (ix) above, liens to guarantee the Borrower's or any of its Subsidiaries' Debt (in a consolidated manner), provided however the value of the assets that guarantee said Debt does not exceed 5% of the Adjusted Consolidated Net Tangible Assets.

Likewise, the Borrower will be able to constitute different Permitted Liens to guarantee any Debt, provided however it guarantee in the same way its obligations pursuant to this Agreement, the Promissory Notes, and other documents related to the Credit, to the Bank's satisfaction, during the same time as said Debt remains guaranteed.

(c) Consolidations and Mergers. The Borrower will not be able, in one or more related transactions, (x) consolidate or merge (as an acquiring or surviving company) with any other Person, nor (y) directly or indirectly transfer, deliver, sell, lease or in any other form dispose of all or of a substantial amount of all its goods or assets in favor of any Person, except, with respect to any of the transactions described in subsections (x) and (y) above, immediately after said transaction becomes legally enforceable:

1. The Person that results or is constituted on account of said consolidation or merger, in case it is not the Borrower or any of its Material Subsidiaries, or the Persons it may acquire through transference, delivery, sale, lease or any other legal figure, all or a substantial amount of all the goods or assets in favor of the Borrower or of said Material Subsidiary (said Peron, a beneficiary) (a) is an incorporated company and validly in existence in accordance to the laws of the jurisdiction in which it is incorporated, which, in case of a beneficiary of the Borrower's, it will e, Mexico, the United States, Canada, France, Belgium, Germany, Italy,

Luxemburg, Holland, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision of the same (b) that in case it is a beneficiary of the Borrower's, expressly assumes in accordance to a written agreement satisfactory in form and in content for the Bank , the obligations of the Borrower in accordance to this Agreement and the other credit documents (c) that in case it is a beneficiary of any guarantor, expressly assumes, in accordance to a written agreement satisfactory in form and in content for the Bank, the fulfillment of all the obligations of said guarantor in accordance to this Agreement and the other credit documents.

2. In case of any of said transactions in which the Borrower or any guarantor participates, the beneficiary of any of them, as the case may be, expressly agrees to indemnify the Bank with respect to any contribution, government encumbrance imposed on the Bank as a consequence of said transaction, with respect to payments in accordance to the credit documents.

3. Immediately after said transaction becomes legally enforceable, including, by virtue of this paragraph (3), the substitution of the Borrower by its beneficiary or any Subsidiary by its beneficiary and the treatment of any incurred Debt or Lien as a result of said transaction by the Borrower of any

beneficiary of the Borrower, or by any Subsidiary of the Borrower, or any beneficiary of said Subsidiary, as though it had been incurred at the time of said transaction, no default or cause for early maturity has occurred or continues to occur.

4. The Borrower had delivered to the Bank a certificate from an officer and a legal opinion each of which signals that said consolidation, merger, delivery, sale, transference or lease, as well as that the agreements of said transaction, meet with the applicable provisions of this clause and that all the conditions contemplated in this Agreement regarding said transaction are met. The Borrower will make its Material Subsidiaries meet with the provisions established in this paragraph(c)

(d) Asset Disposition: The Borrower will not be able to sell, lease, nor in any way dispose of its assets (including shares of the corporate capital of any subsidiary), except for provisions of (1) inventory, accounts receivable related to the business dealings and surplus assets to the needs of the business dealings of the Borrower or of any subsidiary that are sold in the ordinary course of business, (2) Assets that are not used, that cannot be used or that cannot be maintained for their use with respect to cement transactions and other related transactions, and (3) Other assets, provided however the product of said assets is retained by the Borrower or said subsidiary, as the case may be, and as quickly as possible following said disposition (but in any case within the 180 calendar days following said disposition),said product be applied to (a) incurred expenses regarding the goods, plants, and instruments used in the cement industry or related industries, (b) the payment of the Borrower's or any of its Subsidiaries' Debt, be it guaranteed or not, or (c) investments in companies involved in the dement industry or in related industries. The Borrower will make its Material Subsidiaries comply with the provisions established in this paragraph (d)

(e) Change in the nature of the business dealings : The Borrower will not be able to perform, nor will it allow any of its Material Subsidiaries to perform, any substantial changes in the line of business and nature of its principal activities, as they appear on the date of this Agreement.

CAUSES OF EARLY MATURITY
FOURTEENTH
The Bank will be able to anticipate the maturity of the term for the payment of the unpaid balance of the credits and additional charges (the Borrower and Guarantors thus agreeing to, if applicable, the payment of the total unpaid amount of the credits and their additional charges), through the written statement delivered to the Borrower and Guarantors, in whichever of the following cases (each of said events, a "Cause of early maturity"), with no need of a lawsuit, resolution or judicial proceeding and other notification of any nature, to which the Borrower and the Guarantors expressly waive:

A) Payment Default. If the Borrower (i) does not execute on their maturity any payment of principal in accordance to this Agreement, or (ii) does not perform any payment of interests or of any amount payable in accordance to this Agreement within the 3 business days following the date on which the payments ought to have been effected.

B) Statements. If any statement made by the Borrower herein or in any other credit document, or

by any guarantor, contained in any certificate, document or financial statement provided in accordance to this Agreement or with any other credit document, if applicable, is found to be incorrect in any important aspect, on the date on which it was made, if said error were not corrected within a 30 calendar day period as of (i) The date on which the Finance Director of the Borrower or of any of said Guarantors, as the case may be, knows of said error, or (ii) that the Bank has notified in writing the Borrower said error, or whatever happens first.

C) Specific Defaults. If the Borrower or any of the Guarantors, as the case may be, no longer complies with any of its obligations established in the Twelfth and Thirteenth Clause.

D) Other Defaults. If the Borrower or any Guarantor, as the case may be, no longer complies with any obligation established in this Agreement (different from those mentioned in subsections A) and C) above), and said default remains without being cured during a 30 calendar day period beginning on (1) the date on which the director of Finance of the Borrower knows of said default or (2) the date on which the Bank delivers to the Borrower a written notification regarding said default.

E) Default of other agreements. If the Borrower or any of its Subsidiaries no longer pays the principal at its maturity, of any Relevant Date and if said Default or cause of default in consequence leads to the early maturity of the principal of said Material Debt.

F) Voluntary Insolvency. If the Borrower or any of its Material Subsidiaries were to begin a voluntary proceeding with the purpose of reaching its dissolution, liquidation, commercial insolvency or other motions regarding itself to its debts in accordance to a law or proceeding in bankruptcy, insolvency, commercial insolvency or any law or similar present or future proceeding, or looks to appoint a fiduciary, receiver, liquidator, custodian or any other officer of similar nature regarding itself or any substantial part of its asserts, or agrees to any of said motions or proceedings, the appointment of any of said functionaries in an involuntary case or in any other proceeding initiated against it, or has to perform a generalized assignment of its assets in its creditor's favor, or finds itself in generalized default in the payment of its due debts, or takes any corporate action to authorize any of the foregoing.

G) Involuntary Insolvency. If any involuntary proceeding were to begin against the Borrower or any of its Material Subsidiaries with the purpose of reaching its liquidation, commercial insolvency, be that in relation to the Borrower or to said Material Subsidiary or its debts in accordance to a bankruptcy, insolvency, commercial insolvency law, or any other similar present or future law or proceeding, or the appointment of a fiduciary, receiver, liquidator, custodian or any other officer of similar nature regarding the Borrower or said Material Subsidiary or any substantial part of its assets and said involuntary proceeding were to continue for a 60 consecutive day period without being favorably resolved for the Borrower or the Material Subsidiaries; or an order or court decision is issued against the Borrower or any of its Material Subsidiaries in accordance to any bankruptcy, commercial insolvency, insolvency law or any other law of similar present or future nature.

H) Court Decisions. If any court decision(s) is passed that allow no motion with respect to the payment of the money in a total amount that exceeds US50'000,000.00 or its equivalent in other currencies, against the Borrower and one or more of its Subsidiaries and said court decision(s) is not invalid, wholly guaranteed or obeyed within the 30 calendar days following the date on which they were passed.

I) Parí passu. If the obligations of the Borrower and of any of the Guarantors in accordance to this Agreement and the Promissory Notes were no longer to have preference in payment at least at the same level as the other unsubordinated and unsecured debts of the Borrower and the Guarantors.

J) Validity of the Agreement. If the Borrower or any of the Guarantors challenge the validity or enforceability of this Agreement or of any of the credit documents.

K) Government Authorizations. If any concession, authorization, license, agreement, or government permit or of another nature that is necessary or that will be necessary in the future in accordance to any request by the applicable law for the signature, delivery or compliance by the Borrower or by any of the Guarantors of this Agreement or any credit document, or in order that this Agreement or ant credit document be valid and enforceable, it is not obtained, cancelled or modified, or no longer has validity or is modified in such a way as to have an adverse effect on the legal motions and on the rights of the Bank.

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L) Expropriation. If any government authority (i) nationalizes, takes possession, intervenes or in any form expropriates, all or a substantial part of the assets of the Borrower or any of the Guarantors or the corporate capital of the Borrower, or of any of the Borrowers, of any Material Subsidiary of the Borrower or of the Guarantors, or of any of the Subsidiaries of the Borrower (in this case, if an Adverse Material Effect could be reasonably expected) or (ii) performs any act that does not allow the Borrower or any of the Guarantors to meet their obligations in accordance to the credit documents.

M) Change of Control. If the property (Beneficial Ownership) in accordance with the meaning given said term in Rule 13D-3 (Rule 13D-3) published by the Securities and Exchange Commission in the United States of America in accordance to the Securities Exchange Act of 1934, of the 20% or more of the shares with a right to vote in circulation of the Borrower or any of the Guarantors is acquired by any Person or group (in the terms of Rule 13D or 14D of the Securities Exchange Act of 1934); in the understanding that; if said acquisition were effected, directly or indirectly, by Mr. Lorenzo H. Zambrano or by any of the members of his immediate family, the same will not be considered a cause of early maturity.

N) Granting of Relevant Role: If the Borrower does not grant the Bank, or if applicable any of its Subsidiaries and/or affiliates, an order to lead directly the structuring, implementation and enforcement of the transaction(s) required to refinance the Credit stipulated in this Agreement.

In this case, The Borrower will have a term to liquidate the whole Credit and its additional charges of up to 60 days beginning on the date on which such order is granted, that will in no case exceed the Effectiveness Termination Date. The Borrower will have to pay a commission to be determine by the parties pursuant Clause 9 herein.

In case any of the causes for early maturity established in paragraphs F and G of this Clause were to occur in relation to the Borrower or any of its Guarantors, the unpaid balance of the credits (jointly with the accrued and unpaid interests) and all other obligations of the Borrower and the Guarantors in accordance to this Agreement will be immediately considered mature and payable with no need for claim, lawsuit or protest of any other notification of any nature, all that is waived expressly by the Borrower and the Guarantors and with no need of notification or other action by the Bank.

The bank will have to deliver a default notification to the Borrower and the Guarantors in case any of the causes for early maturity early in paragraphs A, B, C or D of the fourteenth clause immediately occurs.

GUARANTEE

FIFTEENTH. In guarantee of the exact and timely payment of all and every one of the amounts that on the basis of principal amount, interests and other additional charges the Borrower owes the Bank in accordance to the Credit and to the Promissory Notes that document it, as well as in guarantee of the exact and timely payment of all and every one of the obligations that are assigned to the Borrower pursuant to this deed, Cemex México S.A. de C.V. and Empresas Tolteca de México S.A. de C.V., agree jointly and severally with the Borrower, and become plain paying Guarantors in favor of the Bank (the "Guarantee") and they agree to present their guarantee with respect to all and every one of the Promissory Notes that document the Credit.

The Guarantors expressly accept that each and every one of the obligations contained herein, at the Borrower's cost, are existent and valid pursuant to law, for which reason the Guarantors agree to pay in favor of the Bank the quantities derived for such obligations, with no need of greater procedure whatsoever and without being able to present any objection whatsoever for the payment that as Guarantors they will have to make in the Bank's favor.

The Guarantors expressly accept in this act personal, primary and joint liability, if applicable, contained in articles 2814, 2815 and 2837 of the Federal Civil Code (*Código Civil Federal*) and any related articles of the different states of Mexico, effective on the signature date of this Agreement.

The Guarantee, subject matter of this Agreement, will subsist until the Bank has received the payment of all that it is owed on account of the obligations assumed by the Borrower in this Agreement, as well as its additional charges and legal consequences, even if:

1. An extension or stand-by is granted the Borrower without the Guarantor's consent;

2. The Bank exempts the Borrower from payment and/or the Credit payment obligation is subject to new liens or conditions;

3. The Guarantors cannot be substituted in the Borrower's rights or privileges, because of error, fault or negligence on the Borrower's part;

4. Once the Debt derived from the Credit becomes enforceable, the Guarantors request the Bank file in court within a month following the default of such obligations, and the Bank does not exercise its rights within the stated term, or if once the trial has begun, the Bank, with no grounded cause, were to fail to file for more than three months.

As a consequence of the Guarantee subsistence agreement conferred above, the Guarantors waive the content of articles 2845, 2846, 2847 and 2849 of the Federal Civil Code (*Código Civil Federal*) and its related articles in the other states of Mexico.

EXPENSES.
SIXTEENTH. All the justifiable and reasonable expenses, as well as, if applicable, the Notary Public fees derived from this credit transaction, will have to be covered by the Borrower.

In case the Borrower, in a term of 10 (ten) days, beginning as of the signature date of this Agreement, has not made the payment for the expenses, fees, and rights originated herein, expressly and irrevocably authorizes the Bank to charge on its Checking Account the corresponding quantity(ies), in the understanding that if they do not have sufficient funds in said Checking Account, the Bank will pay of its own resources the applicable quantity(ies), the Borrower agreeing to compensate the Bank for these quantities, in a term of ten days, beginning on the date of the payment made by the Bank, agreeing, additionally, to pay the default interests agreed-upon herein, for each day in default of these payments.

TAXES.
SEVENTEENTH. The Borrower will pay the Bank the entire principal, interest, and other payable sums in accordance to this Agreement, free, exempt and with no deductions, encumbrance or any other fiscal responsibility that presently or in the future will burden, payable in any jurisdiction in Mexico.

AUTHORIZATION.
EIGHTEENTH. The Borrower ratifies the authorization granted the Bank previously, expressly and irrevocably in a separate document, in order that it request from the National or Foreign Credit Information Company(ies) that it considers necessary, all the information regarding its credit history. Likewise the Bank is authorized to perform periodic revisions and provide information on the credit histories to said company(ies) that it considers necessary, in the terms of the Credit Information Company Regulating Law. Said authorization will be effective at least during the effectiveness of the Credit or as long as a legal relationship exists with the Bank. The Borrower manifested it is fully familiar with the nature, reach and its consequences of the information that will be requested in periodic form for its financial and credit analysis.

CREDIT ASSIGNMENT.

NINETEENTH. This Agreement will become legally enforceable once it has been underwritten by the Borrower and the Bank and will later bind and benefit the Borrower and the Bank and their respective successors and assignees as the case may be, the Borrower will not be able to assign its rights and obligations in accordance to this Agreement, nor interest in the same without the previous consent in writing by the Bank. The Bank will be able to transmit, assign, negotiate this Credit and the Promissory Notes with which they are documented and with respect to such assignment, to

the assignee will correspond against the Borrower the same rights and benefits it would have if it were the Bank in this Agreement, provided however it has the previous consent of the Borrower, which will not be denied nor delayed unreasonably within a 30-thirty calendar day term beginning as of the date of the notification in which the intention to perform the assignment is stated.

RESTRICTION AND EARLY TERMINATION.
TWENTIETH. In the terms of Article 294 of the General Law of Credit Instruments and Operations (*Ley General de Títulos y Operaciones de Crédito*), it is expressly agreed that the Bank reserves the right to terminate this Agreement exclusively in case the Borrower is in default of the obligations contained in the Twelfth and Thirteenth Clauses herein. The termination will be effected by means of a written notice delivered by the Bank to the Borrower, provided however it reasonably explains its motive.

COST INCREASE.
TWENTYFIRST. If due to the publication or reform of applicable laws or regulations, or to their interpretation by any governmental authority in charge of the interpretation or application of said laws or regulations, were to impose, modify or consider applicable any tax or limitation with respect to assets, deposits or loans of the Bank or to any other form of fund acquisition by the Bank, to grant and maintain the credit or the reduction of the principal sum or the interests the Bank ought to receive with respect to said Credit, the Borrower will pay the Bank immediately, upon the Bank's request, the additional quantities necessary to compensate the bank for said duly justified cost increase or income reduction. The Borrower agrees that the Bank will have the right to receive the compensation mentioned in this paragraph, if the Bank becomes subject of si, or if it pays, any withheld tax on account of the principal or the interests that the Bank must pay to obtain funds to give or maintain the credit.

Following these assumptions, the Bank will notify the Borrower that one of the events that grant the Bank the right to receive additional quantities has occurred. The Bank's certification by a duly authorized legal representative, in which appear the quantity for which the costs have increased or the principal as been reduced as a consequence of the occurrence of any of the designated events, will be conclusive with respect to said quantity, except for an error in its calculation.

Said additional payment will have to be effected by the Borrower within THIRTY days following the notification. In case the payment of said costs were not effected, default interests agreed-upon herein will be incurred on the mentioned costs, which will be calculated as of the date designated in the notification, until it is paid in full.

COURT DECISION.
TWENTYSECOND. This Agreement, in the case of Dollar withdrawals, is an international transaction in which the Dollar specification and the payment in the city of New York, N.Y., United States of America, are essential and, the Dollars will be considered the new applicable currency for all cases. The Borrower's payment obligations with respect to the Credit and to the Promissory Note(s) that document the withdrawal of the Credit, will only be considered fulfilled when the quantities paid in foreign currencies or in another location, whether it be in accordance to court decision or in any other way, upon their conversion to Dollars and their transfer to the city of New York, pursuant to ordinary banking procedure, cover the Dollar quantity in said city of New York owed pursuant to this Agreement. If to obtain the court decision from any court, whether it be for the payment of any sum or in the enforcement of any court decision previously obtained, it becomes necessary to convert to another currency (the "Other Currency"), whatever payable sum in Dollars in accordance to this Agreement, the exchange rate that will be used will be the one with which the payment must be effected, pursuant to the court decision. The Borrower's obligations with respect to any sum expressed in Dollars, which the Borrower owes the Bank pursuant to this Agreement, will not fulfilled, notwithstanding any court decision expressed in

an Other Currency, for more than the amount in Dollars that the Bank may acquire through habitual banking procedure, on the nearest Business Day following the Bank's reception of any payable sum pursuant to said court decision in an Other Currency; and the Borrower agrees, as an independent obligation and notwithstanding any court decision in an Other Currency, that if the Dollar sum purchased in said form is inferior to the originally owed sum in Dollars, will indemnify the Bank for said loss, and the Bank agree that if the Dollar sum purchased in such manner exceeds that originally owed the Bank, the Bank will remit the surplus to the Borrower.

ADDRESSES.
TWENTYTHIRD. The parties designate as address for the enforcement of this Agreement, the following:

The Bank: Ave. Vasconcelos 101 Ote. Col. Residencial San Agustín, San Pedro Garza García Nuevo León

The Borrower: Av. Ricardo Margaín Zozaya 325 Col. Valle del Campestre Código Postal 66265 San Pedro Garza García, Nuevo León

The Guarantors: Av. Constitución 444 Poniente Código Postal 64000 Monterrey, Nuevo León.

The Borrower will have to inform the Bank of the change in Address, with at least 10 (ten) business days notice. In case it were not to do so, all the notices, notifications, and other judicial or extra-judicial proceedings made in the address indicated by the same, in this clause, will become legally enforceable.

EXECUTORY DOCUMENT.
TWENTYFOURTH. This Agreement, jointly with the account statement certified by the Bank's Accountant, will be an executory document, pursuant to what is established in Article 68 of the Credit Institutions Law (*Ley de Instituciones de Crédito*).

LAWS AND COURTS.
TWENTYFIFTH. This Agreement is governed pursuant to the laws of the United Mexican States, especially by what is established in the Credit Institutions Law (*Ley de Instituciones de Crédito*), the General Law of Credit Instruments and Operations (*Ley General de Títulos y Operaciones de Crédito*), and its Supplementary Laws.

Likewise for everything in relation to the interpretation, enforcement, ,and compliance of this Agreement, the parties subject themselves to the jurisdiction of the Courts of the City of Monterrey, Nuevo León, waiving expressly to the jurisdiction of their present or future address.

In witness whereof, this Agreement is signed three times in the city of Monterrey, Nuevo León on the October 24, 2006.

Translation

THE BANK
BBVA BANCOMER, S.A.
INSTITUCIÓN DE BANCA MÚLTIPLE
GRUPO FINANCIERO BBVA BANCOMER
Represented by:

/s/ Carlos VELAZQUEZ
_____
CARLOS DAVID VELAZQUEZ THIERRY

/s/ Agustín DE LA GARZA
_____
AGUSTIN DE LA GARZA VIDAURRI

"THE BORROWER"
CEMEX, S.A.B. DE C.V.
Represented by:

/s/ Agustín BLANCO
_____
AGUSTIN DE JESUS BLANCO GARZA

"THE GUARANTOR"
CEMEX MEXICO S.A. DE C.V.
Represented by:

/s/ Agustín BLANCO
_____
AGUSTIN DE JESUS BLANCO GARZA

"THE GUARANTOR"
EMPRESAS TOLTECAS DE MEXICO S.A. DE C.V.
Represented by:

/s/ Agustín BLANCO
_____
AGUSTIN DE JESUS BLANCO GARZA

C L I F F O R D
C H A N C E

Exhibit 4.18

L I M I T E D L I A B I L I T Y P A R T N E R S H I P

CONFORMED COPY
(incorporating amendments made pursuant to a syndication and amendment agreement dated 21 December 2006)

US$9,000,000,000

ACQUISITION facilities agreement

dated 6 DECEMBER 2006

for
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

with

THE ROYAL BANK OF SCOTLAND PLC

acting as Agent

ACQUISITION FACILITIES AGREEMENT

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THIS FACILITIES AGREEMENT is dated 6 December 2006 and made

BETWEEN:

(1) **CEMEX ESPAÑA, S.A**. as referred to in Part I of Schedule 1 (*The Obligors*) (the "**Original Borrower**" or the "**Company**");

(2) **CITIGROUP GLOBAL MARKETS LIMITED**, **THE ROYAL BANK OF SCOTLAND PLC** and **BANCO BILBAO VIZCAYA ARGENTARIA, S.A.** as mandated lead arrangers and joint bookrunners (acting whether individually or together the "**Arranger**");

(3) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (*The Original Lenders*) as lenders (the "**Original Lenders**"); and

(4) **THE ROYAL BANK OF SCOTLAND PLC** as agent of the other Finance Parties (the "**Agent**").

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions**
In this Agreement:

"**Accession Letter**" means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

"**Acquisition Utilisation**" means a Loan made or to be made for one or more of the purposes set out in paragraphs (a), (b) or (c) of Clause 3.1 (*Purpose*).

"**Acquisition of BidCo Date**" means the date on which BidCo first becomes a Subsidiary of the Company.

"**Acquisition of Target Date**" means the date on which the Target first becomes a Subsidiary of BidCo.

"**Additional Cost Rate**" has the meaning given to it in paragraph 2 of Schedule 4 (*Mandatory Cost Formulae*).

"**Additional Borrower**" means a company which becomes an Additional Borrower in accordance with Clause 26 (*Changes to the Obligors*).

"**Additional Guarantor**" means a company which becomes an Additional Guarantor in accordance with Clause 26 (*Changes to the Obligors*).

"**Additional Obligor**" means an Additional Borrower or an Additional Guarantor.

"**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.

"**Agent's Spot Rate of Exchange**" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market as of 11:00 a.m. on a particular day.

"**Announcement**" means the announcement dated 27 October 2006 made by Cemex Parent in respect of the Offer.

"**Assignment Agreement**" means an assignment agreement in the form agreed between the relevant assignor and assignee and approved by the Agent.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Authorised Signatory**" means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person's authority to act.

"**Availability Period**" means the period from and including the date of this Agreement to and including the date falling 364 days after the date of this Agreement, unless such date is not a Business Day, in which case the last day of the Availability Period shall be the Business Day immediately prior thereto.

"**Available Commitment**" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date,

other than (in the case of Facility A only) that Lender's participation in any Facility A Loans (excluding Facility A Term Loans) which are due to be repaid or prepaid on or before the proposed Utilisation Date.

"**Available Facility**" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"**Base Currency**" means US Dollars.

"**Base Currency Amount**" means in relation to a Utilisation, the amount specified in the Utilisation Request delivered by the Company for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement) as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation.

"**BidCo**" means CEMEX Australia Pty Ltd (ACN 122 401 405), a proprietary limited company incorporated under the laws of Australia and registered in the state of Victoria, being a special purpose vehicle incorporated (indirectly) by Cemex Parent for the purposes of making the Offer.

"**BidCo Group**" means BidCo and its Subsidiaries from time to time.

"**Borrowers**" means the Original Borrower and any Additional Borrower unless, in each case, such entity has ceased to be a Borrower in accordance with Clause 26 (*Changes to the Obligors*) and "**Borrower**" means any of them.

"**Break Costs**" means the amount (if any) by which:

(a) the interest (excluding the applicable Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal

amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the day of receipt or recovery if a Business Day and if received or recovered before 2 pm London time on that day (or, if not, on the Business Day following receipt or recovery) and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Madrid and New York, and:

(a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

"**Capital Lease**" means any lease that is capitalised on the balance sheet of the Company prepared in accordance with Spanish GAAP.

"**Cemex Parent**" means CEMEX, S.A.B. de C.V., a company (*sociedad anónima bursátil de capital variable*) incorporated in Mexico.

"**Cemex UK**" means Cemex UK, a Subsidiary of the Company incorporated in England and Wales with company number 05196131 and having its registered office at Cemex House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.

"**Certain Funds Breach**" means in respect of the Company and its Subsidiaries from time to time only and not, for the avoidance of doubt, relating to any member of the Target Group

(including any failure to procure its compliance), an outstanding breach of Clause 3.1 (*Purpose*) arising from the failure of a Borrower or BidCo to apply the proceeds of an Acquisition Utilisation for the purposes (being one of those listed at paragraph (a), (b) or (c) of Clause 3.1 (*Purpose*)) for which it was advanced, Clauses 23.6 (*Negative Pledge*) (other than any breach in respect of a judgment lien), 23.8 (*Merger*) (other than any breach arising from a downgrade in the Rating of the Company), 23.14 (*Pari passu ranking*) or 23.18 (*The Offer*).

"**Certain Funds Default**" means (a) any outstanding Event of Default in respect of the Company and its Subsidiaries from time to time only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance) under any of Clauses 24.1 (*Non-payment*), 24.3 (Other obligations) only in relation to a Certain Funds Breach, 24.4 (*Misrepresentation*) only in relation to a Certain Funds Representation, 24.6 (*Insolvency*), 24.7 (*Insolvency proceedings*), 24.12 (*Unlawfulness*), 24.13 (*Repudiation*) or 24.15 (*BidCo*) or (b) any failure by the Company to comply with the requirements of Clause 4.1 (*Initial Conditions Precedent*) (other than in respect of paragraphs 4(a) and (b), 5(d) and 6(b) of Part I of Schedule 2 (*Conditions Precedent*)).

"**Certain Funds Representation**" means in respect of the Company and its Subsidiaries from time to time only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance), any of the representations contained in Clause 20.1 (*Status*) to Clause 20.4 (*Power and authority*) (inclusive) and 20.14 (*Offer Documents Information*) where, in each case, breach would lead to a Material Adverse Effect.

"**Certain Funds Period**" means the period commencing on the date of this Agreement and ending on the last day of the Availability Period.

"**Clean-Up End Date**" means the date falling 180 days after the Acquisition of Target Date.

"**Clean-Up Period**" means the period commencing on the Acquisition of Target Date and ending on the Clean-Up End Date.

"**CO_2 Emission Rights**" means any emission rights or allowance allocated to a member of the Group to emit one tonne of carbon dioxide equivalent (as defined in the Directive) during a specified period which is valid and/or transferable under the Directive and any other type of allowance

recognised by the Directive in connection with the Kyoto Protocol on climate change.

"**Commitment**" means a Facility A Commitment, a Facility B Commitment and/or Facility C Commitment.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*).

"**Conversion Request**" means a request in the form set out in Part III of Schedule 3 (*Requests*).

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 9 (*Form of LMA Confidentiality Undertaking*) or in any other form agreed between the Company and the Agent.

"**Corporations Act**" means the Corporations Act 2001 (Commonwealth of Australia), as amended from time to time.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 24 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Directive**" means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the European Community (as amended by Directive 2004/101/EC of the European Parliament and of the Council of 27 October 2004 and as further amended from time to time).

"**Discharged Rights and Obligations**" has the meaning given to such term in Clause 25.5 (*Procedure for transfer*).

"**Domestic Lender**" means any Spanish resident credit entity registered in the Special Registries of The Bank of Spain as defined in article 8 of Royal Legislative Decree 4/2004 of 5 March and mentioned in paragraph (c) of Article 59 of Corporate Income Tax Regulations approved by Royal Decree 1777/2004 of 30 July (Real Decreto 1777/2004 de 30 de julio) or a permanent establishment of a non-Spanish resident financial entity as defined in article 13.1.a of Royal Legislative Decree 5/2004 of 5 March and mentioned in the second paragraph of Article 8.1 of Non-Resident Income Tax Regulations approved by Royal Decree 1776/2004 of 30 July (Real Decreto 1776/2004 de 30 julio).

"**Environmental Claim**" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"**Environmental Law**" means any applicable law or regulation in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

"**Environmental Permits**" means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

"**ERISA**" means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"**EURIBOR**" means, in relation to any Loan in euro:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in euro for a period comparable to the Interest Period of the relevant Loan.

"**Event of Default**" means any event or circumstance specified as such in Clause 24 (*Events of Default*).

"**Existing Target Debt**" means the indebtedness for borrowed monies of the Target Group existing at close of business on the Acquisition of Target Date.

"**Facility**" means any of Facility A, Facility B or Facility C.

"**Facility A**" means the multicurrency revolving loan facility (with term-out option) made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

"**Facility A Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "**Facility A Commitment**" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility A Loan**" means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

"**Facility A Term Loan**" means a Facility A Loan which has been converted into a term loan pursuant to Clause 8 (*Conversion of Facility A*).

"**Facility B**" means the multicurrency term loan facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

"**Facility B Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "**Facility B Commitment**" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility B Loan**" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"**Facility C**" means the multicurrency term loan facility made available under this Agreement as described in paragraph (c) of Clause 2.1 (*The Facilities*).

"**Facility C Commitment**" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "**Facility C Commitment**" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility C Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility C Commitment

transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Facility C Loan**" means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

"**Facility Office**" means:

(a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"**Fee Letter**" means each of:

(a) the fee letter dated 26 October 2006 between, among others, Citigroup Global Markets Limited, The Royal Bank of Scotland plc and the Company;

(b) the fee letter dated 26 October 2006 between the Agent and the Company; and

(c) any other letter or agreement between the Arranger (or the Agent) and the Company setting out the level of fees payable in respect of the Facilities.

"**Finance Document**" means this Agreement, the Mandate and Commitment Letter, any Accession Letter, each Fee Letter, any Selection Notice and any other document designated in writing as a "**Finance Document**" by the Agent and the Company.

"**Finance Party**" means the Agent, the Arranger or a Lender.

"**Financial Indebtedness**" means any indebtedness for or in respect of, and without double counting:

(a) moneys borrowed (including, but not limited to, any amount raised by acceptance under any acceptance credit facility and receivables sold or discounted on a recourse basis (it being understood that Permitted Securitisations shall be deemed not to be on a recourse basis));

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(c) the amount of any liability in respect of any lease or hire purchase contract that would, in accordance with Spanish GAAP, be treated as a Capital Lease;

(d) the deferred purchase price of assets or the deferred payment of services, except trade accounts payable in the ordinary course of business;

(e) obligations of a person under repurchase agreements for the stock issued by such person or another person;

(f) obligations of a person with respect to product invoices incurred in connection with exporting financing;

(g) all Financial Indebtedness of others secured by Security on any asset of a person, regardless of whether such Financial Indebtedness is assumed by such person in an amount equal to the lower of (i) the net book value of such asset and (ii) the amount secured thereby; and

(h) the amount of any potential liability in respect of guarantees of Financial Indebtedness referred to in paragraphs (a) to (g) above.

"**First Term Out Option Termination Date**" means the date falling 180 days after the Initial Facility A Termination Date (or if such date is not a Business Day, the next succeeding Business Day).

"**First Utilisation Date**" means the date on which the first Utilisation is made under this Agreement.

"**Fitch**" means Fitch Ratings Limited or any successor thereto from time to time.

"**Funds Flow Statement**" means the funds flow statement prepared by the Company detailing, *inter alia*, how the Offer is to be funded (being the final version thereof delivered to the Agent pursuant to Clause 4.1 (*Initial Conditions Precedent*)).

"**GAAP**" means, in relation to an Obligor, the generally accepted accounting principles applying to it (i) in the country of its incorporation; (ii) in a jurisdiction specified as applicable to it in this Agreement; or (iii) in a jurisdiction agreed to by the Agent which may, in each case, include International Accounting Standards.

"**Group**" means the Company and each of its Subsidiaries from time to time.

"**Group Structure Chart**" means the group structure chart prepared by the Company, (assuming the Acquisition of Target Date has occurred), showing Cemex Parent, the Company, BidCo, Target and each Material Subsidiary (and the intended structure of the Group following the Acquisition of BidCo Date) (being the final version thereof delivered to the Agent pursuant to Clause 4.1 (*Initial Conditions Precedent*)).

"**Guarantor Removal Certificate**" has the meaning assigned to such term in Clause 26.6 (*Removal of Guarantor*).

"**Guarantors**" means any Additional Guarantor other than any Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 26.4 (*Resignation of Guarantor*) or been removed

as a Guarantor pursuant to Clause 26.6 (*Removal of Guarantor*) and has not subsequently again become an Additional Guarantor pursuant to Clause 26.3 (*Additional Guarantors*) and "**Guarantor**" means any of them.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**Information Memorandum**" means the document which, at the request of the Company and on its behalf, was prepared in relation to the financing of the acquisition of the Target Shares and approved by the Company and distributed by the Arranger prior to the Syndication Date in connection with the syndication of the Facilities.

"**Initial Facility A Termination Date**" means the date falling 364 days after the date of this Agreement.

"**Intellectual Property**" means:

(a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, data-base rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each member of the Group.

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

"**International Accounting Standards**" means the accounting standards approved by the

International Accounting Standards Board from time to time.

"**Kyoto Protocol**" means the Kyoto Protocol to the United Nations Framework Convention on Climate Change adopted by consensus at the Third Session of the Conference of the Parties in December 1997.

"**Legal Opinions**" means the legal opinions delivered to the Agent pursuant to Clause 4.1 (*Initial Conditions Precedent*) or in relation to any Additional Obligors.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets which, in each case, has become a Party in accordance with Clause 25 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"**LIBOR**" means, in relation to any Loan:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan.

"**LMA**" means the Loan Market Association.

"**Loan**" means any of a Facility A Loan, a Facility B Loan or a Facility C Loan.

"**M&A Advisor**" means the mergers and acquisitions and financial advisor(s) to Cemex Parent (or its applicable Subsidiary) in respect of the Offer.

"**Majority Lenders**" means a Lender or Lenders whose undrawn Commitments and participations in the Loans then outstanding aggregate more than 51 per cent. of all the undrawn Commitments and Loans then outstanding.

"**Mandate and Commitment Letter**" means the letter entitled "Project Leonardo mandate and commitment letter" dated 26 October 2006 (and the supplemental letter thereto dated 14 November 2006) entered into by the Company in respect of the Facilities (as amended from time to time).

"**Mandatory Cost**" means the percentage rate per annum calculated in accordance with Schedule 4 (*Mandatory Cost Formulae*).

"**Margin**" means:

(a) subject to paragraphs (c) and (d) below, in relation to any Loan the percentage rate per annum determined pursuant to the table set out below:

Facility	Margin % p.a.
Facility A	0.325
Facility B	0.400

Facility C	0.450

(b) in relation to any Unpaid Sum the percentage rate per annum specified above applicable to the Facility in relation to which the Unpaid Sum arises, or if such Unpaid Sum does not arise in relation to a particular Facility, the rate per annum specified above applicable to the Facility to which the Agent reasonably determines the Unpaid Sum most closely relates, or if none, the highest rate per annum specified above;

(c) if at any time after the First Utilisation Date:

(i) no Default has occurred and is continuing; and

(ii) the Net Borrowings to Adjusted EBITDA ratio in respect of the most recently completed Relevant Period is within a range set out below,

then the Margin for each Loan under each Facility will (subject, in the case of Facility A, to paragraph (d) below) be the percentage rate per annum set out below opposite that range:

Net Borrowings to Adjusted EBITDA	**Margin % p.a.**		
	Facility A	**Facility B**	**Facility C**
Greater than 3.0:1	0.325	0.400	0.450
Less than or equal to 3.0:1 but greater than 2.5:1	0.275	0.325	0.375
Less than or equal to 2.5:1 but greater than 2.0:1	0.225	0.250	0.300
Less than or equal to 2.0:1	0.150	0.200	0.250

However any increase or decrease in the Margin shall take effect on the date (the " **reset date**") which is five Business Days after receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 21.2 (*Compliance Certificate*) and in the case of a then current Interest Period will apply to the whole of such Interest Period unless any payments of interest have already been made in which case any adjustments to the Margin will apply only from the date of such payment. For the purpose of determining the Margin, the Net Borrowings to Adjusted EBITDA ratio and the Relevant Period shall be determined in accordance with Clause 22.1 (*Financial definitions*): and

(d) following the exercise by the Company of the option set out in Clause 8.1 (*First Term Out Option*), the Margin applicable to any Facility A Term Loan shall be as set out above **provided that** an additional 0.05 per cent. per annum shall be added thereto, payable from the Initial Facility A Termination Date.

"**Material Adverse Effect**" means a material adverse effect on:

(a) with respect to the period prior to the Acquisition of BidCo Date, the business, condition (financial or otherwise) or operations of the Group and BidCo and its Subsidiaries taken as a whole;

(b) with respect to the period from (and including) the Acquisition of BidCo Date, the business, condition (financial or otherwise) or operations of the Group, taken as a whole;

(c) the rights or remedies of any Finance Party under the Finance Documents; or

(d) the ability of any Obligor to perform its payment obligations under the Finance Documents.

"**Material Subsidiary**" means:

(a) BidCo (but only until such time as the first Compliance Certificate required to be delivered after the Acquisition of Target Date is delivered, unless thereafter it qualifies pursuant to paragraph (b) below); and

(b) any Subsidiary of the Company which at any time:

(i) has total assets representing 5 per cent. or more of the total consolidated assets of the Group; and/or

(ii) has revenues representing 5 per cent. or more of the consolidated turnover of the Group,

in each case calculated on a consolidated basis **provided that** notwithstanding the above no member of the Target Group shall be a Material Subsidiary prior to the Clean-Up End Date.

If the Acquisition of BidCo Date has not occurred but BidCo has become a Guarantor, then during the period (the "**BidCo Period**") from the date that BidCo becomes a Guarantor until BidCo first becomes a Subsidiary of the Company (if such occurs)), the reference to "any Subsidiary of the Company" in paragraph (b) above shall be deemed to also include a reference to any member of the BidCo Group and during the BidCo Period the references to "the Group" in sub-paragraphs (b)(i) and (b)(ii) shall be deemed to refer to the Group and the BidCo Group taken as a whole.

The Material Subsidiaries (other than BidCo) as at the date of this Agreement are set out in Schedule 12 (*Material Subsidiaries*) (and compliance with the conditions set out in paragraph (b) shall be determined by reference to such Schedule 12 until delivery of the first Compliance Certificate required to be delivered hereunder).

Following delivery of the first Compliance Certificate required to be delivered hereunder, compliance with the conditions set out in paragraph (b) shall be determined by reference to the most recent Compliance Certificate supplied by the Company and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group, but if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the figures contained in the most recent Compliance Certificate and/or the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's auditors as representing an accurate reflection of each of the respective revised total assets and turnover of the Group).

A report by the auditors of the Company that a Subsidiary is a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. "**Monthly**" shall be construed accordingly.

"**Notarisation**" has the meaning ascribed to such term in Clause 23.5 (*Notarisation*).

"**New Lender**" means a New Lender as specified in a Transfer Certificate.

"**NOF**" has the meaning ascribed to such term in Clause 23.20 (*NOF*).

"**Obligors**" means the Borrowers and the Guarantors and "**Obligor**" means any of them.

"**Offer**" means the offer made by BidCo, substantially on the terms set out in the Announcement, to acquire all of the Target Shares (together with the Target ADRs) not already owned by BidCo, as such offer may from time to time be amended, added to, revised, renewed or waived as permitted in accordance with the Clause 23.18 (*The Offer*).

"**Offer Document**" means the Bidder's Statement dated 30 October 2006, which included an offer dated 14 November 2006, delivered to the shareholders of the Target by or on behalf of BidCo in relation to the Offer.

"**Offer Documents**" means the Offer Document, the Announcement and any other documents despatched to the shareholders of the Target in relation to the Offer by or on behalf of BidCo (a copy of which has been provided to the Agent).

"**Optional Currency**" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.5 (*Conditions relating to Optional Currencies*).

"**Original Financial Statements**" means:

(a) in relation to the Company, its audited unconsolidated and consolidated financial statements for its financial year ended 31 December 2005; and

(b) in relation to any other Obligor, its most recent audited annual financial statements.

"**Original Obligor**" means the Original Borrower.

"**Other Agreed Offer Facilities**" means the facilities (other than the Facilities) to be made available (directly or indirectly) to BidCo for the purpose of funding the Offer being made up, as at the date of this Agreement, of the following:

(a) a US$1,200,000,000 committed acquisition facility for Cemex Parent dated 24 October 2006;

(b) a US$1,500,000,000 senior bridge facility for New Sunward Holding B.V. dated on or about the date of this Agreement (and/or, to the extent applicable, the "hybrid" securities issued by a subsidiary of New Sunward Holding B.V. in order to refinance the same, in whole or in part);

(c) certain existing syndicated loan facilities of Cemex Parent; and

(d) any other financing source available to Cemex Parent or any of its Subsidiaries.

"**Outlook**" means a rating outlook of the Company with regard to the Company's economic and/or fundamental business condition, as assigned by a Rating Agency.

"**Participating Member State**" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**Permitted Notarisations**" has the meaning ascribed to such term in Clause 23.5 (*Notarisation*).

"**Permitted Securitisations**" means a sale, transfer or other securitisation of receivables and related assets by the Company or its Subsidiaries, including a sale at a discount, **provided that** (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a person in a manner that satisfies the requirements for an absolute conveyance under the laws and regulations of the jurisdiction in which such originator is organised, (ii) at the time the securitisation of receivables is put in place the receivables are derecognised from the balance sheet of the Company or its Subsidiary in accordance with the then applicable GAAP; and (iii) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis or on a basis where recovery is limited solely to the collection of the relevant receivables.

"**Process Agent**" means Cemex UK at its registered address (being, as at the date of this Agreement, Cemex House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD) and with fax number (+44) 01932 568933, attn: The Secretary.

"**Qualifying Lender**" has the meaning given to that term in Clause 14 (*Tax gross-up and indemnities*).

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is sterling) the first day of that period;

(b) (if the currency is euro) two TARGET Days before the first day of that period; or

(c) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Rating**" means at any time the solicited long term credit rating or the senior implied rating of the Company or an issue of securities of or guaranteed by the Company, where the rating is based primarily on the senior unsecured credit risk of the Company and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by a Rating Agency.

"**Rating Agency**" means Fitch or S&P.

"**Reference Banks**" means the principal London offices of Citibank International plc, The Royal Bank of Scotland plc, Banco Bilbao Vizcaya Argentaria, S.A. and such other banks as may be appointed by the Agent in consultation with the Company.

"**Relevant Interbank Market**" means, in relation to euro, the European interbank market, and, in relation to any other currency, the London interbank market.

"**Relevant Jurisdiction**" means in relation to an Obligor:

(a) its jurisdiction of incorporation; and

(b) any jurisdiction where it conducts its business.

"**Relevant Period**" has the meaning given to that term in Clause 22 (*Financial Covenants*).

"**Repeating Representations**" means each of the representations set out in Clauses 20.1 (Status) to Clause 20.6 (*Governing law and enforcement*), Clause 20.9 (*No Default*), Clause 20.11 (*Financial statements*), Clause 20.12 (*Pari passu ranking*), Clause 20.13 (*No proceedings pending or threatened*) and Clause 20.15 (*No winding-up*).

"**Rollover Loan**" means one or more Facility A Loans (other than a Facility A Term Loan):

(a) made or to be made on the same day that a maturing Facility A Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the maturing Facility A Loan;

(c) in the same currency as the maturing Facility A Loan (unless it arose as a result of the operation of Clause 6.2 (*Unavailability of a currency*)); and

(d) made or to be made for the purpose of refinancing a maturing Facility A Loan.

"**S&P**" means Standard & Poors Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto from time to time.

"**Screen Rate**" means:

(a) in relation to LIBOR, the British Bankers' Association Interest Settlement Rate for the relevant currency and period; and

(b) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or the service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders.

"**Second Term Out Option Termination Date**" means the date falling 180 days after the First Term Out Option Termination Date (or if such date is not a Business Day, the next succeeding Business Day).

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Spain**" means the Kingdom of Spain.

"**Selection Notice**" means a notice substantially in the form set out in Part II of Schedule 3 (*Requests*) given in accordance with Clause 11 (*Interest Periods*) in relation to Facility B or Facility C.

"**Spanish Public Document**" means any obligation in an *Escritura Pública* or *documento intervenido*.

"**Specified Time**" means a time determined in accordance with Schedule 8 (*Timetables*).

"**Stake**" means a number of shares in any Group member held by another Group member the disposal of which would cause the first Group member to cease to be a Subsidiary of the second Group member.

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which is beneficially owned, directly or indirectly (by one or more companies or corporations) by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able (directly or indirectly) to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Syndication Date**" means the earlier of:

(a) the date falling 3 Months after the Unconditional Date; and

(b) the date on which the Arranger confirms that the primary syndication of the Facilities has been completed.

"**TARGET**" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"**Target**" means Rinker Group Limited (ABN 53 003 433 118), a public limited company incorporated under the laws of Australia and registered in the state of New South Wales (it being acknowledged that the name of such company may be changed after the date of this Agreement).

"**TARGET Day**" means any day on which TARGET is open for the settlement of payments in euro.

"**Target ADRs**" means the American depository receipts which evidence American depository shares issued by JPMorgan Chase Bank, N.A. in its capacity as the depository of Target's American depository receipt programme, representing beneficial interests in five ordinary shares in the Target.

"**Target Group**" means the Target and its Subsidiaries from time to time.

"**Target Shares**" means all of the issued and outstanding shares of the Target (including those represented by the Target ADRs) and options or warrants in relation to such shares, in each case which are or become the subject of the Offer.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Term Loan**" means any of a Facility A Term Loan, a Facility B Loan or a Facility C Loan.

"**Termination Date**" means:

(a) in relation to Facility A, subject to Clause 8 (*Conversion of Facility A*), the Initial Facility A Termination Date,

(b) in relation to Facility B, the day which is 36 Months after the date of this Agreement; and

(c) in relation to Facility C, the day which is 60 Months after the date of this Agreement;

or,

(i) in the case of paragraph (a), if such day would not be a Business Day, the immediately preceding Business Day; and

(ii) in the case of paragraphs (b) and (c), if such day would not be a Business Day, the first succeeding Business Day, unless such day would fall into the next month, in which case the immediately preceding Business Day.

"**Total Commitments**" means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments.

"**Total Facility A Commitments**" means the aggregate of the Facility A Commitments, being US$3,000,000,000 at the date of this Agreement.

"**Total Facility B Commitments**" means the aggregate of the Facility B Commitments, being US$3,000,000,000 at the date of this Agreement.

"**Total Facility C Commitments**" means the aggregate of the Facility C Commitments, being US$3,000,000,000 at the date of this Agreement.

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

"**Transfer Date**" means, in relation to a transfer, the later of:

(a) the proposed Transfer Date specified in the Transfer Certificate; and

(b) the date on which the Agent executes the Transfer Certificate.

"**Unconditional Date**" means the date that the Offer is declared unconditional by BidCo.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**U.S.**", "**US**" or "**United States**" means the United States of America.

"**U.S. Lender**" means (i) any bank or other financial institution that is organised under the laws of the United States (but does not include any branch of a bank organised under the laws of the United States where such branch is located outside the United States) or (ii) any agency or branch of a foreign bank located within the United States. A financial institution that is not a bank and is controlled, directly or indirectly, by a person or entity located in or organised under the laws of the United States will be deemed to be a U.S. Lender, unless that financial institution is organised under the laws of a jurisdiction outside the United States and has its principal office (and any different office directly administering any Loans or participations therein) outside the United States. Any proposed Lender or participant that is not a bank will be deemed to be a financial institution for purposes of this definition.

"**Utilisation**" means a utilisation of a Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part I of Schedule 3 (*Requests*).

"**VAT**" means value added tax as provided for in the Sixth Council Directive of 17 May 1977 on the harmonization of the laws of the member states of the European Union relating to turnover taxes - Common system of value added tax : uniform basis of assessment

(77/388/EEC) and the relevant implementing legislation in member states of the European Union and any other Tax of a similar nature.

1.2 **Construction**

(a) Unless a contrary indication appears a reference in this Agreement to:

(i) the "**Agent**", the "**Arranger**", any "**Finance Party**", any "**Lender**", any "**Obligor**", any "**Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) a document in "**agreed form**" is a document which is initialled by or on behalf of the Company and the Agent or the Arranger;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) the "**European interbank market**" means the interbank market for euro operating in Participating Member States;

(v) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated (in each case, however fundamentally);

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a "**participation**" of a Lender in a Loan, means the amount of such Loan which such Lender has made or is to make available and thereafter that part of the Loan which is owed to such Lender;

(viii) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing;

(ix) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, with which persons who are subject thereto are accustomed to comply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(x) the "**winding-up**", "**dissolution**", "**administration**" or "**reorganisation**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings (such as, in Spain, s*uspensión de pagos, quiebra, concurso* or any other *situación concursal*) under the laws and regulations of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, bankruptcy,

dissolution, administration, arrangement, adjustment, protection or relief of debtors;

(xi) a provision of law is a reference to that provision as amended or re-enacted without material modification;

(xii) a time of day is a reference to London time; and

(xiii) a reference to a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause of, a paragraph of or a schedule to this Agreement.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (including an Event of Default) is "**continuing**" if it has not been remedied or waived but, for the avoidance of doubt, no breach of any of the financial covenants set out in Clause 22 (*Financial Covenants*) shall be capable of being or be deemed to be remedied by virtue of the fact that upon any subsequent testing of such covenants pursuant to Clause 22 (*Financial Covenants*), there is no breach thereof.

1.3 **Currency Symbols and Definitions**

"€", "**EUR**" and "**euro**" means the single currency unit of the Participating Member States and "**US$**", "**$**" **and** "**US Dollars**" denote lawful currency of the United States of America.

1.4 **Third party rights**

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of any Finance Document.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

SECTION 2
THE FACILITIES

2. **THE FACILITIES**

2.1 **The Facilities**

Subject to the terms of this Agreement, the Lenders make available:

(a) a 364 day multicurrency revolving loan facility with the two term-out options described in Clause 8 (*Conversion of Facility A*) in an aggregate amount equal to the Total Facility A Commitments;

(b) a three year multicurrency term loan facility in an aggregate amount equal to the Total Facility B Commitments; and

(c) a five year multicurrency term loan facility in an aggregate amount equal to the Total Facility C Commitments.

2.2 **Finance Parties' rights and obligations**

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) Except as otherwise stated in the Finance Documents, the rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 **Affiliate Facility Offices**

(a) A Lender may designate an Affiliate of that Lender as its Facility Office for the purpose of participating in or making Loans to Borrowers in particular countries.

(b) An Affiliate of a Lender may be designated for the purposes of paragraph (a):

(i) by appearing under the name of the Lender in Part II (*The Original Lenders*) of Schedule 1 and executing this Agreement; or

(ii) by being referred to in and executing a Transfer Certificate by which the Lender becomes a Party.

(c) An Affiliate of a Lender referred to in this Clause 2.3 shall not have any Commitment, but shall be entitled to all rights and benefits under the Finance Documents relating to its participation in Loans, and shall have the corresponding duties of a Lender in relation thereto, and is a Party to this Agreement and each other relevant Finance Document for those purposes.

(d) A Lender which has an Affiliate appearing under its name in Part II (*The Original Lenders*) of Schedule 1 or, as the case may be, in a Transfer Certificate, will procure, subject to the terms of this Agreement, that the Affiliate participates in Loans to the relevant Borrower(s) in place of that Lender. However, if as a result of the Affiliate's participation, an Obligor would be obliged to make a payment to the Affiliate under Clause 14 (*Tax Gross-up and indemnities*) or Clause 15 (*Increased costs*), then the Affiliate is only entitled to receive payment under those clauses to the same extent as the Lender (designating such Affiliate) would have been if the Lender had not designated such Affiliate for the purposes of paragraph (a) above.

3. **PURPOSE**

3.1 **Purpose**

The Borrower shall (directly or indirectly) apply all amounts borrowed by it under the Facilities towards:

(a) financing the consideration payable by BidCo for:

(i) the Target Shares to be acquired under the Offer;

(ii) the Target ADRs to be acquired under the Offer (in accordance with the applicable United States of America securities laws and regulations); and

(iii) the Target Shares (if any) acquired under the compulsory acquisition procedures set out in Part 6A.1 of the Corporations Act;

(b) (if required) financing the consideration payable to holders of options to acquire Target Shares pursuant to any proposal in respect of those options as required by the Corporations Act or other relevant Australian companies law or in accordance with the constitution of Target or pursuant to any resolution of the board of directors of Target or any relevant pension or employment benefit plan administrators;

(c) financing the payment of costs, fees, expenses (and Taxes on them) and stamp duty, registration and other similar Taxes incurred by BidCo and any member of the Group in relation to the Offer

and/or the Finance Documents (but not, for the avoidance of doubt, including fees payable to the M&A Advisor by Cemex Parent or any of its Subsidiaries in connection with the Offer); and

(d) (if required or if the Company deems it necessary) financing or refinancing the Existing Target Debt.

3.2 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial Conditions Precedent**

The Company may not deliver the first Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions Precedent to Initial Utilisation*) in form and substance satisfactory to the Arranger, acting reasonably. The

Arranger shall notify the Agent, who shall promptly notify the Company and the Lenders, that they are so satisfied.

4.2 **Funds Flow Statement and Group Structure Chart**

With regard to the Funds Flow Statement and Group Structure Chart required to be received by the Agent pursuant to Clause 4.1 (*Initial Conditions Precedent*), the Arranger confirms that provided the final forms of such documents:

(a) are substantially the same as the indicative funds flow statement and group structure chart (the "**Indicative Documents**") delivered to the Arranger by the Company on or prior to the date of this Agreement and initialled by the Arranger and the Company (or with such changes as noted thereon); or

(b) contain no changes to the terms of the Indicative Documents that are materially adverse to the interests of the Finance Parties,

then such Funds Flow Statement and Group Structure Chart shall be in form and substance satisfactory to the Arranger.

4.3 **Further Conditions Precedent**

Subject to the provisions of Clause 4.4 (*Certain Funds*), the Lenders will only be obliged to comply with Clause 5.5 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation; and

(b) the Repeating Representations which are or which are deemed to be made or repeated by each Obligor on such date pursuant to Clause 20.21 (*Times on which representations are made*) are true in all material respects.

4.4 **Certain Funds**

Notwithstanding any term of the Finance Documents (other than Clause 3.1 (*Purpose*) and 9.2 (*Change of control*)), each Finance Party agrees that during the Certain Funds Period, the Finance Parties shall not:

(a) be entitled to refuse to participate in or make available any Acquisition Utilisation, whether by cancellation, rescission or termination or similar right or remedy (whether under the Finance Documents or under any applicable law) which it may have in relation to an Acquisition Utilisation (including by invoking any conditions set out in Clause 4.1 in respect of compliance with sub-paragraphs 4(a) and (b), 5(d) and 6(b) of Part I of Schedule 2, and Clause 4.3 (*Further Conditions Precedent*));

(b) make or enforce any claims they may have under the Finance Documents if the effect of such claim or enforcement would be to prevent or limit the making of any Acquisition Utilisation during the Certain Funds Period;

(c) otherwise exercise any right of set-off or counterclaim or similar right or remedy if to do so would prevent or limit the making of any Acquisition Utilisation; or

(d) cancel, accelerate or cause repayment or prepayment of any Facility or other amounts owing under the Finance Documents if to do so would prevent or limit the making of any Acquisition Utilisation,

in each case unless (a) a Certain Funds Default has occurred and is continuing or would result from the making of an Acquisition Utilisation, (b) a Certain Funds Representation is incorrect or misleading when made or deemed to be made or (c) a Lender is entitled to do so by virtue of the provisions of Clause 9.1 (*Illegality of a Lender*) **provided that** immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Lenders (subject to Clause 24.17 (*Clean Up Period*)) notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

4.5 **Conditions relating to Optional Currencies**

(a) A currency will constitute an Optional Currency in relation to a Utilisation if:

(i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market at the Specified Time or, if later, on the date the Agent receives the relevant Utilisation Request and the Utilisation Date for that Utilisation; and

(ii) it is in euro or has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request or Selection Notice for that Utilisation.

(b) The Lenders will only be obliged to comply with Clause 30.9 (*Change of currency*) if, on the first day of an Interest Period, no Default is continuing or would result from the change of currency and the Repeating Representations to be made by each Obligor as at that date are true in all material respects.

(c) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company by the Specified Time:

(i) whether or not the Lenders have granted their approval; and

(ii) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency.

4.6 **Maximum number of Loans**

(a) The Company may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(i) 10 or more Facility A Loans would be outstanding; or

(ii) 10 or more Facility B Loans would be outstanding; or

(iii) 10 or more Facility C Loans would be outstanding.

(b) Any Loan made by a single Lender under Clause 6.2 (*Unavailability of a currency*) shall not be

taken into account in this Clause 4.6.

(c) The Borrower may not request that a Loan be divided if as a result of the proposed division 10 or more Loans under the same Facility would be outstanding.

SECTION 3
UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Company may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the currency and amount of the Loan comply with Clause 5.3 (*Currency and amount*);

(iv) the proposed Interest Period complies with Clause 11 (*Interest Periods*); and

(v) in requesting a Utilisation of a Facility the Borrower is and will be (once such Utilisation is made), in compliance with Clause 5.4 (*Pro rata drawings*).

(b) A single Utilisation Request may be given in respect of a maximum of three Loans being one Loan under each Facility.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) The amount of the proposed Utilisation must be an amount whose Base Currency Amount is not more than the Available Facility (adjusted, where applicable, to take account of any additional Utilisations which are scheduled to take place on or before the relevant Utilisation Date) and which is:

(i) if the currency selected is the Base Currency, a minimum of US$25,000,000 (and equal to such amount or an integral multiple of US$10,000,000 in excess thereof) or, if less, the relevant Available Facility; or

(ii) if the currency selected is euro, a minimum of EUR25,000,000 (and equal to such amount or an integral multiple of EUR10,000,000 in excess thereof) or, if less, the relevant Available Facility; or

(iii) if the currency selected is an Optional Currency other than euro the minimum amount specified by the Agent pursuant to paragraph (c) (ii) of Clause 4.5 (*Conditions relating to Optional Currencies*) or, if less, the relevant Available Facility,

provided that such minimum amounts shall not apply where the proposed Utilisation is for the purpose of refinancing a maturing Loan in another currency and the relevant Utilisation Request instructs that proceeds shall be applied directly in such refinancing.

5.4 ***Pro rata* drawings**

Utilisations of the Facilities shall be made across each of the three Facilities *pro rata* to the Available Facility of each Facility.

It is acknowledged by the Parties that, due to the other provisions of this Agreement, the outstanding Utilisations under this Agreement may, at any particular time, not be split *pro rata* across the three Facilities.

5.5 **Lenders' participation**

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the relevant Available Facility immediately prior to making the Loan.

(c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

6. OPTIONAL CURRENCIES

6.1 **Selection of currency**

(a) The Borrower shall select the currency of a Loan:

(i) (in the case of an initial Utilisation) in a Utilisation Request; and

(ii) (afterwards in relation to a Term Loan made to it) in a Selection Notice,

in each case delivered by the Specified Time.

(b) If the Borrower fails to issue a Selection Notice in relation to a Loan, the Loan will remain denominated for its next Interest Period in the same currency in which it is then outstanding.

If the Borrower issues a Selection Notice requesting a change of currency and the first day of the requested Interest Period is not a Business Day for the new currency, the Agent shall promptly notify the Borrower and the Lenders and the Loan will remain in the then existing currency (with Interest Periods running from one Business Day until the next Business Day) until the next day which is a Business Day for both currencies, on which day the requested Interest Period will begin.

6.2 **Unavailability of a currency**

If before the Specified Time on any Quotation Day:

(a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required, and provides in writing an objectively justified reason therefor; or

(b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the Company to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this Clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

6.3 **Change of currency**

(a) If a Term Loan is to be denominated in different currencies during two successive Interest Periods:

(i) if the currency for the second Interest Period is an Optional Currency, the amount of the Term Loan in that Optional Currency will be calculated by the Agent as the amount of that Optional Currency equal to the Base Currency Amount of the Term Loan at the Agent's Spot Rate of Exchange at the Specified Time;

(ii) if the currency for the second Interest Period is the Base Currency, the amount of the Term Loan will be equal to the Base Currency Amount;

(iii) (unless the Agent and the Borrower agree otherwise in accordance with paragraph (b) below) the Borrower shall repay the Term Loan on the last day of the first Interest Period in the currency in which it was denominated for that Interest Period; and

(iv) (**provided that** no Event of Default has occurred which is continuing) the Lenders shall re-advance the Term Loan in the new currency in accordance with Clause 6.5 (*Agent's calculations*).

(b) If the Agent and the Borrower agree (and it is acknowledged that the Agent may require an indemnity in respect of foreign exchange losses which may be suffered by it in connection with the performance of its functions under this Clause from the Company in order for it to so agree), the Agent shall:

(i) apply the amount paid to it by the Lenders pursuant to paragraph (a)(iv) above (or so much of that amount as is necessary) in or towards purchase of an amount in the currency in which the Term Loan is outstanding for the first Interest Period; and

(ii) use the amount it purchases in or towards satisfaction of the Borrower's obligations under paragraph (a)(iii) above.

(c) If the amount purchased by the Agent pursuant to paragraph (b)(i) above is less than the amount required to be repaid by the Borrower, the Agent shall promptly notify the Borrower and the Borrower shall, on the last day of the first Interest Period, pay an amount to the Agent (in the currency of the outstanding Term Loan for the first Interest Period) equal to the difference.

(d) If any part of the amount paid to the Agent by the Lenders pursuant to paragraph (a)(iv) above is not needed to purchase the amount required to be repaid by the Borrower, the Agent shall promptly notify the Borrower and pay the Borrower, on the last day of the first Interest Period that part of that amount (in the new currency).

6.4 **Same Optional Currency during successive Interest Periods**

(a) If a Term Loan is to be denominated in the same Optional Currency during two successive Interest Periods, the Agent shall calculate the amount of the Term Loan in the Optional Currency for the second of those Interest Periods (by calculating the amount of Optional Currency equal to the Base Currency Amount of that Loan at the Agent's Spot Rate of Exchange at the Specified Time) and (subject to paragraph (b) below):

(i) if the amount calculated is less than the existing amount of that Loan in the Optional Currency during the first Interest Period, promptly notify the Borrower and the Borrower shall pay, on the last day of the first Interest Period, an amount equal to the difference; or

(ii) if the amount calculated is more than the existing amount of that Loan in the Optional Currency during the first Interest Period, promptly notify each Lender and, if no Event of Default is continuing, each Lender shall, on the last day of the first Interest Period, pay its participation in an amount equal to the difference.

(b) If the calculation made by the Agent pursuant to paragraph (a) above shows that the amount of the Loan in the Optional Currency for the second of those Interest Periods converted into the Base Currency at the Agent's Spot Rate of Exchange at the Specified Time has increased or decreased by less than 5 per cent. compared to its Base Currency Amount (taking into account any payments made pursuant to paragraph (a) above), no notification shall be made by the Agent and no payment shall be required under paragraph (a) above.

6.5 **Agent's calculations**

(a) All calculations made by the Agent pursuant to this Clause 6.5 will take into account any repayment, prepayment, consolidation or division of Loans to be made on the last day of the first Interest Period.

(b) Each Lender's participation in a Loan will, subject to paragraph (a) above, be determined in accordance with paragraph (b) of Clause 5.5 (*Lenders' participation*).

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

7. **REPAYMENT**

7.1 **Repayment of Facility A Loans**

Subject to Clause 8 (*Conversion of Facility A*), the Borrowers shall repay each Facility A Loan on the last day of its Interest Period. If such Loan is to be refinanced with a Rollover Loan, the amount of each Facility A Loan required to be repaid shall be set off against the amount of the applicable Rollover Loan. All Facility A Loans shall be repaid on, or prior to, the Termination Date relating thereto.

7.2 **Repayment of Facility B Loans and Facility C Loans**

(a) The Borrowers under Facility B shall repay the aggregate Facility B Loans in full on the Termination Date in respect of Facility B.

(b) The Borrowers under Facility C shall repay the aggregate Facility C Loans in full on the Termination Date in respect of Facility C.

8. **CONVERSION OF FACILITY A**

8.1 **First Term Out Option**

(a) The Company shall be entitled to request that:

(i) all or part (being an amount in accordance with Clause 5.3 (*Currency and amount*)) of the amount of each Facility A Loan (*pro rata* amongst the Lenders of such Facilty A Loan) forming part of a Utilisation and outstanding on the Initial Facility A Termination Date be converted on the Initial Facility A Termination Date into a term loan maturing on the First Term Out Option Termination Date; and

(ii) all or part of the Facility A Commitments (being an amount in accordance with Clause 5.3 (*Currency and amount*)) which have not been drawn down prior to the Initial Facility A Termination Date be drawn down by way of Facility A Term Loans by a Borrower on the Initial Facility A Termination Date,

by delivering to the Agent a Conversion Request not less than 5 Business Days nor more than 30 days prior to the Initial Facility A Termination Date.

(b) Any outstanding Facility A Loans not requested to be so converted shall be repaid in full on the Initial Facility A Termination Date.

(c) If:

(i) the Borrower has delivered a Conversion Request under paragraph (a) of this Clause 8.1; and

(ii) the conditions in Clauses 4.3 (*Further Conditions Precedent*) would have been met if the Facility A Loan to be converted had been a new Facility A

Loan and are met in respect of any new Facility A Term Loan to be drawn down),

then:

(A) all or the part of each Facility A Loan which is specified in the Conversion Request and is outstanding on the Initial Facility A Termination Date (equal to the amount specified in the Conversion Request as being requested to be converted) shall automatically be converted into a term loan in the currency in which the relevant outstanding Facility A Loan is denominated at the time of the Conversion Request and shall not be repayable on the Initial Facility A Termination Date pursuant to Clause 7.1 (*Repayment of Facility A Loans*) but shall instead be repayable in full on the First Term Out Option Termination Date; and

(B) a Facility A Term Loan (equal to the amount specified in the Conversion Request as being the amount of the undrawn Facility A Commitments to be drawn down by way of Facility A Term Loans in accordance with Clause 8.1(a)(ii) above) shall be made to the relevant Borrower on the Initial Facility A Termination Date and shall not be repayable pursuant to Clause 7.1 (*Repayment of Facility A Loans*) but shall instead be repayable in full on the First Term Out Option Termination Date.

8.2 **Second Term Out Option**

(a) The Company shall be entitled to request that, following a conversion and/or draw down in accordance with Clause 8.1 (*First Term Out Option*), the final date for repayment of all or part (being an amount in accordance with Clause 5.3 (*Currency and amount*)) of the amount of the Facility A Term Loan(s) (*pro rata* amongst the Lenders) be extended to the Second Term Out Option Termination Date, by delivering to the Agent a Conversion Request, not less than 5 Business Days nor more than 30 days prior to the First Term Out Option Termination Date.

(b) Any amount of the Facility A Term Loan(s) outstanding on the First Term Out Option Termination

Date which is not the subject of a Conversion Request pursuant to paragraph (a) of this Clause 8.2 shall be repaid in full on the First Term Out Option Termination Date.

(c) If:

(i) the Borrower has delivered a Conversion Request under paragraph (a) of this Clause 8.2; and

(ii) the conditions in Clauses 4.3 (*Further Conditions Precedent*) would have been met if the Facility A Term Loan(s) to be extended had been a new Facility A Loan(s),

then all or the part of each Facility A Term Loan which is specified in the Conversion Request and is outstanding on the First Term Out Option Termination Date (equal to the amount specified in the Conversion Request as being requested to be extended)

shall not be repayable on the First Term Out Option Termination Date pursuant to Clause 8.1 (*First Term Out Option*) but shall instead be repayable in full on the Second Term Out Option Termination Date.

8.3 **Conversion Requests and Interest**

(a) Each Conversion Request shall, once delivered, be unconditional and irrevocable.

(b) The Agent shall forward a copy of any Conversion Request to each Lender as soon as practicable after receipt.

(c) The first Interest Period for a Facility A Term Loan shall commence on the Initial Facility A Termination Date, and shall be of a duration determined in accordance with Clause 11 (*Interest Periods)* **provided that** such Interest Period shall end on the First Term Out Option Termination Date. Where a Conversion Request has been delivered pursuant to paragraph (a) of Clause 8.2 (*Second Term Out Option*), no Interest Period for a Facility A Term Loan may extend beyond the Second Term Out Option Termination Date.

9. PREPAYMENT AND CANCELLATION

9.1 **Illegality of a Lender**

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event (specifying the reason for such unlawfulness and the date on which such unlawfulness occurred or will occur, being no earlier than the last day of any applicable grace period permitted by law (the " **Relevant Date**")) and, in any event, at a time which permits the Company to repay that Lender's participation on the date such repayment is required to be made;

(b) upon the Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and

(c) the Company shall, on the last day of the Interest Period for each Loan ending immediately prior to the Relevant Date and occurring after the Agent has notified the Company or, if earlier, the Relevant Date, repay that Lender's participation in the Loans together with accrued interest and all other amounts owing to that Lender under the Finance Documents.

9.2 **Change of Control**

(a) In this Clause 9.2 a "**Change of Control**" occurs if:

(i) Cemex Parent ceases to:

(A) be entitled to (whether by way of ownership of shares (directly or indirectly), proxy, contract, agency or otherwise):

(1) cast, or control the casting of, at least 51 per cent. of the maximum number of votes that might be cast at a general meeting of the Company;

(2) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or

(3) give directions with respect to the operating and financial policies of the Company which the directors or other equivalent officers of the Company are obliged to comply with; or

(B) hold at least 51 per cent. of the common shares in the Company;

(ii) prior to the earlier of (a) the Acquisition of BidCo Date, and (b) the date on which BidCo becomes a Guarantor, BidCo ceases to be a Subsidiary of Cemex Parent (unless prior to or simultaneously with BidCo ceasing to be a Subsidiary of Cemex Parent, all or substantially all of the assets of BidCo have been or are sold to a member of the Group); or

(iii) prior to the earlier of (a) the Acquisition of BidCo Date, and (b) the date on which BidCo becomes a Guarantor, Target ceases to be a member of the BidCo Group or the Group.

(b) Upon the occurrence of a Change of Control (and notwithstanding any other term of this Agreement) each Lender:

(i) shall be under no obligation to fund its share of any proposed Utilisation after such date;

(ii) may by three Business Days' notice to the Agent, cancel all of its Available Commitments (in which case they shall be so cancelled); and

(iii) may by three Business Days' notice to the Agent, require that its share of all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable (in which case it shall so become).

9.3 **Voluntary cancellation**

The Company may, if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of US$25,000,000) of any Facility. Any cancellation under this Clause 9.3 shall reduce rateably the Commitments of the Lenders under that Facility.

9.4 **Automatic Cancellation**

At the close of business on the last day of the Availability Period in respect of each Facility, the Available Commitment of each Lender under such Facility shall be (if it has not already been) cancelled and reduced to zero.

9.5 **Voluntary prepayment of Loans**

(a) A Borrower may, if the Company gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the Base Currency Amount of that Loan by a minimum amount of US$25,000,000).

(b) A Loan may be voluntarily prepaid at any time.

9.6 **Right of repayment and cancellation in relation to a single Lender**

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from an Obligor under Clause 14.3 (*Tax indemnity*) or Clause 15.1 (*Increased costs*),

the Company may, whilst the circumstance giving rise to the requirement or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans.

(b) On receipt of a notice referred to in paragraph (a) above, the relevant Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), each Borrower shall repay that Lender's participation in the Loans to which such Interest Period relates.

9.7 **Mandatory Prepayment from Target Disposal Proceeds**

(a) In this Clause 9.7:

"**Asset Disposal Proceeds**" means the cash consideration received by any member of Target Group, by any member of the BidCo Group or by Cemex Parent or any of its Subsidiaries (including any amount receivable in repayment of intercompany debt) for any Disposal of BidCo, Target or any of its or their assets which takes place at any time prior to the earlier of (i) the Acquisition of BidCo Date and (ii) the date on which BidCo becomes a Guarantor (except in respect of any Excluded Asset Disposal Proceeds) after deducting:

(i) any expenses which are incurred by the disposing party of such assets with respect to that disposing party of such assets with respect to that Disposal owing to persons who are not members of the relevant Group; and

(ii) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposal party on the basis of rates existing at the time of the disposal and taking account of any available credit, deduction or allowance.

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"**Excluded Asset Disposal Proceeds**" means:

(i) any proceeds of any Disposal of BidCo, Target, any Subsidiary of Target, or any of its or their assets to another member of the BidCo Group, the Company or any member of the Group;

(ii) any proceeds of a Disposal made by any member of the Target Group which takes place after the Acquisition of Target Date where the Company notifies the Agent that any cash amount of such proceeds are, or are to be, applied in repayment or prepayment of Existing Target Debt, **provided that** any cash amount of such proceeds are so applied as soon as reasonably practicable (but in any event within 45 days, or such longer period as is equal to the notice period required to be given for voluntary prepayments under the documentation evidencing the relevant Existing Target Debt) after receipt; and

(iii) any proceeds of a Disposal made after the Acquisition of Target Date where such proceeds are in an amount of less than US$25,000,000 (but only to the extent that the aggregate amount of such proceeds in any financial year of the Company does not exceed US$100,000,000).

"**Excluded Target Disposal Proceeds**" means:

(i) any proceeds of a Disposal made by any member of the Target Group which takes place after the Acquisition of Target Date where the Company notifies the Agent that any cash amount of such proceeds are, or are to be, applied in repayment or prepayment of Existing Target Debt, **provided that** any cash amount of such proceeds are so applied as soon as reasonably practicable (but in any event within 45 days, or such longer period as is equal to the notice period required to be given for voluntary prepayments under the documentation evidencing the relevant Existing Target Debt) after receipt;

(ii) any proceeds of a Disposal made by any member of the Target Group after the earlier of (i) the Acquisition of BidCo Date and (ii) the date on which BidCo becomes a Guarantor, where the acquiring entity is a member of the Group or the BidCo Group;

(iii) any proceeds of a Disposal made after the earlier of (i) the Acquisition of BidCo Date and (ii) the date on which BidCo becomes a Guarantor, pursuant to a Permitted Securitisation; and

(iv) any proceeds of a Disposal made after the Acquisition of Target Date where such proceeds are in an amount of less than US$25,000,000 (but only to the extent that the aggregate amount of such proceeds (together with any proceeds referred to in paragraph (iii) of the definition of Excluded Asset

Disposal Proceeds where such proceeds are realised in the same financial year) in any financial year of the Company does not exceed US$100,000,000).

"**Target Disposal Proceeds**" means the cash consideration received by any member of the Target Group (including any amount receivable in repayment of intercompany debt) for any Disposal made by any member of the Target Group which takes place after (but including) the earlier of (i) the Acquisition of BidCo Date and (ii) the date on which BidCo becomes a Guarantor (except for Excluded Target Disposal Proceeds) after deducting:

(i) any expenses which are incurred by any member of the Target Group with respect to that Disposal owing to persons who are not members of the Group; and

(ii) any Tax incurred and required to be paid by the disposing party in connection with that Disposal (as reasonably determined by the disposing party, on the basis of rates existing at the time of the Disposal and taking account of any available credit, deduction or allowance).

(b) The Company shall ensure that the Borrowers prepay any outstanding Facility A Loans in the amount of (aa) any Target Disposal Proceeds and (bb) any Asset Disposal Proceeds. Such prepayment shall occur either:

(i) at the Company's election and **provided that** there is no Event of Default continuing, at the end of the then current Interest Period for the relevant Facility A Loans (or, but only in respect of any Asset Disposal Proceeds, if the then current Interest Period for the relevant Facility A Loans ends within 30 days of the date of the receipt of those proceeds, the end of the following Interest Period); or

(ii) reasonably promptly upon receipt of those proceeds but in any case within 30 days of receipt of such proceeds (or, if sooner, at the end of the then current Interest Period for the relevant Facility A Loans).

(c) The Company shall (i) ensure that any Excluded Target Disposal Proceeds and any Excluded Asset Disposal Proceeds are applied for the purpose and within the required period specified in the definition thereof and, if requested to do so by the Agent, shall promptly deliver a certificate to the Agent at the time of such application and at the end of such period confirming the amount (if any) which has been so applied within the requisite time periods provided for in that definition and (ii) if requested to do so by the Agent, promptly deliver a certificate to the Agent confirming any Disposal that has given rise to any Excluded Asset Disposal Proceeds and setting out reasonable details of the relevant Disposal.

9.8 **Mandatory Prepayment from Fundraisings**

(a) In this Clause 9.8:

"**Excluded Fundraisings**" means:

(i) any bank loans;

(ii) any transaction or any part of any transaction which is between entities in the Group or entities whose ultimate parent company is Cemex Parent;

(iii) Permitted Securitisations; and

(iv) any issue of "hybrid" or "perpetual" bonds, notes or other securities which are not required to be recorded as a liability on the balance sheet of the issuing company and which are accounted for as 100 per cent. equity, in each case, in accordance with applicable GAAP in effect as at the date of such issue and which by their terms are stated only to be repayable only after the Facilities have been repaid in full (or are otherwise subordinated on terms satisfactory to the Majority Lenders).

"**Fundraisings**" means the net cash proceeds received by any member of the Group from: (i) any issue of shares for cash or cash equivalent proceeds by the Company; and (ii) the issue of any bonds, notes or other debt securities by any member of the Group on the capital markets.

(b) The Company shall ensure that the Borrowers prepay the outstanding Facility A Loans in the amount of any Fundraisings (other than Excluded Fundraisings). Such prepayment shall occur either:

(i) at the Company's election and **provided that** there is no Event of Default continuing, at the

end of the then current Interest Period for the relevant Facility A Loans; or

(ii) reasonably promptly upon receipt of those proceeds but in any case within 30 days of receipt of such proceeds (or, if sooner, at the end of the then current Interest Period for the relevant Facility A Loans).

9.9 **Restrictions**

(a) Any notice of cancellation or prepayment given by any Party under this Clause 9 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs (if any), without premium or penalty.

(c) Unless a contrary indication appears in this Agreement (and, in particular, subject to paragraph (d) below), any part of Facility A, Facility B or Facility C which is prepaid may not be re-borrowed in accordance with the terms of this Agreement.

(d) Prior to the Initial Facility A Termination Date only, the Borrowers may re-borrow those parts of Facility A that have been voluntarily prepaid pursuant to Clause 9.5 (*Voluntary prepayment of Loans*).

(e) No Borrower shall repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

(f) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

(g) If the Agent receives a notice under this Clause 9 it shall promptly forward a copy of that notice to either the relevant Borrower or the affected Lenders, as appropriate.

SECTION 5
COSTS OF UTILISATION

10. **INTEREST**

10.1 **Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin;

(b) LIBOR or, in relation to any Loan in euro, EURIBOR; and

(c) Mandatory Cost, if any.

10.2 **Payment of interest**

On the last day of each Interest Period relating to a Loan each Borrower shall pay accrued interest

on the Loan to which that Interest Period relates (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of that Interest Period).

10.3 **Default interest**

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration of one Month. Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 **Notification of rates of interest**

The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

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11. **INTEREST PERIODS**

11.1 **Selection of Interest Periods**

(a) The Company may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.

(b) Each Selection Notice for a Loan is irrevocable and must be delivered to the Agent by the Borrower not later than the Specified Time.

(c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.

(d) Subject to this Clause 11, the Company may select an Interest Period of one, two, three or six Months, or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders participating in the relevant Facility).

(e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to the Facility under which the Loan was made.

(f) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

(g) A Facility A Loan (other than a Facility A Term Loan) has one Interest Period only.

(h) Prior to the Syndication Date, Interest Periods shall be one month or such other period as the Agent and the Company may agree and any Interest Period which would otherwise end during the month

preceding or extend beyond the Syndication Date shall end on the Syndication Date.

11.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11.3 **Consolidation and division of Loans**

(a) Subject to paragraph (b) below, if two or more Interest Periods:

(i) relate to either Facility A Term Loans, Facility B Loans or Facility C Loans in the same currency; and

(ii) end on the same date;

those Loans will, unless the Borrower specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Loan on the last day of the Interest Period.

(b) Subject to Clause 4.6 (*Maximum number of Loans*) and Clause 5.3 (*Currency and amount*), if the Borrower requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided into the Base Currency Amounts specified in that Selection Notice, being an aggregate

Base Currency Amount equal to the Base Currency Amount of the Loan immediately before its division.

12. **CHANGES TO THE CALCULATION OF INTEREST**

12.1 **Absence of quotations**

Subject to Clause 12.2 (*Market disruption*), if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

12.2 **Market disruption**

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the rate per annum which is the sum of:

(i) the Margin;

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and

(iii) the Mandatory Cost, if any, applicable to that Lender's participation in that Loan.

(b) In this Agreement "**Market Disruption Event**" means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate not being available and none or only one of the Reference Banks supplying a rate to the Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest

Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receiving notifications from a Lender or Lenders (in either case whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it or them of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR or, if applicable, EURIBOR.

12.3 **Alternative basis of interest or funding**

(a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest in respect of the relevant Loan.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders participating in the relevant Loan and the Company, be binding on all Parties.

12.4 **Break Costs**

(a) Each Borrower shall, within three Business Days of demand by a Lender, pay to that Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming in reasonable detail the amount of its Break Costs for any Interest Period in which they accrue.

13. **FEES**

13.1 **Ticking fee**

(a) The Company shall pay to the Agent (for the account of each Lender) a ticking fee in respect of each Facility in the Base Currency computed at the rate of:

(i) 0.05 per cent. per annum on that Lender's Available Commitment under each Facility for the period commencing on the date falling 60 days after 26 October 2006 and ending on (but excluding) the date falling three Months thereafter; and

(ii) 0.075 per cent. per annum on that Lender's Available Commitment under each Facility for the period commencing on last day of the period referred to in paragraph (i) and ending on the last day of the Availability Period applicable to that Facility,

provided that the ticking fee shall cease to accrue from the First Utilisation Date or, if earlier, the date on which the Available Commitments of each Lender under each Facility is cancelled and reduced to zero.

(b) The accrued ticking fees set out above are payable on the First Utilisation Date or, if all or part of the Facilities are cancelled, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

13.2 **Commitment fee**

(a) The Company shall pay to the Agent (for the account of each Lender) a commitment fee in respect of each Facility in the Base Currency computed at the rate of 30 per cent. per annum of the applicable Margin from time to time on that Lender's Available Commitment under each Facility for the period commencing on the First Utilisation Date and ending on the last day of the Availability Period applicable to that Facility or, if earlier, the date on which the Available Commitments of each Lender under a particular Facility is cancelled and reduced to zero.

(b) The accrued commitment fees set out above are payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

13.3 **Up-front Fee**
The Company shall pay to the relevant Finance Parties an up-front fee in the amount and at the times agreed in the relevant Fee Letter.

13.4 **Agency fee**
The Company shall pay to (or procure payment to) the Agent (for its own account) an agency fee in the amount and at the times agreed in the relevant Fee Letter.

13.5 **Second Term Out Option Fee**
If the option set out in Clause 8.2 (*Second Term Out Option*) is exercised, the Company shall pay to the Agent (for the account of each relevant Lender under the Facility A Term Loan(s) *pro rata* to its share therein) a second term out option fee in an amount equal to 0.05 per cent. flat on the amount of each Facility A Term Loan which is subject to an extension of its final maturity pursuant to Clause 8.2 (*Second Term Out Option)*. Such conversion fee shall be payable by the Company to the Agent on the First Term Out Option Termination Date.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

14. TAX GROSS-UP AND INDEMNITIES

14.1 **Definitions**

(a) In this Clause 14:

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment, for or on account of Tax, in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Qualifying Lender**" means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:

(i) a legal person or entity (including, for the avoidance of doubt, any securitisation trust or fund) habitually resident for taxation purposes in a Qualifying State which is not acting through a territory considered as a tax haven pursuant to Spanish laws and regulations or through a permanent establishment in Spain; or

(ii) a legal person or entity (including, for the avoidance of doubt, any securitisation trust or fund) which, as a result of any applicable double taxation treaty, is entitled to receive any payments made by a Borrower to such legal person or entity hereunder without any deduction or withholding for or on account of Tax; or

(iii) a Domestic Lender.

"**Qualifying State**" means a member state of the European Union (other than Spain).

"**Tax Credit**" means a credit against, relief or remission from, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment made under a Finance Document.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 14 a reference to "**determines**" or "**determined**" means a determination made in the absolute good faith discretion of the person making the determination.

14.2 **Tax gross-up**

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law or regulation.

(b) The Company or a Lender shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

(c) If a Tax Deduction is required by law or regulation to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due and payable if no Tax Deduction had been required.

(d) An Obligor is not required to make an increased payment to a Lender under paragraph (c) above for a Tax Deduction in respect of Tax imposed by Spain from a payment of interest on a Loan, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or concession of any relevant taxing authority; or

(ii) the relevant Lender is a Qualifying Lender under paragraph (ii) of the definition of "Qualifying Lender" and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without any Tax Deduction if the Lender had complied with its obligations under paragraph (g) below.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law or regulation.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment an original receipt (or certified copy thereof) or if unavailable such other evidence as is reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g) A Lender that is a Qualifying Lender under paragraph (ii) of the definition of "Qualifying Lender" and each Obligor which is required to make a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction

14.3 **Tax indemnity**

(a) The Company shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the amount of any Tax assessed on that Protected Party (together with any interest, costs or expenses payable, directly or indirectly, or incurred in connection therewith) in relation to a sum received or receivable (or any

sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

(b) Paragraph (a) of this Clause 14.3 shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the laws and regulations of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for Tax purposes; or

(B) under the laws and regulations of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Claus 14.2 (*Tax gross-up*); or

(B) would have been compensated for by an increased payment under Clause 14.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 14.2 (*Tax gross-up*) applied.

(c) A Protected Party making, or intending to make a claim pursuant to paragraph (a) of this Clause 14.3 shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 **Tax Certificates**

(a) Without prejudice to the other provisions of this Clause 14, in relation to any exemption from or application of a rate lower than that of general application pursuant to any legislation in Spain or any double taxation treaty, or pursuant to any other cause relating to residence status, any Lender which is not a Domestic Lender shall supply the Company, through the Agent, prior to the interest payment date with a certificate of residence issued by the pertinent fiscal administration, in the case of a Qualifying Lender which is not a Domestic Lender, accrediting such Qualifying Lender as resident for Tax purposes in a Qualifying State or, as the case may be, accrediting such Lender as resident for Tax purposes in a State which has signed and ratified a double taxation treaty with Spain.

(b) As such certificates referred to in paragraph (a) of this Clause 14.4 are, at the date hereof, valid only for a period of one year, each such Lender will be required to so supply a further such certificate upon expiry of the previous certificate in relation to any further payment of interest.

(c) If any Lender which has supplied a certificate under Clause 14.4(a) becomes aware that any information contained in that certificate is not correct in all material respects throughout the period for which that certificate is valid, it shall, as soon as practicable, supply the Agent with details of that matter, following which the Agent shall supply those details to the Company, and, if appropriate, that Lender shall promptly supply a new certificate pursuant to Clause 14.4(a) above.

14.5 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.6 **Stamp Taxes**

The Company shall pay and, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document except for any such Tax payable in connection with the entering into of a Transfer Certificate.

14.7 **Value Added Tax**

(a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any amount in respect of VAT. If VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT and such Finance Party shall promptly provide an appropriate VAT invoice to such Party.

(b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify that Finance Party against all amounts in respect of VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment of the VAT.

15. INCREASED COSTS

15.1 **Increased costs**

(a) Subject to Clause 15.2 *(Increased cost claims)* and Clause 15.3 (*Exceptions*) the Company shall, within three Business Days of a demand by the Agent, pay for the

account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation,

in each case made after the date of this Agreement.

(b) In this Agreement "**Increased Costs**" means, without duplication:

(i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitments or funding or performing its obligations under any Finance Document.

15.2 **Increased cost claims**

(a) A Finance Party intending to make a claim pursuant to Clause 15.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim and a calculation evidencing in reasonable detail the amount of such Increased Costs to be claimed by such Finance Party, following which the Agent shall promptly notify the Company and provide the Company with such calculations.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 **Exceptions**

(a) Clause 15.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law or regulation to be made by an Obligor;

(ii) compensated for by Clause 14.3 (*Tax indemnity)* (or would have been compensated for under Clause 14.3 (*Tax indemnity)* but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (*Tax indemnity*) applied);

(iii) compensated for by the payment of the Mandatory Cost; or

(iv) attributable to the breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(v) attributable to the implementation of or compliance with the "International Convergence of Capital Measurements and Capital Standards - a Revised

Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement ("**Basel II**") or any other law or regulation that implements Basel II (whether such implementation or compliance is by a government, governmental regulator, Finance Party or an Affiliate thereof).

(b) In this Clause 15.3, a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 14.1 *(Definitions)*.

16. **OTHER INDEMNITIES**

16.1 **Currency indemnity**

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 **Other indemnities**

(a) Each Obligor shall, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability not otherwise compensated under the provisions of this Agreement and excluding any lost profits, consequential or indirect damages (other than interest or default interest) incurred by that Finance Party as a result of its Commitment or the making of any Loan under the Finance Documents as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (*Sharing among the Finance Parties*);

(iii) funding, or making arrangements to fund, its participation in a Loan requested by the Company in a Utilisation Request but not made by reason of the

operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(iv) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company.

(b) The Company will indemnify and hold harmless each Finance Party and each of their respective directors, officers, employees, agents, advisors and representatives (each being an "**Indemnified Person**") from and against any and all claims, damages, losses, liabilities, costs, legal expenses and other expenses (all together "**Losses**") which have been incurred by or awarded against any Indemnified Person, in each case arising out of or in connection with any claim, investigation, litigation or proceeding (or the preparation of any defence with respect thereto) commenced or threatened by any person in relation to any of the Finance Documents (only in so far as such claim, investigation, litigation or proceeding relates to the use of proceeds of the Facilities towards the

acquisition of Target Shares (and any Target ADRs) by the Company or BidCo (or any person acting in concert with the Company or BidCo)) except to the extent such Losses or claims result from such Indemnified Person's negligence or misconduct or a breach of any term of any Finance Document by an Indemnified Person **provided that**:

(i) the Indemnified Party shall as soon as reasonably practicable inform the Company and Cemex Parent of any circumstances of which it is aware and which would be reasonably likely to give rise to any such claim, investigation, litigation or proceeding (whether or not a claim, investigation, litigation or proceeding has occurred or been threatened);

(ii) the Indemnified Party will, where reasonable and practicable, and taking into account the provisions of this Agreement, give the Company and Cemex Parent an opportunity to consult with it with respect to the conduct or settlement of any such claim, investigation, litigation or proceeding;

(iii) an Indemnified Party will provide the Company on request (and, to the extent practicable without any waiver of legal professional privilege or breach of confidentiality obligation) with copies of material correspondence in relation to the Losses and allow the Company or its appointed representative to attend all material meetings in relation to the Losses and receive copies of material legal advice obtained by the Indemnified Party in relation to the Losses;

(iv) the Company will keep strictly confidential all information received by it in connection with the Losses and will not disclose any information to any third party without the prior written consent of the Indemnified Party (except as required by any applicable law);

(v) no Obligor shall be liable for any settlement of the Losses unless the Company has consented to that settlement; and

(vi) no Indemnified Party shall be required to comply with paragraphs (i), (ii) or (iii) nor shall paragraph (v) apply unless the Indemnified Party is and continues to be indemnified on a current basis for its costs and expenses.

Any third party referred to in this paragraph (b) may rely on this Clause 16.2 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

16.3 **Indemnity to the Agent**

The Company shall (or shall procure that another Obligor will) promptly indemnify the Agent against any cost, loss or liability directly related to this Agreement incurred by the Agent (acting reasonably and otherwise than by reason of the Agent's gross negligence or wilful misconduct) as a result of:

(a) investigating any event which it reasonably believes (acting prudently and, if possible, following consultation with the Company) is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

17. MITIGATION BY THE LENDERS

17.1 **Mitigation**

(a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise after the date of this Agreement and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 9.1 (*Illegality of a Lender*), Clause 14 (*Tax Gross-up and Indemnities)* or Clause 15 (*Increased*

Costs) or Schedule 4 *(Mandatory Cost Formulae)* including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 **Limitation of liability**

(a) The Company shall (or shall procure that another Obligor will) indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 **Transaction expenses**

(a) The Company shall within 15 days of receipt of a demand (and delivery of the relevant receipts, invoices or other documentary evidence), pay the Agent and each Arranger the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing and execution of the Finance Documents and the syndication of the Facilities.

(b) The Company shall within 15 days of receipt of demand, pay the Agent and each Arranger the amount of all documented costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing and execution of any Finance Documents executed after the date of this Agreement.

18.2 **Amendment costs**

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 30.9 (*Change of currency)*, the Company shall, within five Business Days of demand, reimburse the Agent, the Arranger and each Lender for the amount of all costs and expenses (including legal fees, but in this case, only the legal fees of one law firm in each relevant jurisdiction acting on behalf of all the Lenders) reasonably incurred by such parties in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 **Enforcement costs**

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

SECTION 7
GUARANTEE

19. GUARANTEE AND INDEMNITY

19.1 **Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each Borrower of that Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and

(c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

19.2 **Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 **Reinstatement**

If any payment by any Borrower or any discharge given by a Finance Party (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

(a) the liability of each Borrower shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

(b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Borrower, as if the payment, discharge, avoidance or reduction had not occurred.

19.4 **Waiver of defences**

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Borrower or other person;

(b) the release of any Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Borrower or any other person;

(e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

19.5 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or

agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under this Clause 19.5. This waiver applies irrespective of any law or regulation or any provision of a Finance Document to the contrary.

Each Guarantor also waives any right to be sued jointly with other Guarantors and to share liability resulting from any claim against it.

19.6 **Appropriations**

Until all amounts which may be or become payable by a Borrower under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any monies received from a Guarantor or on account of such Guarantor's liability under this Clause 19.6,

provided that the operation of this Clause 19.6 shall not be deemed to create any Security.

19.7 **Deferral of Guarantors' rights**

Until all amounts which may be or become payable by a Borrower under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent (acting on the instructions of the Majority Lenders) otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

(a) to be indemnified by a Borrower;

(b) to claim any contribution from any other guarantor of any Borrower's obligations under the Finance Documents; and/or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

19.8 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

SECTION 8
REPRESENTATION, UNDERTAKINGS AND EVENTS OF DEFAULT

20. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 20 to each Finance Party.

20.1 **Status**

(a) It is a corporation, duly organised and validly existing under the laws and regulations of its jurisdiction of incorporation.

(b) It has the power to own its assets and carry on its business as it is being conducted.

20.2 **Binding obligations**

The obligations expressed to be assumed by it in each Finance Document are, subject to any reservations which are specifically referred to in any Legal Opinion, legal, valid, binding and enforceable obligations.

20.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any of its assets.

Assuming that no Lender (or any person with whom a Lender has entered into a sub-participation agreement) is a U.S. Lender, no part of the proceeds of any Loans will be used in a manner that would cause the Loans to be in violation of Regulation U or X of the Board of Governors of the Federal Reserve System of the United States.

20.4 **Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

20.5 **Validity and admissibility in evidence**

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

(b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect or will be obtained in accordance with the provisions of this Agreement.

20.6 **Governing law and enforcement**

(a) The choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation subject to any reservations which are specifically referred to in any Legal Opinion.

(b) Any judgement obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation, subject to any reservations which are specifically referred to in any Legal Opinion.

20.7 **Deduction of Tax**

Subject to the completion of any procedural formality, it is not required under the laws and regulations of its jurisdiction of incorporation to make any deduction for or on account of Tax from any payment it may make under any Finance Document to any Qualifying Lender.

20.8 **No filing or stamp taxes**

Under the laws and regulations of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar Tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

20.9 **No default**

(a) No Default is continuing or might reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or its Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

20.10 **No misleading information**

(a) Any written factual information provided by the Company for the purposes of the Information Memorandum was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) Save as disclosed in writing to the Agent after the date this Agreement (such disclosed information only having come to the attention of the Company after such date), so far as the Company is aware, after reasonable enquiry, nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.

(c) All material written information (other than the Information Memorandum) supplied by any member of the Group in relation to the Finance Documents is true, complete and accurate in all material respects as at the date it was given or stated to be given and is not misleading in any material respect.

20.11 **Financial statements**

(a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied and are complete and accurate in all material respects.

(b) Its Original Financial Statements fairly represent in all material respects its financial condition and operations during the relevant financial year.

(c) For the purposes of any repetition of the representation contained in paragraphs (a) and (b) of this Clause 20.11 (pursuant to Clause 20.21 (*Times on which representations are made*)) the representations will be made in respect of the latest available audited consolidated annual financial statements of each Obligor, instead of the Original Financial Statements.

20.12 **Pari passu ranking**

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally.

20.13 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which (i) are likely to be adversely determined and which, if so determined, would be reasonably likely to have a Material Adverse Effect or (ii) (where not of a frivolous or vexatious nature or where not dismissed within 30 days of commencement) purport to affect the legality, validity or enforceability of any of the obligations under the Finance Documents, have been started or threatened against any Obligor or any Material Subsidiary.

20.14 **Offer Documents Information**

Except as expressly permitted pursuant to this Agreement, the Offer Documents as delivered to the Agent contain all the material terms of the Offer as at the date of each such Offer Document and the Offer Document reflects the terms of the Announcement in all material respects.

20.15 **No winding-up**

No legal proceedings or other procedures or steps have been taken or, to the Company's knowledge after reasonable enquiry, are being threatened, in relation to the winding-up,

dissolution, administration or reorganisation of any Obligor or Material Subsidiary (other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor).

20.16 **Material Adverse Change**

There has been no material adverse change in the Company's business, condition (financial or otherwise), operations, performance or assets taken as a whole (or the business, consolidated condition (financial or otherwise) operations, performance or the assets generally of the Group taken as a whole) since the date of the Company's Original Financial Statements.

20.17 **Environmental compliance**

Each member of the Group has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by any member of the Group or on which any member of the Group has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.

20.18 **Environmental Claims**

No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against any member of the Group where that claim would be reasonably likely, if finally determined against that member of the Group, to have a Material Adverse Effect.

20.19 **No Immunity**

In any proceedings taken in its jurisdiction of incorporation in relation to this Agreement, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

20.20 **Private and commercial acts**

Its execution of the Finance Documents constitutes, and its exercise of its rights and performance of its obligations hereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

20.21 **Times on which representations are made**

(a) All the representations and warranties in this Clause 20 are made to each Finance Party on the date of this Agreement except for:

(i) the representations and warranties set out in Clause 20.10 *(No misleading information)* which are deemed to be made by each Obligor on the date that the Information Memorandum was approved by Cemex Parent (or its relevant Subsidiary) and on the Syndication Date; and

(ii) the representations and warranties set out in Clause 20.14 *(Offer Documents Information)* which are made on the date of this Agreement and are deemed to be made by each Obligor on the Unconditional Date.

(b) The Repeating Representations are deemed to be made by each Obligor to each Finance Party on the Unconditional Date, the date of each Utilisation Request and on the first day of each Interest Period **provided that** in respect of any Acquisition Utilisation made during the Certain Funds Period, only the Certain Funds Representations will be deemed to be repeated by the relevant Obligor on the date such Acquisition Utilisation is made and on the first day of each Interest Period relating thereto up to (and including) the first day of the Interest Period which begins closest to the end of the Certain Funds Period and further **provided that** the representations given in Clause 20.14 (*Offer Documents Information*) shall not be repeated after the end of the Certain Funds Period.

(c) The Repeating Representations and each of the representations and warranties set out in Clause

20.5 (*Validity and admissibility in evidence*), Clause 20.6 (*Governing law and enforcement*), Clause 20.9 (*No default*) and paragraph (c) of Clause 20.10 (*No misleading information*) (in respect only of information given by it) are deemed to be made by each Additional Guarantor to each Finance Party on the day on which it becomes an Additional Guarantor.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be made by reference to the facts and circumstances existing at the date the representation or warranty is made.

21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial statements

The Company shall supply to the Agent:

(a) (subject as below) as soon as the same become available, but in any event within 180 days after the end of each of such Obligor's respective financial years:

(i) the Company's audited consolidated and unconsolidated financial statements for that financial year; and

(ii) each other Obligor's (if any) respective audited consolidated (to the extent available) and unconsolidated financial statements for that financial year; and

(b) as soon as the same become available, but in any event within 90 days after the end of the first half of each of its financial years, its unaudited consolidated financial statements for that period **provided that** no such financial statements shall be provided in respect of any such half-year period during which the Acquisition of BidCo Date occurs.

With regard to the first financial year of the Company ending after the Acquisition of BidCo Date, the date by which the documents set out in (a) above must be supplied shall be extended to the date falling 270 days after the end of such financial year **provided that** if such financial statements have not been supplied by the date falling 180 days after the end of that financial year then the Company shall also supply the Agent with its non-audited consolidated financial statements for that financial year no later than the date falling 180 days after the end of that financial year.

21.2 Compliance Certificate

(a) Save where sub-paragraph (c) applies, the Company shall supply to the Agent, with each set of consolidated financial statements delivered pursuant to paragraphs (a)(i) and (b) of Clause 21.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (*Financial Covenants*) as at the date as at which those financial statements were drawn up.

(b) Save where sub-paragraph (c) applies, each Compliance Certificate shall be signed by an Authorised Signatory of the Company and, if required to be delivered with the consolidated financial statements delivered pursuant to paragraph (a)(i) of Clause 21.1 (*Financial statements*), by the Company's auditors.

(c) Following the Acquisition of Target Date and prior to the delivery of the audited consolidated financial statements of the Company relating to the financial year in which the Acquisition of BidCo Date occurs, each Compliance Certificate delivered in respect of a Relevant Period shall set out the information required to calculate, and shall include a calculation of, the financial ratios contained in Clause 22 (*Financial Covenants*), in each case in respect of (i) the Group, (ii) BidCo and its Subsidiaries and (iii) (including any necessary adjustments) the Group, together with BidCo and its

Subsidiaries, on a *pro forma* basis. Each Compliance Certificate delivered pursuant to this sub-paragraph shall be signed by an Authorised Signatory of the Company.

21.3 **Requirements as to financial statements**

(a) Each set of financial statements delivered by the Company pursuant to Clause 21.1 (*Financial statements*) shall be certified by an Authorised Signatory of the relevant company as fairly representing in all material respects its financial condition as at the date as at which those financial statements were drawn up.

(b) The Company shall procure that each set of financial statements delivered pursuant to Clause 21.1 (*Financial statements)* is prepared using GAAP and accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (c) of this Clause 21.3, its auditors (or, if appropriate, the auditors of the relevant Obligor) deliver to the Agent:

(i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 22 *(Financial covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

(c) If the Company adopts International Accounting Standards or, unless the procedure in (b) above is utilised, there are changes to GAAP, or the accounting practices or reference periods, the Company and the Agent shall, at the Company's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 22 (*Financial Covenants*) and the ratios used to calculate the Margin and, in each case, the definitions used therein as may be necessary to ensure that the criteria for evaluating the Group's financial condition grant to the Lenders protection equivalent to that which would have been enjoyed by them had the Company not adopted International Accounting Standards or had there not been a change in GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the Company subject to the consent of the Majority Lenders. If no such agreement is reached within 90 days of the Company's request, the Company will remain subject to the obligation to deliver the information specified in paragraph (b) of this Clause 21.3 and the financial covenants in Clause 22 (*Financial Covenants*) and the ratios used to calculate the Margin shall be based on the information delivered.

21.4 **Information: miscellaneous**

The Company shall supply to the Agent:

(a) all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative

proceedings which are current, or which, to the Company's knowledge after reasonable enquiry, are being threatened or are pending and are likely to be adversely determined against any member of the Group which, in the reasonable opinion of the Company, are not spurious or vexatious, and which might, if adversely determined, have a Material Adverse Effect; and

(c) promptly, such further information regarding the financial condition, assets and business of any Obligor or member of the Group as the Agent (or any Lender through the Agent) may reasonably request other than any information the disclosure of which would result in a breach of any applicable law or regulation or confidentiality agreement entered into in good faith by any member of the Group **provided that** the Company shall use reasonable efforts to be released from any such confidentiality agreement.

21.5 **Notification of default**

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by an Authorised Signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21.6 **"Know your client" checks**

(a) Each Obligor shall promptly upon the request of the Agent or any Lender and each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary " **know your client**" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the transactions contemplated in the Finance Documents. For the avoidance of doubt, a Lender will have no obligation towards the Agent to evidence that it has complied with any "**know your client**" or similar checks in relation to the Obligors.

(b) The Company shall, by not less than five Business Days' written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 26 (*Changes to the Obligors*).

(c) Following the giving of any notice pursuant to paragraph (b) above, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the

supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary " **know your client**" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the accession of such Additional Obligor to this Agreement.

21.7 **Notarisations**

Each Obligor shall notify the Agent of any Notarisations referred to in paragraph (a)(iv) of Clause 23.5 (*Notarisation*) promptly upon such Notarisations taking place.

22. FINANCIAL COVENANTS

22.1 **Financial definitions**

In this Clause 22:

"**Adjusted EBITDA**" means, for any Relevant Period, the sum of (a) EBITDA and (b) with respect to any business acquired during such period, the sum of (i) the operating income and (ii) depreciation and amortization expense for such business, as determined in accordance with GAAP for such Relevant Period, **provided that** the Company need only make the adjustments contemplated by "(b)" above if the operating income and depreciation and amortization expense of the acquired business in the 12 Months prior to its acquisition amount to US$10,000,000 or more.

"**Cemex Capital Contributions**" means contributions in cash to the capital of the Company made after 1 January 2006 by Cemex Parent or by any Subsidiary of Cemex Parent (other than BidCo or any Subsidiary of BidCo) not being a Subsidiary of the Company.

"**EBITDA**" means, for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortisation of intangible assets plus annual amortisation of start-up costs of the Group plus dividends received from non-consolidated companies and from companies consolidated by the equity method plus an amount equal to the amount of Cemex Capital Contributions made during the period immediately preceding the date on which it is to be calculated (up to an amount equal to the amount of Royalty Expenses made in such period) plus the income recorded during such period for the use of CO_2 Emission Rights (to the extent not already included in the calculation of operating profit). Such calculation shall be made in accordance with GAAP.

"**Finance Charges**" means for any Relevant Period, the sum (without duplication) of (a) all interest expense in respect of Financial Indebtedness (including imputed interest on Capital Leases) for such period plus (b) all debt discount and expense (including, without limitation, expenses relating to the issuance of instruments representing Financial Indebtedness) amortized during such period plus (c) amortization of discounts on sales of receivables during such period plus (d) all factoring charges for such period plus (e) all guarantee charges for such period, all determined on a consolidated basis in respect of the Group and in accordance with GAAP.

"**Guarantees**" means any guarantee or indemnity of Financial Indebtedness of another person (in the case of any indemnity for any specified amount or otherwise in the amount specified in

or for which provision has been made in the accounts of the indemnifier) in any form made other than in the ordinary course of business of the guarantor.

"**Intellectual Property Rights**" means all copyrights (including rights in computer software), trade marks, service marks, business names, patents, rights in inventions, registered designs, design rights, database rights and similar rights, rights in trade secrets or other confidential information and any other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same) which may subsist in any given jurisdiction.

"**Net Borrowings**" means, at any time, the remainder of (a) Total Borrowings of the Group at such time less (b) the aggregate amount of the following items held by the Company and its Subsidiaries at such time: cash on hand, marketable securities, investments in money market funds, banker's acceptances, short-term deposits and other liquid investments.

"**Relevant Period**" means each period of twelve Months ending on the last day of each half of the Company's financial year.

"**Rolling Basis**" means the calculation of a ratio or an amount made at the end of a financial half year in respect of that financial half year and the immediately preceding financial half year.

"**Royalty Expenses**" means expenses incurred by the Company or any of its Subsidiaries to Cemex Parent or Subsidiary of Cemex Parent which is not also a member of the Group as (a) consideration for the granting to the Company or any Subsidiary of a licence to use, exploit and enjoy Intellectual Property Rights and any other intangible assets such as, but not limited to, know-how, formulae, process technology and other forms of intellectual and industrial property, whether or not registered, held by Cemex Parent or any of its Subsidiaries not being a Subsidiary of the Company; or (b) fees, commissions or other amounts accrued in respect of any management contract, services contract, overhead expenses allocation arrangement or any other similar transaction; **provided that** in paragraphs (a) and (b) such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

"**Subordinated Debt**" means debt granted on terms that are fair and reasonable and no less favourable than would be obtained in a comparable arms' length transaction by Cemex Parent or any Subsidiary of Cemex Parent which is not also a member of the Group to the Company or any of its Subsidiaries on terms such that no payments of principal may be made thereunder (including but not limited to following any winding up, *concurso de acreedores* or other like event of the Company) unless either:

(i) the Agent has confirmed in writing that all amounts outstanding hereunder have been paid in full; or

(ii) the ratio of Net Borrowings to Adjusted EBITDA (calculated in accordance with Clause 22.3 (*Financial testing*)) prior to such repayment is equal to or lower than 2.7:1 and will remain equal to or lower than 2.7:1 after such repayment and no Event of Default under this Agreement has occurred and is continuing or will occur as a result of the repayment of such debt.

"**Total Borrowings**" means without duplication, in respect of any person all Guarantees granted by such person plus all such person's Financial Indebtedness, but excluding (i) any Guarantee or Financial Indebtedness which, notwithstanding falling within the definition of Guarantee or Financial Indebtedness, is not required to be recorded as a liability by that person on its balance sheet (whether consolidated or otherwise) in accordance with generally accepted accounting principles applicable to that person which are in effect as at the time that such Guarantee or Financial Indebtedness is entered into, issued or incurred and (ii) any Subordinated Debt.

In respect of any period following the Acquisition of Target Date but prior to the Acquisition of BidCo Date, references in the above definitions to a "Subsidiary" of the Company and to the "Group" shall be deemed to include BidCo and its Subsidiaries, as if the Acquisition of BidCo Date has occurred.

22.2 **Financial condition**

The Company shall ensure that in respect of any Relevant Period:

(a) the ratio of Net Borrowings to Adjusted EBITDA calculated on a Rolling Basis shall be less than or equal to 3.5:1; and

(b) the ratio of EBITDA to Finance Charges calculated on a Rolling Basis shall be greater than or equal to 3.0:1.

22.3 **Financial testing**

The financial covenants set out in Clause 22.2 (*Financial condition*) shall be tested semi-annually by reference to the Company's consolidated financial statements delivered pursuant to Clause 21.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 21.2 (*Compliance Certificate*).

22.4 **Accounting terms**

All accounting expressions which are not otherwise defined herein shall have the meaning ascribed thereto in GAAP.

23. GENERAL UNDERTAKINGS

The undertakings in this Clause 23 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.1 **Authorisations**

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it

to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

23.2 **Preservation of corporate existence**

Subject to Clause 23.8 (*Merger*), each Obligor shall (and the Company shall ensure that each of its Material Subsidiaries shall), preserve and maintain its corporate existence and rights.

23.3 **Preservation of properties**

Each Obligor shall (and the Company shall ensure that each of its Material Subsidiaries shall) maintain and preserve all of its properties that are used in the conduct of its business in good working order and condition (ordinary wear and tear excepted).

23.4 **Compliance with laws and regulations**

(a) Each Obligor shall (and shall procure that each of its Subsidiaries and (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries shall) comply in all respects with all laws and regulations to which it may be subject, if failure to so comply would be likely to have a Material Adverse Effect.

(b) The Company shall (and shall procure that each of its Subsidiaries and (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries shall) ensure that the levels of contribution to pension schemes are and continue to be sufficient to comply with all its and their material obligations under such schemes and generally under applicable laws (including ERISA) and regulations, except where failure to make such contributions would not reasonably be expected to have a Material Adverse Effect.

23.5 **Notarisation**

(a) Subject to paragraph (b) of this Clause 23.5, the Company shall not (and shall procure that none of its Subsidiaries or (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries shall) permit any of its unsecured indebtedness to be notarised as a Spanish Public Document (any such notarisation, a "**Notarisation**"), other than the following permitted Notarisations ("**Permitted Notarisations**"):

(i) any Permitted Notarisations listed in Schedule 11 (*Existing Notarisations*) and any amendments or modifications thereof, provided that any such amendment or modification shall not result in the increase of the principal amount of the relevant indebtedness nor the extension of the maturity thereof nor, for the avoidance of doubt, relate to any refinancing of the relevant indebtedness;

(ii) Notarisations which are required by applicable law or regulation or which arise by operation of law other than pursuant to any issue of debt securities in accordance with Article 285 of the Spanish Corporations Law (*Ley de Sociedades Anónimas*);

(iii) Notarisations with the prior written consent of the Majority Lenders;

(iv) any Notarisations securing indebtedness the principal amount of which (when aggregated with the principal amount of any other Notarisations other than any Permitted Notarisations under paragraphs (i) or (iii) above) do not

exceed US$100,000,000 (or its equivalent in another currency or currencies);

and

(v) any Notarisations relating to indebtedness in respect of any sale and purchase agreement customarily registered in a public register in Spain and payment of which indebtedness is made within seven days of the date of such agreement.

(b) Paragraph (a) of this Clause 23.5 shall not apply if the Company, concurrently with any such Notarisation (not being a Permitted Notarisation) referred to in paragraph (a) of this Clause 23.5 and at its own cost and expense, causes this Agreement to be the subject of a Notarisation.

23.6 **Negative pledge**

The Company shall not and shall not permit any of its Subsidiaries or (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Security on or with respect to any of its property or assets or those of any Subsidiary, whether now owned or held or hereafter acquired, other than the following Security ("**Permitted Security**"):

(a) Security 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 such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;

(b) statutory liens of landlords and liens of carriers, warehousemen, mechanics and materialment 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 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 and any liens created over the assets of BidCo by operation of Australian law pursuant to the Offer process;

(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) Security existing on the date of this Agreement as described in Schedule 10 (*Existing Security*) provided that the principal amount secured thereby is not increased without the consent of the Agent (acting on the instructions of the Majority Lenders);

(f) any Security on property acquired by the Company or any of its Subsidiaries after the date of this Agreement that was existing on the date of acquisition of such property **provided that** such Security was not incurred in anticipation of such acquisition; and any Security created to secure all or any part of the payment of the purchase price, or

to secure indebtedness incurred or assumed to pay all or any part of the payment of the purchase price, of property acquired by the Company or any of its Subsidiaries after the date of this Agreement, **provided, further, that** (i) any such Security permitted pursuant to this paragraph (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 more than 50 per cent. of the voting stock of such corporation, the stock and assets of any acquired Subsidiary or acquiring Subsidiary by which the acquired Subsidiary shall be directly or indirectly controlled) and, if required by the terms of the instrument originally creating such Security, other property which is an improvement to, or is acquired for specific use with, such acquired property; (ii) if applicable, any such Security shall be created within nine Months after, in the case of property, its acquisition, or, in the case of

improvements, their Completion; and (iii) no such Security shall be made in respect of any indebtedness in relation to repayment of which recourse may be had to any member of the Group (in the form of Security) other than in relation to the item or items as referred to in (i) above;

(g) any Security renewing, extending or refinancing the indebtedness to which any Security permitted by paragraph (f) above relates; provided that the principal amount of indebtedness secured by such Security immediately prior thereto is not increased and such Security is not extended to other property;

(h) any Security created on shares representing no more than a Stake in the capital stock of any of the Company's Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose corporation (including any entity with legal personality) of which such shares constitute the sole assets **provided that** such Security may not secure Financial Indebtedness of the Company or any Subsidiary unless otherwise permitted under this Clause 23.6 and that the economic and voting rights in such capital stock is maintained by the Company in its Subsidiaries;

(i) any Security permitted by the Agent, acting on the instructions of the Majority Lenders;

(j) any Security created pursuant to or in respect of a Permitted Securitisation; or

(k) in addition to the Security permitted by the foregoing paragraphs (a) to (j), Security securing indebtedness of the Company and its Subsidiaries (taken as a whole) not in excess of an amount equal to 5 per cent. of the Adjusted Consolidated Net Tangible Assets of the Group, as determined in accordance with GAAP,

unless, in each case, the Obligors have made or caused to be made effective provision whereby the obligations hereunder are secured equally and rateably with, or prior to, the indebtedness secured by such Security (other than Permitted Security) for so long as such indebtedness is so secured.

For the purposes of paragraph (k) of this Clause 23.6, "**Adjusted Consolidated Net Tangible Assets**" means, with respect to any person, the total assets of such person and its Subsidiaries (less applicable depreciation, amortisation and other valuation reserves), including any write-ups or restatements required under GAAP (other than with respect to items referred to in (ii)

below), minus (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, licences, concessions, patents, un-amortised debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with GAAP and by reference to the latest consolidated financial statements of the Company delivered pursuant to Clause 21.1 (*Financial statements*).

23.7 **Disposals**

(a) Subject to paragraph (b) of this Clause 23.7, the Company shall not (and the Company shall ensure that none of its Subsidiaries and (if the Acquisition of BidCo Date has not occurred but BidCo becomes a Guarantor, during the period from the date that BidCo becomes a Guarantor until BidCo first becomes a Subsidiary of the Company (if such occurs)) none of BidCo and its Subsidiaries shall), without the prior written consent of the Majority Lenders (such consent not to be unreasonably withheld or delayed), enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all its assets or a substantial part of its assets representing more than 5 per cent. in aggregate of the total consolidated assets of the Group, calculated by reference to (x) the latest consolidated financial statements of the Company, delivered pursuant to paragraph (a)(i) of Clause 21.1 (*Financial statements*) or (ii) during the period in which a Compliance Certificate is delivered

pursuant to Clause 21.2(c), the figures provided in such Compliance Certificate, unless (i) full value for such assets is received by the Company or its Subsidiaries; and (ii) an amount equal to the net proceeds of any such sale, lease, transfer or other disposal is reinvested within twelve months of receipt by the Company or its Subsidiaries in the business of the Group;

(b) Paragraph (a) of this Clause 23.7 does not apply to any sale, lease, transfer or other disposal of assets:

(i) made on arm's length terms and for fair market value in the ordinary course of business of the disposing entity;

(ii) in respect of any Permitted Securitisation;

(iii) from any member of the Group to another member of the Group on arm's length terms and for fair market or book value, **provided that** the exception contained in this paragraph (iii) shall not apply to any sale, lease, transfer or other disposal of an asset:

(1) from any Obligor to another member of the Group which is neither an Obligor nor a subsidiary of an Obligor unless the person to whom such sale, lease, transfer or other disposal is made (the "**Transferee**") or its direct or indirect parent company (as the case may be) becomes a Guarantor; or

(2) from any Material Subsidiary to another member of the Group which is not a Material Subsidiary unless the person making such sale, lease, transfer or other disposal does not cease to be a Material Subsidiary

or, if it ceases to be a Material Subsidiary, any Transferee shall be deemed to be a Material Subsidiary;

(iv) in respect of which the net proceeds are used to repay any amounts outstanding hereunder in an amount equal to such net proceeds and if the Available Commitments in an amount equal thereto are cancelled;

(v) in respect of which the proceeds are applied pursuant to any prepayment requirement in any debt agreements of the Company or any Subsidiary in relation to the use of proceeds received from the disposal of any assets;

(vi) in respect of fixed assets or contractual rights which are exchanged for other fixed assets or contractual rights reasonably comparable as to type or quality;

(vii) in respect of cash or cash equivalent investments;

(viii) which occurs due to the solvent liquidation or reorganisation of any member of the Group so long as any payment or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group; or

(ix) pursuant to any joint venture agreements.

23.8 **Merger**

(a) Subject to paragraphs (b) and (c) of this Clause 23.8, unless it has obtained the prior written approval of the Majority Lenders, no Obligor shall (and the Company shall ensure that none of its Subsidiaries or (prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries shall) enter into

any amalgamation, demerger, merger or other corporate reconstruction (a "**Reconstruction**"), other than (i) a Reconstruction relating only to Cemex Parent's Subsidiaries *inter se*; (ii) a Reconstruction between the Company and any of its Subsidiaries; or (iii) a solvent reorganisation or liquidation of any of the Subsidiaries of the Company which are not Obligors, **provided that** in any case no Default shall have occurred and be continuing at the time of such transaction or would result therefrom and **provided further that** (a) none of the Security (if any) granted to the Lenders nor the guarantees granted by the Guarantors hereunder is or are adversely affected as a result, and (b) the resulting entity, if it is not an Obligor, assumes the obligations of the Obligor the subject of the merger.

(b) Subject to paragraph (c) of this Clause 23.8, the Obligors may merge with any other person if the book value of such person's assets prior to the merger does not exceed 3 per cent. of the book value of the Group's assets taken as a whole considered on a consolidated basis.

(c) No merger otherwise permitted by paragraphs (a) and (b) of this Clause 23.8 shall be so permitted if as a result the then existing Ratings of the Company would be downgraded whether at the time of, or within 3 Months of, the date of announcement of a Reconstruction, directly as a result of any merger involving the Company. Furthermore the resulting entity of any merger otherwise permitted by paragraphs (a) and (b) of this Clause 23.8, if it is not an Obligor, shall assume the obligations of any Obligor which is the subject of the merger.

23.9 **Change of business**

(a) None of the Obligors shall make a substantial change to the general nature of its business from that carried on at the date of this Agreement.

(b) None of the Obligors shall cease to carry on its business (save (except in the case of the Company which shall in no event cease or substantially change its business) unless another Obligor continues to operate any such business).

(c) The Company shall procure that no substantial change is made to the general nature of the business of any of its Material Subsidiaries from that carried on at the date of this Agreement and that there shall be no cessation of such business (**provided that** (if BidCo is a Material Subsidiary) should BidCo cease to own any assets in accordance with the terms of this Agreement, such cessation shall not in itself constitute a breach of this paragraph (c) of Clause 23.9).

23.10 **Insurance**

The Obligors shall (and the Company shall ensure that each of its Material Subsidiaries (other than the Obligors) shall) maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business where such insurance is available on reasonable commercial terms.

23.11 **Environmental Compliance**

The Company shall (and the Company shall ensure that each of its Subsidiaries and (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries shall) comply in all material respects with all Environmental Law and obtain and maintain any Environmental Permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, in each case where failure to do so might reasonably be expected to have a Material Adverse Effect.

23.12 **Environmental Claims**

The Company shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same:

(a) if any Environmental Claim has been commenced or (to the best of the Company's knowledge and belief) is threatened against any member of the Group or (prior to the Acquisition of BidCo Date)

BidCo and its Subsidiaries which is likely to be determined adversely to the member of the Group (or, following the Acquisition of Target Date but prior to the Acquisition of BidCo Date, BidCo or its Subsidiary); or

(b) of any facts or circumstances which will or are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group or (prior to the Acquisition of BidCo Date) BidCo and its Subsidiaries,

where the claim would be reasonably likely, if finally determined against that member of the Group (or, following the Acquisition of Target Date but prior to the Acquisition of BidCo Date, BidCo or its Subsidiary), to have a Material Adverse Effect.

23.13 **Transactions with Affiliates**

Each Obligor shall (and the Company shall ensure that its Subsidiaries shall) ensure that any transactions with its respective Affiliates are on terms that are fair and reasonable and no less favourable to such Obligor or such Subsidiary than it would obtain in a comparable arm's-length transaction with a person who is not an Affiliate (unless such transaction relates to the provision of funds for the Offer as between each Obligor, its Subsidiaries and its or their respective Affiliates).

23.14 **Pari passu ranking**

Each Obligor shall ensure that at all times its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally from time to time.

23.15 **Subsidiary Financial Indebtedness incurrence**

If, at any time, the aggregate outstanding principal amount of Subsidiary Financial Indebtedness exceeds 15 per cent. of the Consolidated Total Assets, then for so long as such remains the case, no Subsidiary of the Company or (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date), BidCo and its Subsidiaries (except Subsidiaries described in paragraph (f) of the definition of "**Subsidiary Financial Indebtedness**" below) may, directly or indirectly, create, incur, assume or otherwise become liable with respect to any other Financial Indebtedness.

"**Subsidiary Financial Indebtedness**" means Financial Indebtedness of a Subsidiary of the Company or following the Acquisition of Target Date but prior to the Acquisition of BidCo Date, BidCo and its Subsidiaries other than:

(a) Financial Indebtedness of a Subsidiary of the Company that is an Excluded Subsidiary Guarantor;

(b) Financial Indebtedness of a Subsidiary of the Company as disclosed in Schedule 13 (*Existing Financial Indebtedness*) including, for the avoidance of doubt, the Existing Target Debt **provided that**:

(i) the principal amount of such Financial Indebtedness shall not be increased above the principal amount thereof outstanding immediately prior to any extension, refunding or refinancing; and

(ii) the aggregate amount of all Financial Indebtedness that has been extended, refunded or refinanced under this paragraph (b) shall not exceed US$250,000,000 (or the equivalent thereof if denominated in another currency),

for the avoidance of doubt, it is understood that:

(X) if any such Financial Indebtedness is successively extended, refinanced or refunded, only the Financial Indebtedness outstanding after giving effect to all such successive extensions, refinancing and refundings shall be counted against the foregoing amount; and

(Y) any Financial Indebtedness incurred in a currency other than US Dollars pursuant to this paragraph (b) shall continue to be permitted under this paragraph (b), notwithstanding any fluctuation in currency values, as long as the outstanding principal amount of such Financial Indebtedness (denominated in its original currency) does not exceed the maximum amount of such Financial Indebtedness (denominated in such currency) permitted to be outstanding on the date such Financial Indebtedness was incurred);

(c) Financial Indebtedness of a Subsidiary of the Company owed to the Company or another Subsidiary of the Company;

(d) Financial Indebtedness of a Subsidiary of the Company that was:

(i) outstanding at the time such Subsidiary became a Subsidiary of the Company; or;

(ii) contractually required to be incurred by such Subsidiary at such time,

provided that such Financial Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary of the Company and **provided that** there is no recourse to any member of the Group other than such Subsidiary following the date falling 60 days after such Subsidiary became a Subsidiary of the Company;

(e) any Financial Indebtedness extending the maturity of the Financial Indebtedness referred to in paragraph (d) above, or any refunding or refinancing of the same, **provided that** the principal amount of such Financial Indebtedness shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing;

(f) Financial Indebtedness of a Subsidiary of the Company which:

(i) has been formed for the purpose of, and whose primary activities are, the issuance or other incurrence of debt obligations to Persons other than Affiliates of the Company and the lending or other advance of the net proceeds of such debt obligations (whether directly or indirectly) to the Company or any Guarantor which is a Holding Company (as defined in sub-Clause 26.3 (*Additional Guarantors*)); and

(ii) has no significant assets other than debt obligations, promissory notes and other contract rights in respect of funds advanced to the Company or such Guarantors; and

(g) Financial Indebtedness of a Subsidiary of the Company incurred pursuant to or in connection with any pooling agreements in place within a bank or financial institution, but only to the extent of offsetting credit balances of the Company or its Subsidiaries pursuant to such pooling arrangement.

(h) Financial Indebtedness of BidCo owing to the Company or any of its Subsidiaries in respect of any funds that have been lent to BidCo for the purpose of funding the Offer.

For the purposes of this Clause 23.15 (*Subsidiary Financial Indebtedness incurrence*):

"**Excluded Subsidiary Guarantor**" means any Subsidiary of the Company that becomes a Guarantor (pursuant to Clause 26.3 (*Additional Guarantors*)) if legal opinions and other evidence are delivered to the Agent sufficient to establish to the reasonable satisfaction of the Agent and its legal adviser that the obligations of such Guarantor under this Agreement rank and will continue to rank at least pari passu with all other unsecured and unsubordinated Financial Indebtedness of such Guarantor, including in a bankruptcy or insolvency proceeding.

"**Consolidated Total Assets**" means, at any time, the total assets of the Company and its Subsidiaries, as determined in accordance with Spanish GAAP by reference to the most recent financial statements supplied by the Company pursuant to Clause 21.1 (*Financial Statements*) or any Compliance Certificate provided pursuant to Clause 21.2 (*Compliance Certificate*), **provided that** such financial statements or Compliance Certificate, as the case may be, shall be adjusted to: (i) reflect the acquisition of any Subsidiary; and (ii) (to the extent not already included) include the total assets of BidCo and its Subsidiaries, as determined in accordance with Spanish GAAP.

23.16 **Payment restrictions affecting Subsidiaries**

The Company shall not enter into or suffer to exist, or permit any of its Subsidiaries (or, following the Acquisition of Target Date but prior to the Acquisition of BidCo Date, BidCo and its Subsidiaries) to enter into or suffer to exist, any agreement or arrangement directly limiting the ability of any of its Subsidiaries to:

(a) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary, except any agreement or arrangement entered into by a person prior to such person becoming a Subsidiary, in which case the Company shall use its reasonable endeavours to remove such limitations. If however, such limitations are reasonably likely to affect the ability of the Company to satisfy its payment obligations under this Agreement, the Company shall use its best endeavours to remove such limitations as soon as possible; or

(b) repay or capitalise any intercompany indebtedness owed by any Subsidiary to any Obligor and, for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Clause 23.16.

The provisions of paragraphs (a) and (b) above shall not restrict:

(i) any agreements or arrangements that are binding upon any person in connection with a Permitted Securitisation and any agreement or arrangement that limits the ability of any Subsidiary of the Company that transfers receivables and related assets pursuant to a Permitted Securitisation to distribute or transfer receivables and related assets **provided that**, in each case, all such agreements and arrangements are customarily required by the institutional sponsor or arranger of such Permitted Securitisation in

similar types of documents relating to the purchase of receivables and related assets in connection with the financing thereof;

(ii) customary provisions in joint venture agreements relating to dividends or other distributions in respect of such joint venture or the securities, assets and revenues of such joint venture; and

(iii) restrictions on distributions applicable to Subsidiaries of the Company that are the subject of agreements to sell or otherwise dispose of the stock or assets of such Subsidiaries pending such sale or other disposition.

23.17 **Notification of adverse change in Ratings**

The Company shall promptly notify the Agent of any change in its Ratings or Outlook.

23.18 **The Offer**

(a) The Company shall ensure, and shall procure that BidCo shall ensure, that the Announcement and

the Offer Document and any other Offer Documents contain all the material terms and conditions of the Offer.

(b) The Company shall not, and shall procure that BidCo shall not, without the prior written consent of Citigroup Global Markets Limited and The Royal Bank of Scotland plc (such consent not to be unreasonably withheld or delayed):

(i) waive, amend, revise, withdraw, agree, declare or accept or treat as satisfied or decide not to enforce, in whole or in part, any condition of the Offer as to the level of acceptances from those entitled to accept the terms of the Offer, where to do so would result in such level being less than 50.01 per cent. of the total possible acceptances available; and

(ii) issue or allow to be issued on its behalf any press release or other publicity which refers to any Facility or any Finance Party unless the publicity is required by any provision of applicable law or any stock exchange, listing authority or comparable regulatory entity. In that case the Company shall notify Citigroup Global Markets Limited and The Royal Bank of Scotland plc as soon as practicable upon becoming aware of the requirement, shall consult with Citigroup Global Markets Limited and The Royal Bank of Scotland plc on the terms of the reference and shall have regard to (but, for the avoidance of doubt, shall not be required to include) any timely comments of Citigroup Global Markets Limited and The Royal Bank of Scotland plc.

(c) The Company shall comply with the Corporations Act and all other applicable laws in all material respects in the context of the Offer.

(d) The Company shall keep Citigroup Global Markets Limited and The Royal Bank of Scotland plc informed as to the status and progress of the Offer and, in particular, will from time to time and promptly upon reasonable request give to Citigroup Global Markets Limited and The Royal Bank of Scotland plc details of the current level of acceptances of the Offer (to the extent available and permitted by the applicable laws of Australia and relevant regulations).

(e) The Company shall inform Citigroup Global Markets Limited and The Royal Bank of Scotland plc in advance as to:

(i) the terms and conditions of any assurance or undertaking proposed to be given by or on behalf of any member of the Group (or, so far as the Company is aware, the Target or any of its Subsidiaries) to any person for the purpose of obtaining any authorisation necessary or desirable in connection with the Offer; and

(ii) any terms or conditions proposed in connection with any authorisation necessary or desirable in connection with the Offer.

(f) If any member of the Group becomes aware (whether through notice from any Finance Party or otherwise) of a circumstance or event which is or could reasonably be construed to be covered by any condition of the Offer which, if not waived, would entitle BidCo (with the consent of any other party, if needed) to lapse the Offer, the Company shall promptly notify Citigroup Global Markets Limited and The Royal Bank of Scotland plc.

(g) If BidCo becomes entitled to initiate the compulsory acquisition procedures set out in Part 6A.1 of the Corporations Act in relation to the shares in Target to which the Offer relates, the Company shall procure that BidCo:

(i) shall initiate those procedures promptly (and in any event within 30 days after becoming

entitled to do so); and

(ii) shall use all reasonable endeavours to acquire 100 per cent. of the shares to which the compulsory acquisition procedures apply within 12 weeks after initiating those procedures.

(h) If BidCo is required by any holder of the Target's shares to acquire that holder's shares pursuant to the compulsory buy-out provisions of the Corporations Act, the Company shall procure that BidCo will promptly comply with the requirements of the Corporations Act in that respect.

23.19 **Consultation regarding further financing**

The Company shall consult (but, for the avoidance or doubt, with no obligation to act on the outcome of such consultation) for a period of at least 5 days with Citigroup Global Markets Limited and The Royal Bank of Scotland plc, should it (or any of its Affiliates) seek to raise financing for the purpose of the Offer other than (i) the Facilities and (ii) the Other Agreed Offer Facilities (in a maximum amount of US$3,800,000,000).

23.20 **NOF**

The Company shall as soon as reasonably practicable after the date of this Agreement and in any event prior to any interest payment hereunder falling due, provide the Agent with a copy of form PE 1 stamped by the Bank of Spain (Banco de España), whereby it assigns a Financial Operation Number ("**NOF**") to the Facilities.

24. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 24 is an Event of Default.

24.1 **Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless such failure to pay is caused by an administrative error or technical difficulties within the banking system in relation to the transmission of funds and payment is made within three Business Days of its due date.

24.2 **Financial Covenants**

Any requirement of Clause 22 *(Financial Covenants*) is not satisfied.

24.3 **Other obligations**

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (*Non-payment*) and Clause 22 (*Financial covenants*)).

(b) No Event of Default under paragraph (a) of this Clause 24.3 above will occur if the failure to comply is capable of remedy and is remedied within fifteen Business Days of the Agent giving written notice to the Company or the Company becoming aware of the failure to comply, whichever is the earlier.

24.4 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

24.5 **Cross acceleration**

(a) Any Financial Indebtedness of any Obligor or member of the Group or (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo or its Subsidiaries is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Obligor or member of the Group or (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date) BidCo or its Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default

(however described).

(c) No Event of Default will occur under this Clause 24.5 if the aggregate amount of Financial Indebtedness falling within paragraphs (a) and (b) of this Clause 24.5 above is less than US$75,000,000 (or its equivalent in any other currency or currencies).

24.6 **Insolvency**

(a) Any of the Obligors or Material Subsidiaries is unable or admits inability to pay its debts as they fall due or, by reason of actual or anticipated financial difficulties, suspends making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any of the Obligors or Material Subsidiaries is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any of the Obligors or Material Subsidiaries.

24.7 **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any of the Obligors or Material Subsidiaries, other than a solvent liquidation or reorganisation of any of the Material Subsidiaries which are not Obligors;

(b) a composition, assignment or arrangement with any class of creditor of any of the Obligors or Material Subsidiaries;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of any of the Material Subsidiaries which are not Obligors), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any of the Obligors or Material Subsidiaries or any of their assets;

or any analogous procedure or step is taken in any jurisdiction.

This paragraph shall not apply to any winding-up petition (or equivalent procedure in any jurisdiction) which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement.

24.8 **Expropriation and sequestration**

Any expropriation or sequestration affects any asset or assets of any Obligor or any Material Subsidiary and has a Material Adverse Effect.

24.9 **Creditors' process and enforcement of Security**

(a) Any Security is enforced against any Obligor or any Material Subsidiary.

(b) Any attachment, distress or execution affects any asset or assets of any Obligor or any Material Subsidiary which is reasonably likely to cause a Material Adverse Effect.

(c) No Event of Default under paragraphs (a) or (b) of this Clause 24.9 above will occur if:

(i) the action is being contested in good faith by appropriate proceedings;

(ii) the principal amount of the indebtedness secured by such Security or in respect of which such attachment, distress or execution is carried out represents less than US$75,000,000 (or its equivalent in any other currency or currencies); and

(iii) the enforcement proceedings, attachment, distress or execution is or are discharged within 60 days of commencement.

24.10 **Ownership of Obligors**
Any Obligor (other than the Company) ceases to be a Subsidiary of the Company.

24.11 **Failure to comply with judgment**
Any Obligor or any Material Subsidiary fails to comply with or pay any sum due from it under any judgement or any order made or given by any court of competent jurisdiction, unless payment of any such sum is suspended pending an appeal.

24.12 **Unlawfulness**
It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents where non-performance is reasonably likely to cause a Material Adverse Effect.

24.13 **Repudiation**
An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

24.14 **Material adverse change**
Any material adverse change arises in the financial condition of the Group taken as a whole or (following the Acquisition of Target Date but prior to the Acquisition of BidCo Date only) the Group and the Target Group taken as a whole, which the Majority Lenders reasonably determine would result in the failure by any Obligor to perform its payment obligations under any of the Finance Documents.

24.15 **BidCo**

(a) If at any time following the date falling 6 Months after the First Utilisation Date, BidCo is not a wholly-owned Subsidiary of the Company, unless at such time BidCo has acceded to this Agreement as an Additional Guarantor.

(b) If at any time BidCo is not a direct or indirect Subsidiary of Cemex Parent.

24.16 **Acceleration**
On and at any time after the occurrence of an Event of Default which is continuing the Agent may, while such Event of Default is continuing and shall if so directed by the Majority Lenders, by notice to the Company:

(a) cancel the Total Commitments whereupon they shall immediately be cancelled;

(b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

24.17 **Clean Up Period**
Notwithstanding any other term of this Agreement, if during the Clean-Up Period a matter or circumstance exists in respect of the Target and/or any member of the Target Group which would constitute a breach under the Finance Documents including:

(i) a breach of any representation or warranty made in Clause 20 (*Representations*);

(ii) a breach of any covenant set out in Clause 23 (*General Undertakings*); or

(iii) a Default,

such matter or circumstance will not constitute a breach of such representation or warranty or covenant or a Default until after the end of the Clean-Up Period, **provided that** reasonable steps are being taken to cure such matter or circumstance (following the Company or BidCo becoming aware of the same), unless such matter or circumstance (1) could reasonably be expected to have a Material Adverse Effect or (2) is not capable of cure or if capable of cure, no reasonable steps are being taken to cure and, in each case, the matter or circumstance has been procured by, or approved by, the Company, Cemex Parent or BidCo.

SECTION 9
CHANGES TO PARTIES

25. CHANGES TO THE LENDERS

25.1 Assignments and transfers by the Lenders

Subject to this Clause 25, a Lender (the "**Existing Lender**") may:

(a) assign any of its rights and benefits in respect of any Utilisation; or

(b) transfer by novation any of its rights, benefits and obligations in respect of any Commitment or any Utilisation,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**"), **provided that** no Lender may transfer or assign any of its rights, benefits or obligations under the Finance Documents to any U.S. Lender or enter into a sub-participation agreement in respect of such rights, benefits or obligations with a U.S. Lender.

25.2 Conditions of assignment or transfer

(a) The Borrower must be notified no later than one Business Day prior to the proposed date of any assignment or transfer pursuant to this Clause 25.1 (*Assignments and transfers by the Lenders*).

(b) An assignment will be effective only on:

(i) receipt by the Agent of written confirmation from the New Lender that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and

(ii) the satisfaction of the Agent with the results of all "**know your client**" or other checks relating to the identity of any person that it is required by law to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(c) A transfer will be effective only if the procedure set out in Clause 25.5 (*Procedure for transfer*) is complied with.

(d) If:

(i) a Lender assigns or transfers any of its rights, benefits or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (*Tax gross-up and indemnities*) or Clause 15 (*Increased costs*),

then the New Lender or Lender acting through its new Facility Office is entitled to receive payment under those Clauses only to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(e) In addition to the other assignment rights provided in this Clause 25, each Lender may assign, as collateral or otherwise, any of its rights under this Agreement (including rights to payments of principal or interest on the Loans) to any trustee for the benefit of the holders of such Lender's securities **provided that** no such assignment shall release the assigning Lender from any of its obligations under this Agreement.

25.3 **Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US$2,000, except no such fee shall be payable in connection with an assignment or transfer to a New Lender upon primary syndication of the Facilities.

25.4 **Limitation of responsibility of Existing Lenders**

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law or regulation are excluded.

(b) Each New Lender confirms to the Existing Lender, and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 25; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

25.5 **Procedure for transfer**

(a) Subject to the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and send a copy to the Company.

(b) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights, and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arranger, the New Lender and the other Lenders, shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "**Lender**".

25.6 **Procedure for assignment**

(a) Subject to the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this

Agreement and delivered in accordance with the terms of this Agreement, execute that

Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender upon its completion of all "know your customer" or other checks relating to any person that it is required to carry out in relation to the assignment to such New Lender.

(c) On the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement; and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 25.6 to assign their rights under the Finance Documents provided that they comply with the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*).

25.7 **Copy of Transfer Certificate to Borrower**

The Agent shall, as soon as reasonably practicable after it has received a Transfer Certificate, send to the Company a copy of that Transfer Certificate.

25.8 **Disclosure of information**

(a) Any Lender may disclose to any of its Affiliates and any other person:

(i) to (or through) whom that Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Finance Documents;

(ii) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents; or

(iii) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about any Obligor, the Group and the Finance Documents as that Lender shall consider appropriate **provided that** (in the case of paragraphs (i) and (ii) only) the person to whom the information is to be given has entered into a Confidentiality Undertaking.

(b) Any Lender may also disclose the size and term of the Facilities and the name of each of the Obligors to any investor or a potential investor in a securitisation (or similar transaction of broadly equivalent economic effect) of that Lender's rights or

obligations under the Finance Documents **provided that** the person to whom the information is to be given has entered into a Confidentiality Undertaking.

25.9 **Interest**

All interest accrued in the Interest Period in which a transfer is effective shall be paid to the Existing Lender.

26. **CHANGES TO THE OBLIGORS**

26.1 **Assignment and Transfers by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

26.2 **Additional Borrowers**

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.6 (*"Know your client" checks*), the Company may request that any of its wholly owned Subsidiaries which is not a dormant Subsidiary becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

(i) either:

(A) (if at the time the Company is a Guarantor hereunder) the Majority Lenders approve the addition of that Subsidiary; or

(B) (if at the time the Company is not a Guarantor hereunder) the Lenders approve the addition of that Subsidiary:

(ii) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Letter;

(iii) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

(iv) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent required to be delivered by an Additional Obligor*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent required to be delivered by an Additional Obligor*).

26.3 **Additional Guarantors**

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.6 (*"Know your client"* checks), the Company may request that it or any of its wholly owned Subsidiaries become an Additional Guarantor.

(b) The Company may request that it or any of its Subsidiaries becomes an Additional Guarantor by:

(A) the Company delivering to the Agent a duly-completed and executed Accession Letter; and

(B) the Agent receiving from the Company all of the documents and other evidence referred to in Part II of Schedule 2 (*Conditions Precedent required to be delivered by an Additional Obligor*) in relation to that Additional Guarantor.

(c) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent required to be delivered by an Additional Obligor*).

26.4 **Resignation of Guarantor**

A Guarantor (a "**Resigning Guarantor**") will cease to be a Guarantor if:

(a) it makes a sale, lease, transfer or other disposal of all or substantially all (but not a part only) of its

assets to another member of the Group which is or becomes a Guarantor in accordance with Clause 26.3 (*Additional Guarantors*); or

(b) it notifies the Agent that it has no assets and provides the Agent with a certificate signed by a director of the Company confirming that it has no assets,

provided that:

(i) such Resigning Guarantor also, if applicable, ceases concurrently to be a guarantor in respect of any other indebtedness of the Group or of any member of the Group;

(ii) such Resigning Guarantor notifies the Agent of any sale, lease, transfer or other disposal in accordance with paragraph (a) of this Clause 26.4; and

(iii) the Company may not resign as a Guarantor without the consent of all Lenders.

26.5 **Resignation of a Borrower**

(a) The Company may request that a Borrower (other than the Company) ceases to be a Borrower by delivering to the Agent a letter of resignation signed by an Authorised Signatory of the Company and the relevant Borrower, which confirms that the requirements of paragraph (b) below are met.

(b) The Agent shall accept such a resignation and notify the Company and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of the resignation (and the Company has confirmed this is the case); and

(ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

26.6 **Removal of Guarantor**

(a) At any time following the date (if any) on which a member of the Group has acceded to this Agreement as an Additional Guarantor, in the event that the Company delivers to the Agent a certificate (a "**Guarantor Removal Certificate**") signed by two authorised signatories of the Company confirming that (as at the date of the Guarantor Removal Certificate) a substantial part of the Net Borrowings of the Group:

(i) is guaranteed only by the Company and/or any other guarantors which are not Guarantors (whether, for the avoidance of doubt, as a result of the repayment, redemption, maturity or cancellation of any Financial Indebtedness, or any agreement with any creditor of the Group or as a result of any other reason); and/or

(ii) (A) is subject to provisions in any agreements or documents (including this Agreement) with any creditor of the Group (or any other party) relating to any Financial Indebtedness of the Group, which allow for the removal of all or any of the Guarantors as guarantors pursuant to such agreements or documents (other than the Company, such that the only remaining guarantors of such Financial Indebtedness would in each case be the Company and/or any other guarantors which are not Guarantors), and (B) the conditions (if any) to such removal pursuant to such agreements or documents have been met by the relevant Guarantor, and (C) any or all of the Guarantors (other than the Company) has or have been

removed (or will be so removed at a date which is not later than the date scheduled for removal of the relevant Guarantor pursuant to the relevant Guarantor Removal Certificate) as guarantors of the relevant Financial Indebtedness pursuant to such agreements or other documents,

the obligations of the relevant Guarantor(s) (other than the Company) under the guarantee and indemnity contained in Clause 19 (*Guarantee and Indemnity*) shall terminate and such Guarantor(s) shall be deemed to be discharged in full, and shall cease to be Guarantor(s), effective as at the date indicated in the Guarantor Removal Certificate, which date shall not be earlier than 10 days of receipt by the Agent of the Guarantor Removal Certificate, provided always that any such termination and discharge pursuant to this Clause 26.6 would not result in a downgrading of the then current Rating of the Company assigned by S&P or Fitch.

(b) For the purposes of this Clause 26.6, a "**substantial part**" shall mean an aggregate amount equal to or greater than 85 per cent. of the aggregate value of the Net Borrowings of the Group.

The "**Net Borrowings**" of the Group referred to in this Clause shall be determined by reference to the most recent Compliance Certificate delivered to the Agent pursuant to Clause 21.2 (*Compliance Certificate*) at the date of the relevant Guarantor Removal Certificate.

(c) For the avoidance of doubt, the Guarantor Removal Certificate shall also:

(i) specify the percentage of the Net Borrowings of the Group which is guaranteed only by the Company and/or any other guarantors which are not Guarantors;

(ii) specify the percentage of the Net Borrowings of the Group which is subject to provisions in agreements or documents which allow for the removal of the Guarantors (other than the Company); and

(iii) certify that the conditions (if any) to the removal of such Guarantors in such agreements or documents have been met by the relevant member of the Group as at the date of the Guarantor Removal Certificate;

(iv) certify that the relevant Guarantor(s) has or have been removed (or will be so removed at a date which is not later than the date scheduled for removal of the relevant Guarantor pursuant to the relevant Guarantor Removal Certificate) as Guarantor(s) of the relevant Financial Indebtedness; and

(v) confirm that neither S&P nor Fitch will downgrade the then current Rating assigned to the Company as a result of the removal of the relevant Guarantor(s) as Guarantor(s) under this Agreement.

(d) Following delivery of the Guarantor Removal Certificate to the Agent, the Company shall provide notice of the removal, and termination of the obligations of the Guarantors (other than the Company) to the Finance Parties, in accordance with Clause 32 (*Notices*) of the Agreement.

26.7 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Affiliate that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

SECTION 10
THE FINANCE PARTIES

27. ROLE OF THE AGENT AND THE ARRANGER

27.1 Appointment of the Agent

(a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arranger and the Lenders, authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

27.2 Duties of the Agent

(a) The Agent shall promptly forward to a Party the original or a copy of any document (including, but not limited to, the Company's annual financial statements) which is delivered to the Agent for that Party by any other Party.

(b) The Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(c) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(d) If the Agent is aware of the non-payment of any principal, interest or fee payable to a Finance Party (other than the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.

(e) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

27.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

27.4 No fiduciary duties

(a) Nothing in this Agreement constitutes the Agent and/or the Arranger, as a trustee or fiduciary of any other person.

(b) Neither the Agent nor the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

27.5 Business with the Group

The Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

27.6 Rights and discretions

(a) The Agent may rely on:

(i) any representation, notice or document (including, for the avoidance of doubt, any representation, notice or document communicating the consent of the Majority Lenders

pursuant to Clause 36.1 (*Required consents*)) believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 24.1 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and

(iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger, is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law and regulation or a breach of a fiduciary duty or duty of confidentiality.

27.7 **Majority Lenders' instructions**

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

27.8 **Responsibility for documentation**

Neither the Agent nor the Arranger:

(a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Obligor or any other person given in or in connection with any Finance Document or the Information Memorandum; or

(b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

27.9 **Exclusion of liability**

(a) Without limiting paragraph (b) below, neither the Agent nor the Arranger will be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct or wilful breach of any Finance Document.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 27 subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any checks pursuant to any laws or regulations relating to money laundering in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and

that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

27.10 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

27.11 **Resignation of the Agent**

(a) The Agent may resign and appoint one of its Affiliates acting through an office in the European Union as successor by giving notice to the other Finance Parties and the Company.

(b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the European Union).

(d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the

purposes of performing its functions as Agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 27.11. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.

27.12 **Confidentiality**

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent and the Arranger are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

27.13 **Relationship with the Lenders**

(a) The Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with Schedule 4 (*Mandatory Cost Formulae*).

27.14 **Credit appraisal by the Finance Parties**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Finance Party confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of the Information Memorandum, and any other

information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

27.15 **Reference Banks**

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

27.16 **Agent's Management Time**

Any amount payable to the Agent under Clause 16.3 (*Indemnity to the Agent*) and Clause 27.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 13 (*Fees*).

27.17 **Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax (but without prejudice to the terms of Clause 14.3 (*Tax indemnity*)).

29. SHARING AMONG THE FINANCE PARTIES

29.1 **Payments to Finance Parties**

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 30 (*Payment mechanics)* (whether by way of set-off or otherwise) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (*Partial payments*).

29.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 30.5 (*Partial payments)*.

29.3 **Recovering Finance Party's rights**

(a) On a distribution by the Agent under Clause 29.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

29.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 29.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and

(b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

29.5 **Exceptions**

(a) This Clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 29, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11
ADMINISTRATION

30. **PAYMENT MECHANICS**

30.1 **Payments to the Agent**

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payments by Obligors or Lenders shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

30.2 **Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (*Distributions to an Obligor*), Clause 30.4 (*Clawback*) and Clause 27.17 (*Deduction from amounts payable by the Agent)* be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London).

30.3 **Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

30.4 **Clawback**

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

30.5 **Partial payments**

(a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) first, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent and the Arranger under the Finance Documents;

(ii) secondly, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) thirdly, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and

(iv) fourthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to

(iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

(d) The Lenders hereby expressly agree that the Agent shall not apply any amount received in accordance with paragraph (a) above to discharge the obligations of an Obligor owed to a Lender if such partial payment received by the Agent is as a result of that Lender being considered as a subordinated creditor by operation of any insolvency law.

30.6 **No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.7 **Business Days**

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.8 **Currency of account**

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and currency of payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

30.9 **Change of currency**

(a) Unless otherwise prohibited by law or regulation, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting

reasonably and after consultation with the Company) specifies to be necessary be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31. **SET-OFF**

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. **NOTICES**

32.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter or (in accordance with Clause 32.5 (*Electronic communication*)) by email.

32.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Company, that identified with its name below;

(b) in the case of each Lender, or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

32.3 **Delivery**

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

(iii) and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent. The Company may make and/or deliver as agent of each Obligor notices and/or requests on behalf of each Obligor.

(d) Any communication or document made or delivered to the Company in accordance with this Clause 32 will be deemed to have been made or delivered to each of the Obligors.

(e) Any notice delivered in accordance with this Clause 32 after 4pm local time in the place of delivery on a given day shall be deemed to have been received on the next Business Day after such day.

32.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 32.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

32.5 **Electronic communication**

(a) Any communication to be made between the Agent and a Lender and/or any member of the Group under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Lender and/or member of the Group:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender and/or any member of the Group will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender and/or any member of the Group to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

32.6 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English or Spanish; or

(ii) if not in English or Spanish, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

32.7 **Obligor Agent**

(a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Letter (as the case may be) irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests or Conversion Requests), to execute on its behalf any documents required hereunder and to make such agreements capable of being given or made by any Obligor notwithstanding that they may affect such Obligor, without further reference to or consent of such Obligor; and (ii) each Finance Party to give any notice, demand or other communication to such Obligor pursuant to the Finance Documents to the Company on its behalf, and in each case such Obligor shall be bound thereby as

though such Obligor itself had given such

notices and instructions (including, without limitation, any Utilisation Requests or Conversion Requests) or executed or made such agreements or received any notice, demand or other communication.

(b) Every act, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Company, or given to the Company, in its capacity as agent in accordance with paragraph (a) of this Clause 32.7, in connection with this Agreement shall be binding for all purposes on such Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Company and any other Obligor, those of the Company shall prevail.

32.8 **Use of Websites**

(a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the " **Designated Website**") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.

(c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.

33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

33.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

33.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days, or where the interest, commission or fee is to accrue in respect of any amount denominated in sterling, 365 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

33.4 Spanish Civil Procedure

In the event that this Agreement is raised to a Spanish Public Document, for the purposes of Article 572.2 of the Spanish Civil Procedure Law (*Ley de Enjuiciamiento Civil*), all parties expressly agree that the exact amount due at any time by the Obligors to the Lenders will be the amount specified in a certificate issued by the Agent (and/or any Lender) in accordance with Clause 33.2 (*Certificates and Determinations*) as representative of the Lenders reflecting the balance of the accounts referred to in Clause 33.1 (*Accounts*).

33.5 No personal liability

If an individual signs a certificate on behalf of any member of the Group and the certificate proves to be incorrect, the individual will incur no personal liability as a result, unless the individual acted fraudulently in giving the certificate. In this case any liability of the individual will be determined in accordance with applicable law.

34. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the laws or regulations of any other jurisdiction will in any way be affected or impaired.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or regulation.

36. AMENDMENTS AND WAIVERS

36.1 Required consents

(a) Subject to Clause 36.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 36.

(c) The Company may effect, as agent of each Obligor, any amendment or waiver permitted by this Clause 36.

36.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definition of "**Certain Funds Period**", "**Certain Funds Default**" "**Majority Lenders**" or "**Optional Currency**" in Clause 1.1 *(Definitions)*;

(ii) an extension to the Availability Period or to the date of any scheduled payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) a change in currency of payment of any amount under the Finance Documents;

(v) an increase in or an extension of any Commitment;

(vi) a change to the Borrowers or any of the Guarantors other than in accordance with Clause 26 (*Changes to the Obligors*);

(vii) any provision which expressly requires the consent of all the Lenders; or

(viii) Clause 2.2 (*Finance Parties' rights and obligations)*, Clause 19 (*Guarantee and Indemnity*), Clause 25 (*Changes to the Lenders*), Clause 26 *(Changes to*

the Obligors) (save to the extent a provision of Clause 26 refers only to requiring the approval of the Majority Lenders) or this Clause 36,

shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger, may not be effected without the consent of the Agent or the Arranger at such time.

37. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

38. GOVERNING LAW

This Agreement is governed by English law.

39. ENFORCEMENT

39.1 Jurisdiction of English Courts

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 39.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law or regulation, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

39.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law or regulation, each Obligor (other than an Obligor incorporated in England and Wales):

(a) shall irrevocably appoint the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document and shall procure that the Process Agent confirms its acceptance of that appointment in writing on or before the date of this Agreement; and

(b) agrees that failure by the Process Agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

Part I
The Obligors

Name of Original Borrower	Registration number (or equivalent, if any)
Cemex España, S.A.	N° Hoja-Registro Mercantil, Madrid: M- 156542 NIF: A46/004214

Part II
The Original Lenders

Lender	Facility A Commitment (US$)	Facility B Commitment (US$)	Facility C Commitment (US$)
Citibank International plc, Sucursal en España	203.000.000	203.000.000	203.000.000
The Royal Bank of Scotland plc	203.000.000	203.000.000	203.000.000
Banco Bilbao Vizcaya Argentaria, S.A.	116.666.667	116.666.667	116.666.666
Banco Santander Central Hispano, S.A.	110.333.334	110.333.333	110.333.333
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sucursal en España	110.333.334	110.333.333	110.333.333
Barclays Bank PLC	110.333.334	110.333.333	110.333.333
Bayerische Hypo- und Vereinsbank AG	110.333.334	110.333.333	110.333.333
Bayerische Landesbank	110.333.334	110.333.333	110.333.333
BNP Paribas Sucursal en España	110.333.334	110.333.333	110.333.333
BoA Netherlands Coöperatieve U.A.	110.333.334	110.333.333	110.333.333
Caja de Ahorros de Galicia	110.333.333	110.333.334	110.333.333
Caja Madrid	110.333.333	110.333.334	110.333.333
Calyon	110.333.333	110.333.334	110.333.333
FORTIS BANK, S.A. Sucursal en España	110.333.333	110.333.334	110.333.333
HSBC Bank plc Sucursal en España	110.333.333	110.333.334	110.333.333
ING Belgium, S.A. Sucursal en España	110.333.333	110.333.334	110.333.333
Instituto de Crédito Oficial	110.333.333	110.333.334	110.333.333
JPMORGAN CHASE BANK N.A., Sucursal en España	110.333.333	110.333.333	110.333.334
Lloyds TSB Bank plc	110.333.333	110.333.333	110.333.334
Mizuho Corporate Bank Nederland N.V.	110.333.333	110.333.333	110.333.334
SANPAOLO IMI, S.p.A. Sucursal en España	110.333.333	110.333.333	110.333.334
Scotiabank Europe plc	110.333.333	110.333.333	110.333.334
Société Générale S.A.	110.333.333	110.333.333	110.333.334
Standard Chartered Bank	110.333.333	110.333.333	110.333.334
WestLB AG, Sucursal en España	110.333.333	110.333.333	110.333.334
Banco de Sabadell, S.A.	50.000.000	50.000.000	50.000.000
TOTAL	3.000.000.000	3.000.000.000	3.000.000.000

SCHEDULE 2
CONDITIONS PRECEDENT

Part I
Conditions Precedent to Initial Utilisation

1. The Company

(a) A copy of the current constitutional documents of the Company.

(b) A power of attorney granting a specific individual or individuals sufficient power to sign the Finance Documents on behalf of the Company and a copy of a resolution of the board of directors of the Company:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents.

(d) A certificate of the Company (signed by an Authorised Signatory) confirming that borrowing the Total Commitments would not cause any borrowing or similar limit binding on it to be exceeded.

(e) A certificate of an Authorised Signatory of the Company certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Transaction Documents and related documents

A copy of the current constitutional documents of BidCo.

3. Finance Documents

(a) This Agreement executed by the parties hereto.

(b) Any Fee Letter.

4. Legal Opinions

(a) A legal opinion as to English law from Clifford Chance substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(b) A legal opinion with respect to the laws and regulations of the Kingdom of Spain from Clifford Chance SL, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(c) An opinion from in-house counsel of the Company, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

5. Offer Related Conditions

(a) A copy, certified as being a true and complete copy by an Authorised Signatory of the Company, of the Announcement.

(b) A copy, certified as being a true and complete copy by an Authorised Signatory of the Company, of the Offer Document.

(c) A copy, certified as being a true and complete copy by an Authorised Signatory of the Company, of the announcement that the Offer has become or has been declared unconditional in all respects together with a certificate from an Authorised Signatory of the Company that in BidCo declaring the Offer unconditional, BidCo is not in breach of Clause 23.18 (*The Offer*).

(d) Either:

(i) a notice of the Treasurer of the Commonwealth of Australia stating that the Commonwealth Government does not object to Cemex, S.A.B. de C.V. or any direct of indirect subsidiary of it acquiring a substantial shareholding in Target; or

(ii) evidence that the Treasurer of the Commonwealth of Australia has become, or is, precluded (by reason of lapse of time or otherwise) from making an order in respect of the acquisition of Target by such a person under the Foreign Acquisitions and Takeovers Act 1975 (Cth).

(e) A certificate from the Company dated no earlier than the Unconditional Date confirming that:

(i) BidCo has complied in all material respects with the requirements of Chapter 6 (takeovers) of the Corporations Act and that all other Australian regulatory and other approvals contemplated by the Offer or to which the Offer is subject have been obtained;

(ii) all United States or other regulatory requirements with regard to the acquisition of any Target ADRs have been obtained;

(iii) BidCo has declared the Offer free from all defeating conditions in accordance with Section 650F of the Corporations Act; and

(iv) it, Cemex Parent and BidCo (in each case, as confirmed to the Company by Cemex Parent) has or will have sufficient funds available for BidCo to pay for all Target Shares to be acquired by it pursuant to the Offer.

6. Other Documents and Evidence

(a) The Group Structure Chart.

(b) The Funds Flow Statement.

(c) The Original Financial Statements of the Company.

(d) Evidence that the process agent referred to in Clause 39.2 (*Service of process*) has accepted its appointment.

Part II
Conditions Precedent Required to be delivered by an Additional Obligor

Obligors:

1. An Accession Letter, duly executed by the Additional Obligor and the Company.

(a) A copy of the constitutional documents of the Additional Obligor.

(b) A copy of a resolution of the board of directors of the Additional Obligor:

(i) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;

(ii) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) Should the legal advisers of the Lenders consider it advisable, a copy of a resolution signed by all the holders of the issued shares of the Additional Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Obligor is a party.

(e) A certificate of the Additional Obligor (signed by an Authorised Signatory) confirming that guaranteeing the Total Commitments would not cause any guaranteeing or similar limit binding on it to be exceeded.

(f) A certificate of an Authorised Signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

2. Legal opinions

(a) A legal opinion of the legal advisers to the Additional Obligor in form and substance reasonably satisfactory to the legal advisers of the Lenders.

(b) A legal opinion of Clifford Chance, or other firm that can opine for the Additional Obligor if not Clifford Chance, legal advisers to the Lenders.

3. Other documents and evidence

(a) Evidence that any process agent referred to in Clause 39.2 (Service of process) has accepted its appointment.

(b) In relation to any Additional Borrower incorporated in Spain, a copy of form PE-1 stamped by the Bank of Spain (Banco de España), whereby it assigns a Financial Operation Number (" **NOF**") to the accession of such Additional Borrower.

(c) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers (after having taken appropriate legal advice) to be necessary or desirable (if it has notified the Additional Obligor and the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(d) The Original Financial Statements of the Additional Guarantor.

SCHEDULE 3
REQUESTS

Part I
Utilisation Request

From: [*Each relevant Borrower*]

To: [*Agent*]

Dated:

Dear Sirs

Cemex – US$9,000,000,000 Acquisition Facilities Agreement dated [•] December 2006 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan under each Facility on the following terms:

		Facility A	Facility B	Facility C
(a)	Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)	[•] (or, if that is not a Business Day, the next Business Day)	[•] (or, if that is not a Business Day, the next Business Day)
(b)	Borrower:	[•]	[•]	[•]
(c)	Facility to be utilised:	Facility A	Facility B	Facility C
(d)	Currency of Loan:	[•]	[•]	[•]
(e)	Amount:	[•] or, if less, the relevant Available Facility	[•] or, if less, the relevant Available Facility	[•] or, if less, the relevant Available Facility
(f)	Interest Period:	[•]	[•]	[•]

3. We confirm that, to the extent applicable, each condition specified in Clause 4.3 (*Further conditions precedent*) is satisfied or waived on the date of this Utilisation Request.

4. The proceeds of each Loan should be credited to the relevant accounts as follows:

Facility A Loan: ☐.

Facility B Loan: ☐.

Facility C Loan: ☐.

5. This Utilisation Request is irrevocable.

6. Terms used in this Utilisation Request which are not defined in this Utilisation Request but are defined in the Facilities Agreement shall have the meaning given to those terms in the Facilities Agreement.

Yours faithfully

.....

authorised signatory for

[each relevant Borrower]

NOTES:

[Please note, in particular the requirements of Clause 5.4 (Pro rata drawings)].

Part II
Selection Notice

Applicable to a Facility A Term Loan, a Facility B Loan or a Facility C Loan

From: [*Borrower] [Company*]*

To: [*Agent*]

Dated:

Dear Sirs

Cemex – US$9,000,000,000 Acquisition Facilities Agreement dated [•] December 2006 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. We refer to the following Facility [A Term]/[B]/[C] Loan[s] with an Interest Period ending on [ ]**.

3. [We request that the above Facility [A Term]/[B]/[C] Loan[s] be divided into [ ] Facility [A Term]/[B]/[C] Loan[s] with the following Base Currency Amounts and Interest Periods:]***

or

[We request that the next Interest Period for the above Facility [A Term]/[B]/[C] Loan[s] is [ ]].****

4. This Selection Notice is irrevocable.

Yours faithfully

.....

authorised signatory for

[the Company on behalf of] [insert name of Relevant Borrower] *

NOTES:

* Amend as appropriate. The Selection Notice can be given by the Borrower or the Company.

** Insert details of all Term Loans for the relevant Facility which have an Interest Period ending on the same date.

*** Use this option if division of Loans is requested.

**** Use this option if sub-division is not required.

Part III
Conversion Request

To:

From:

Dated:

Cemex – US$9,000,000,000 Acquisition Facilities Agreement dated [•] December 2006 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. Terms defined in the Facilities Agreement have the same meaning when used in this request.

2. This is a Conversion Request.

3. [We hereby give you notice that we wish to exercise the option set out in Clause 8.1 (*First Term Out Option*) as follows:-

Outstanding Facility A Loan to be converted

(a) Currency: .....

(b) Amount of the Facility A Loan to be converted on the Initial Facility A Termination Date:.....

New Facility A Loan to be made

(a) Currency: .....

(b) Amount of the undrawn Facility A Commitment to be drawn down as a Facility A Term Loan:.....] / or *

[We hereby give you notice that we wish to exercise the option set out in Clause 8.2 (*Second Term Out Option*) as follows:-

(a) Currency: .....

(b) Amount of the Facility A Term Loan(s) to be have its final maturity extended to the Second Term Out Option Termination Date: .....]

4. We confirm that, as at the date of this Request, no Default has occurred and is continuing.

Yours faithfully

For and on behalf of

[The Company]

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* Select as appropriate.

SCHEDULE 4

MANDATORY COST FORMULAE

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "**Additional Cost Rate**") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

(a) in relation to a sterling Loan:

$$\frac{AB + C(B - D) + Ex\ 0.01}{100 - (A + C)}$$

(b) in relation to a Loan in any currency other than sterling:

$$\frac{Ex\ 0.01}{300}$$

per cent per annum

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 10.3 (*Default interest*)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this Schedule:

(a) "**Eligible Liabilities**" and "**Special Deposits**" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "**Fees Rules**" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "**Fee Tariffs**" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "**Tariff Base**" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Agent may from time to time, after consultation with the Company and the Lenders, determine and if so requested by any Lender, notify to all Parties any amendments which are required by such Lender to be made to this Schedule in order to comply with any change in law or regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [Agent]

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated:

Cemex – US$9,000,000,000 Acquisition Facilities Agreement dated [•] December 2006 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Transfer Certificate. Terms defined in the Facilities Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 25.5 (*Procedure for transfer*):

(a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the schedule to this certificate in accordance with Clause 25.5 (*Procedure for transfer*).

(b) The proposed Transfer Date is [•].

(c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (*Addresses*) are set out in the schedule to this certificate.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.4 (*Limitation of responsibility of Existing Lenders*).

4. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

5. We confirm that we have carried out and are satisfied with the results of all compliance checks we consider necessary in relation to our participation in the Facilities.

6. The New Lender confirms that it is not a U.S. Lender (and has not entered into a sub-participation agreement with a U.S. Lender in respect of the Commitment to be transferred pursuant hereto).

7. This Transfer Certificate is governed by English law.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[*insert relevant details*]

[*Facility Office address, email, fax number and attention details for notices and account details for payments*,]

[Existing Lender] [New Lender]

By: By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [•].

[Agent]

By:

SCHEDULE 6

FORM OF ACCESSION LETTER

To: [*Agent*]

From: [*Subsidiary*] and [*Company*]

Dated:

Dear Sirs

Cemex – US$9,000,000,000 Acquisition Facilities Agreement dated [•] December 2006 (the "Facilities Agreement")

1. [*Subsidiary*] agrees to become an [*Additional Guarantor/Additional Borrower*]* and to be bound by the terms of the Facilities Agreement and the other Finance Documents as an [*Additional Guarantor/Additional Borrower*]* pursuant to [Clause 26.3 (*Additional Guarantors*) / Clause 26.2 (*Additional Borrowers*)]* of the Facilities Agreement. [*Subsidiary*] is a limited liability company duly incorporated under the laws of [*name of relevant jurisdiction*] with registered number [•].

2. [*Subsidiary's*] administrative details are as follows:

Address:

Fax No.:

Attention:

3. This letter is governed by English law.

4. Terms which are used in this Accession Letter which are not defined in this Accession Letter but are defined in the Facilities Agreement shall have the meaning given to those terms in the Facilities Agreement.

[This Accession Letter is entered into and delivered as a deed.]**

Signed by: ....

[Company] [Subsidiary]

NOTES:

* Delete as appropriate.

** If the Facilities are fully drawn there may be an issue in relation to past consideration for a proposed Additional Obligor. This can be overcome by acceding by way of deed.

SCHEDULE 7

FORM OF COMPLIANCE CERTIFICATE

To: [•] as Agent

From: [*Company*]

Dated:

Dear Sirs

Cemex – US$9,000,000,000 Acquisition Facilities Agreement dated [•] December 2006 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Compliance Certificate. Terms defined in the Facilities Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that:

(a) Pursuant to Clause 22.2 (*Financial condition*) the financial condition of the Group[1] as of [ ] evidenced by the consolidated financial statements for the financial year/two financial half years then ended comply with the following conditions:

(i) Net Borrowings EUR_____ ("**A**")

comprising EUR [Total Borrowings]

EUR [Liquid Investments]

(ii) Adjusted EBITDA

comprising:

EUR [operating profit]

EUR [annual depreciation for fixed assets]

EUR [annual amortisation of intangible assets]

EUR [annual amortisation of start-up costs of the Group]

EUR [dividends received from non-consolidated companies]

EUR [dividends received from companies consolidated by the equity method]

EUR [Cemex Capital Contributions]

[1] To be deemed to include BidCo and its Subsidiaries in the period between the Acquisition of Target Date and the Acquisition of BidCo Date.

EUR [Income for use of CO_2 Emission Rights (if not already included in operating profit)]

EUR [acquired business (i) operating income and (ii) depreciation and amortisation expense]

EUR _____ ("**B**")

A:B to be less than or equal to 3.5:1

(iii) EBITDA EUR _____ ("**B**")

Finance Charges

comprising EUR [interest expenses]

EUR [other expenses]

EUR _____ ("**C**")

B:C to be greater than or equal to 3:1

(b) As at the date of this Certificate the following Subsidiaries of the Group fall within the definition of Material Subsidiaries as set out in Clause 1.1 *(Definitions)*:

(c) As of [*end of Relevant Period*] the Consolidated Total Assets is: EUR [ ].

3. We confirm that no Default is continuing.

Signed: .....

Authorised Signatory

of

Company

[*insert applicable certification language*]

.....

For and on behalf of

[*name of auditors of the Company*]

SCHEDULE 8
TIMETABLES

	Loans in euro or US Dollars	Loans in other currencies
Agent notifies the Company if a currency is approved as an Optional Currency in accordance with Clause 4.5 (*Conditions relating to Optional Currencies*)	-	U-5
Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*)) or Selection Notice (Clause 11 (*Interest Periods*) and 6 (*Optional Currencies*))	U-3 11.00am	U-4 11.00am

Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under paragraph of Clause 5.5 (*Lenders' participation*) and notifies the Lenders of the Loan in accordance with Clause 5.5 (*Lenders' participation*)	U-3 3.00pm	U-4 3.00pm
Agent determines amount of the Loan in Optional Currency in accordance with Clause 6.3 (*Change of currency*)	U-3 3.00pm	U-4 3.00pm
Agent determines amount of the Loan in Optional Currency in accordance with Clause 6.4 (*Same Optional Currency during successive Interest Periods*)	U-3 3.00pm	U-4 3.00pm
Agent receives a notification from a Lender under Clause 6.2 (*Unavailability of a currency*)	U-2 9.30am	U-2 9.30am
Agent gives notice in accordance with Clause 6.2 (*Unavailability of a currency*)	U- 2 10.30am	U- 2 10.30am

Agent determines amount of the Loan in Optional Currency converted into Base Currency in accordance with paragraph (b) of Clause 6.4 (*Same Optional Currency during successive Interest Periods*)	Business Day on which the Agent originally calculated the Base Currency Amount	Business Day on which the Agent originally calculated the Base Currency Amount
LIBOR or EURIBOR is fixed	Quotation Day as of 11:00 a.m. London time in respect of LIBOR and as of 11.00 a.m. Brussels time in respect of EURIBOR	Quotation Day as of 11:00 a.m. London time

"**U**" = date of utilisation

"**U - X**" = X Business Days prior to date of utilisation

SCHEDULE 9

FORM OF LMA CONFIDENTIALITY UNDERTAKING

[Letterhead of Existing Bank]

To:

[*insert name of Potential Lender*]

Re: **The Facilities**

Borrower: Cemex España, S.A: (the "**Company**") Amount: US$9,000,000,000 Agent: The Royal Bank of Scotland plc

[*insert name of Potential Lender*]

Dear Sirs

We understand that you are considering participating in the Facilities. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. *Confidentiality Undertaking* You undertake:

   (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;

   (b) to keep confidential and not disclose to anyone the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facilit[y/ies];

   (c) to use the Confidential Information only for the Permitted Purpose;

   (d) to use all reasonable endeavours to ensure that any person to whom you pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it; and

   (e) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facilities.

2. *Permitted Disclosure* We agree that you may disclose Confidential Information:

   (a) to members of the Participant Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Participant Group;

   (b) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group; or

   (c) with the prior written consent of us and the Company.

3. *Notification of Required or Unauthorised Disclosure* You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 2(b) or upon becoming aware that

Confidential Information has been disclosed in breach of this letter.

4. *Return of Copies* If we so request in writing, you shall return all Confidential Information supplied to you by us and destroy or permanently erase all copies of Confidential Information made by you and use all reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b) above.

5. *Continuing Obligations* The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if you become a party to or otherwise acquire (by assignment or sub-participation) an interest, direct or indirect, in the Facilities or (b) twelve months after you have returned all Confidential Information supplied to you by us and destroyed or permanently erased all copies of Confidential Information made by you (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than sub-paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. *No Representation; Consequences of Breach, etc* You acknowledge and agree that:

(a) neither we, nor any member of the Group, nor any of our or their respective officers, employees or advisers (each a "**Relevant Person**") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect to the Confidential Information or any such information; and

(b) we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. *No Waiver; Amendments, etc* This letter sets out the full extent of your obligations of confidentiality owed to us in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges under this letter. The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

8. *Inside Information* You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose.

9. *No Front Running*

(a) You agree that until primary syndication of the Facility has been completed and allocations released, you will not, and will procure that no other member of the Participation Group will:

(i) undertake any Front Running;

(ii) enter into (or agree to enter into) any agreement with any bank, financial institution or other third party which to your knowledge may be approached to become a syndicate member, under which that bank, financial institution or other third party shares any risk or participates in any exposure of any Lender under the Facility; or

(iii) offer to make any payment or other compensation of any kind to any bank, financial institution or third party for its participation (direct or indirect) in the Facility.

(b) Neither you nor any other member of the Participant Group has engaged in any Front Running:

(i) if you or any other member of the Participant Group engages in any Front Running before the close of primary syndication we may suffer loss or damage and your position in future financings with us and the Company may be prejudiced; and

(ii) if you or any other member of the Participant Group engages in any Front Running before the close of primary syndication we retain the right not to allocate to you a commitment under the Facility.

For the purpose "**Front Running**" means the process of:

(a) communicating with any bank, financial institution or third party which, to its knowledge, may be approached to become a syndicate member with a view of encouraging, or with the result that such bank or financial institution is encouraged, to await the secondary market in respect of participation in the Facility; and/or

(b) actually making a price (generally or to a specific bank, financial institution or third party) in respect of a participation in the Facility.

10. *Nature of Undertakings* The undertakings given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Company and each other member of the Group.

11. *Third party rights*

(a) Subject to paragraph 6 and paragraph 9, the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

(b) The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 11 and the provisions of the Third Parties Act.

(c) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

12. *Governing Law and Jurisdiction* This letter (including the agreement constituted by your acknowledgement of its terms) shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

13. *Definitions* In this letter (including the acknowledgement set out below):

"**Confidential Information**" means any information relating to the Company, the Group, and the Facilities including, without limitation, the Information Memorandum, provided to you by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

"**Group**" means the Company and each of its holding companies and subsidiaries and each subsidiary of each of its holding companies (as each such term is defined in the Companies Act 1985);

"**Participant Group**" means you, each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 1985); and

"**Permitted Purpose**" means considering and evaluating whether to enter into the Facilities.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

.....

For and on behalf of

[Existing Lender]

To: [Existing Lender]

The Company and each other member of the Group

We acknowledge and agree to the above:

.....

For and on behalf of

[Potential New Lender]

SCHEDULE 10
EXISTING SECURITY

Company	Lender	Security	Total Principal Amount of Indebtedness Secured as of 30 September 2006 (millions of euro)
Cemex Inc	Hampton	Land related with the credit	0.13
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	0.08
Cementownia Rudniki,	Société Générale	Leased equipment	3.84

S.A.			
Beton Prêt De L'Est	Société Générale	Leased equipment	9.91
A Beton Viacolor Térkö Rt. / Danubiusbeton Dunántúl Kft.	Raiffeisen Bank	Mortgage	0.01
Cemex, Latvia	Disko Leasing GmbH	Leased Equipment	0.07
Transbeton Lieferbeton	Raiffeisen Bank	Land related with the credit	3.35
Transportbeton Hütten GmbH & Co. KG	Dresdner Bank AG	Land related with the credit	0.07
Quarzsandwerk Wellmersdorf GmbH & Co. KG	Raiffesenbank	Land related with the credit	0.14
Wunder Kies GmbH & Co. KG	Kreissparkasse Schwarzenbek	Land related with the credit	0.55
Betonförderung Nordwest	Hanseatische Leasing	Leased equipment	0.07
Cemex Co, UK	ING	Leased equipment	39.44
Cemex Co, UK	Lloyds TSB	Leased equipment	5.13
TOTAL			62.79

Together with any Security over the assets of the Target Group as at the Acquisition of Target Date.

SCHEDULE 11
EXISTING NOTARISATIONS

Type of Agreement	Borrower/Guarantor	Maturity Date	Total Principal Amount of Indebtedness notarised as of 30 September 2006
Bilateral lines	Cemex España, S.A.	April 2007	EUR 3,005,060.52
TOTAL			EUR 3,005,060.52

SCHEDULE 12
MATERIAL SUBSIDIARIES

1. Cemex, Inc.
2. Cemex Construction Materials LP

3. Cemex UK Operations Limited

4. RMC France SAS

5. Cemex Deutschland AG

SCHEDULE 13

EXISTING FINANCIAL INDEBTEDNESS

As of 30.09.06
Figures in millions of €*

BORROWER	INSTRUMENT	OUTSTANDING AMOUNT	FINAL MATURITY
CEMEX UK	Loan Notes	23.00	June 2005 - December 2009
	SUBTOTAL	**23.00**	
CEMEX, INC.	SBLC T.E. Bonds*	33.98	Dec 2006 - April 2025
	Other debt	10.37	Between 2006 - 2011
	SUBTOTAL	**44.35**	
CEMEX INVESTMENTS LIMITED	Long term debt with credit entities	57.08	Between 2006 - 2017
	Short term debt with credit entities	27.32	
	SUBTOTAL	**84.40**	
GESTIÓN FRANCAZAL ENTERPRISES SAS	Long term debt with credit entities	9.36	Between 2006 - 2013
	Short term debt with credit entities	9.35	
	Other short term debt	5.19	
	Other debt	0.11	
	SUBTOTAL	24.00	
PUERTO RICAN CEMENT COMPANY	Credit Line (US$25mm)	20.29	November 2010
	Credit Line (US$30mm)	23.66	August 2008
	SUBTOTAL	**43.95**	
OTHER COMPANIES	Credit Lines	18.84	
	SUBTOTAL	**18.84**	
	TOTAL DEBT	**238.54**	

Together with the Existing Target Debt.

* Stand by letters of credit over tax-exempt bonds. Maturities shown correspond to these bonds. SBLC renewed on an annual basis.

SIGNATURES

THE COMPANY AND ORIGINAL BORROWER

CEMEX ESPAÑA, S.A.

By: /s/ Javier Garcia

Name: **JAVIER GARCIA**

Address: Calle Hernández de Tejada No. 1
Madrid 28027
Spain

Fax: +34 91 377 6500

Attention: Finance Department - Hector Vela

THE ARRANGER

CITIGROUP GLOBAL MARKETS LIMITED

By: /s/ Paul Gibbs

Name: **PAUL GIBBS**

Address: Citigroup Centre,
33 Canada Square,
Canary Wharf,
London E14 5LB

Fax: + 44 20 7986 8278

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Janin Campos

Name: **JANIN CAMPOS**

Address: 135 Bishopsgate, London, EC2M 3UR

Fax: +44 207 085 5143

Attention: Janin Campos

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: /s/ Jose aria Sagardoy /s/ Natalia Gonzalez

Name: **JOSE MARIA SAGARDOY** **NATALIA GONZALEZ**

Address: Via de los Poblados,
28033 Madrid, Spain*

Fax: +34 91 5370624

Attn: Natalia González and Miguel Castillo

THE AGENT

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Janin Campos

Name: **JANIN CAMPOS**

Address: 135 Bishopsgate, London, EC2M 3UR

Fax: +44 207 085 4564

Attention: Nick Watkins

THE LENDERS

CITIBANK INTERNATIONAL PLC

By: /s/ Mar Turrado

Name: **MAR TURRADO**

Address: Citigroup Centre,
33 Canada Square,
Canary Wharf,
London E14 5LB

Fax: +48 22 692 9940

Attn: Marcin Szostak / Magdalena Ulanowska / Wiola Zareba / Bogdan Danowski

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* Address for notices updated here and overleaf from version signed.

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Janin Campos

Name: **JANIN CAMPOS**

Address: c/ Jose Ortega y Gasset, 7, 28006, Madrid, Spain

Fax: +34 91 43 85 307

Attention: Antonio Casteleiro

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: /s/ Jose Maria Sagardoy /s/ Natalia Gonzalez

Name: **JOSE MARIA SAGARDOY** **NATALIA GONZALEZ**

Address: Via de los Poblados,
28033 Madrid, Spain

Fax: +34 91 5370624

Attn: Natalia González and Miguel Castillo

THE OTHER LENDERS LISTED IN PART II OF SCHEDULE 1 (*THE ORIGINAL PARTIES*) WERE PARTY TO THE SYNDICATION AND AMENDMENT AGREEMENT DATED 21 DECEMBER 2006 REFERRED TO ON THE FRONT COVER:

Exhibit 4.19

EXECUTION COPY

$350,000,000

C5 CAPITAL (SPV) LIMITED
(CEMEX, S.A.B. de C.V.)

6.196% Fixed-to-Floating Rate Callable Perpetual Debentures

Purchase Agreement

December 11, 2006

J.P. Morgan Securities Inc.

As Representative of the
several Initial Purchasers listed
in Schedule 1 hereto
c/o J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

C5 Capital (SPV) Limited, a British Virgin Islands restricted purpose company (the "Issuer"), proposes to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the "Initial Purchasers"), for whom you are acting as representative (the "Representative"), $350,000,000 principal amount of its 6.196% Fixed-to-Floating Rate Callable Perpetual Debentures (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of December 18, 2006 (the "Indenture") among the Issuer and The Bank of New York, as trustee (the "Trustee").

Concurrently with the issuance of the Securities and as part of the transactions (the "Transactions") as described under the heading "The Offering" in the Preliminary Offering Memorandum and the Offering Memorandum (each, as defined below), New Sunward Holding Financial Ventures B.V. (the "Note Issuer"), a private company with limited liability formed under the laws of the Netherlands and a wholly owned indirect subsidiary of CEMEX, S.A.B. de C.V. (the "Company"), will issue dual-currency notes in an aggregate principal amount of $350,000,000 (the "Note") pursuant to an Indenture to be dated as of December 18, 2006 (the "Note Indenture") among the Note Issuer, the Company, New Sunward Holding B.V. ("New Sunward") and CEMEX México S.A. de C.V. ("CEMEX México" and, together with the Company and New Sunward, the "Note Guarantors") and The Bank of New York, as trustee (the "Note Trustee"), to the Issuer. The obligations of the Note Issuer under the Note will be jointly and severally guaranteed by the Note Guarantors. The Issuer will enter into the swap transactions as described under the heading "Description of the Extinguishable

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Swaps" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Swap"; the Extinguishable Coupon Swap Agreement (as defined in the Preliminary Offering Memorandum) is referred to herein as the "Swap Agreements") with Swap 5 Capital (SPV) Limited, a British Virgin Islands restricted purpose company ("SwapCo"). The Securities will be secured by a first-priority security interest in (x) the Issuer's rights and obligations under the Note and the Extinguishable Coupon Swap Agreement and (y) a cash account in the name of the Issuer held with the Trustee, into which the proceeds of the Note and the Swap shall be deposited prior to the distribution to SwapCo or holders of the Securities (collectively, the "Pledge" and the documents necessary to effect the Pledge, the "Pledge Agreements"). The Note Issuer will also enter into a Conversion Payment Undertaking with the Issuer as described under the heading "Description of the Dual-Currency Notes and the Note Indenture—Conversion Payment Undertaking" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Conversion Payment Undertaking"), which will be fully and unconditionally guaranteed by the Note Guarantors on a joint and several basis.

For purposes of this Agreement:

"Additional Transaction Documents" means the Note, the Note Indenture (including the

guarantees by the Note Guarantors), the Contingent Payment Undertaking, the Pledge Agreements and the Swap Agreements.

"CEMEX Transaction Parties" means the Company, the Note Issuer, New Sunward and CEMEX México.

"Transaction Documents" means this Agreement, the Securities, the Indenture and the Additional Transaction Documents.

The Securities will be sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The CEMEX Transaction Parties and the Issuer have prepared a preliminary offering memorandum dated December 4, 2006 and an offering memorandum supplement dated December 8, 2006 (such preliminary offering memorandum, as supplemented by such offering memorandum supplement, being hereinafter referred to as the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the CEMEX Transaction Parties, the Issuer and the Transactions. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company to the Initial Purchasers pursuant to the terms of this Agreement. Each of the CEMEX Transaction Parties and the Issuer hereby confirms that it has authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Preliminary Offering Memorandum. References herein to the Preliminary Offering

Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the following information shall have been prepared (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the CEMEX Transaction Parties and the Issuer each hereby confirms its agreement with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) The Issuer agrees to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Issuer the respective principal amount of Securities set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 100% of the principal amount thereof plus accrued interest, if any, from December 18, 2006 to the Closing Date. The Issuer will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein. As compensation, the Company will pay to the Representative on behalf of the Initial Purchasers an underwriting commission of 0.30% (the "Underwriting Commission") of the aggregate principal amount of the Securities purchased by the Initial Purchasers on the Closing Date as commissions for the sale of the Securities under this Agreement. In addition, the Company will pay to J.P. Morgan Securities Inc. a structuring fee agreed to in the letter dated December 11, 2006 as compensation for your role as the sole structuring advisor for the Transactions (the "Structuring Fee"). Such payments will be made on the Closing Date.

(b) The Company and the Issuer each understands that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a "QIB"), an accredited investor within the meaning of Rule 501(a) under the Securities Act and a Qualified Purchaser (as defined below);

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(A) within the United States to persons whom it reasonably believes to be both QIBs and qualified purchasers ("Qualified Purchasers") as defined in the Investment Company Act of 1940, as amended, and the rules and regulations of the Securities Exchange Commission (the "Commission") thereunder (the "Investment Company Act") in transactions pursuant to Rule 144A under the Securities Act ("Rule 144A") and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(B) in accordance with the restrictions set forth in Annex C hereto.

(c) Each Initial Purchaser acknowledges and agrees that each of the CEMEX Transaction Parties, the Issuer and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 6(f) through 6(k), the counsels for each of the CEMEX Transaction Parties, the Issuer and the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto), and each Initial Purchaser hereby consents to such reliance.

(d) The Company and the Issuer each acknowledges and agrees that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser.

(e) Each of the CEMEX Transaction Parties and the Issuer acknowledges and agrees that each of the Initial Purchasers is acting solely in the capacity of an arm's length contractual counterparty to the CEMEX Transaction Parties and the Issuer with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as financial advisors or fiduciaries to, or agents of, any CEMEX Transaction Party or the Issuer or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the CEMEX Transaction Parties, the Issuer or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The CEMEX Transaction Parties and the Issuer shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representative nor any other the Initial Purchaser shall have any responsibility or liability to any CEMEX Transaction Party or the Issuer with respect thereto. Any review by the Representative or any Initial Purchaser of the CEMEX Transaction

Parties, the Issuer and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the CEMEX Transaction Parties, the Issuer or any other person.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Sullivan & Cromwell LLP at 10:00 A.M., New York City time, on December 18, 2006, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representative and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date".

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Company to the Representative against delivery to the nominee of The Depository Trust Company ("DTC"), for the account of the Initial Purchasers, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Representative not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Company and the Issuer. The CEMEX Transaction Parties and the Issuer jointly and severally represent and warrant to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum*. The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, in the form first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the CEMEX Transaction Parties and the Issuer make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the CEMEX Transaction Parties or the Issuer in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum.

(b) *Additional Written Communications*. The Company and the Issuer (including their agents and representatives, other than the Initial Purchasers in their capacity as such) have not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any written communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company, the Issuer or their agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an "Issuer Written Communication") other than (i) the Preliminary Offering

Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c). Each such Issuer Written Communication, when taken together with the Time of Sale Information, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Company and the Issuer make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents*. The documents incorporated by reference in each of the Time of Sale Information and the Offering Memorandum, when filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *Financial Statements*. The financial statements and the related notes thereto included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly the financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and the changes in their financial position and stockholders' equity for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles in Mexico applied on a consistent basis throughout the periods covered thereby; the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (other than any financial information with respect to Rinker Group Ltd. ("Rinker")) has been derived from the accounting records of the Company and its subsidiaries and presents fairly the information shown thereby; the financial information included in each of the Time of Sale Information and the Offering Memorandum with respect to Rinker has been derived from Rinker's publicly filed financial information, and the Company has no reason to believe such information is not materially accurate.

(e) *No Material Adverse Change*. Since the date of the most recent financial statements of the Company and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (i) there has not been (A) any change in the capital stock of any CEMEX Transaction Party, (B) any material change in the capital stock of any subsidiary of the Company that is a "material subsidiary" as defined under Rule 1-02 of Regulation S-X of the Securities Act ("Material Subsidiary") but is not a CEMEX Transaction Party, (C) any material increase in the consolidated long-term debt of the Company and its subsidiaries, (D) any dividend or distribution of any

kind declared, set aside for payment, paid or

made by the Company, New Sunward or CEMEX México on any class of its capital stock, or (E) any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, properties, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Time of Sale Information.

(f) *Organization and Good Standing*. The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on (A) the general affairs, business, properties, management, financial position, or results of operations of the Company and its subsidiaries taken as a whole or (B) on the performance by the Issuer of its obligations under the Securities (a "Material Adverse Effect"). The Issuer has been duly organized and is validly existing and in good standing under the laws of the British Virgin Islands.

(g) *Capitalization*. The Company has an authorized capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading "Capitalization"; all the outstanding shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and, except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party; and all the outstanding shares of capital stock of the Issuer have been duly and validly authorized and issued, are fully paid and non-assessable and are held in trust for charitable purposes by or on behalf of C5 Capital Trust, free of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(h) *Due Authorization*. The Issuer has full right, power and authority to execute and deliver this Agreement, the Securities, the Indenture and to perform its obligations thereunder; each of the CEMEX Transaction Parties and the Issuer has full

right, power and authority to execute and deliver the Transaction Documents to which it is a party and to perform their respective obligations thereunder.

(i) *The Indenture*. The Indenture has been duly authorized by the Issuer and, when duly executed and delivered in accordance with its terms by the Trustee, will constitute a valid and legally binding agreement of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (collectively, the "Enforceability Exceptions").

(j) *The Securities*. The Securities have been duly authorized by the Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement*. This Agreement has been duly authorized, executed and delivered

by each of the CEMEX Transaction Parties and the Issuer.

(l) *Additional Transaction Documents*. Each of the Additional Transaction Documents has been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties which are a party thereto and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, will constitute a valid and legally binding agreement of the Issuer and such CEMEX Transaction Parties enforceable against the Issuer and such CEMEX Transaction Parties, as applicable, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Descriptions of the Transaction Documents*. Each Transaction Document conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum.

(n) *No Violation or Default*. (i) No CEMEX Transaction Party nor the Issuer is in violation of its charter or by-laws or similar organizational documents; (ii) neither the Company nor any of its subsidiaries nor the Issuer is (A) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, any of its subsidiaries or the Issuer is a party or by which the Company, any of its subsidiaries or the Issuer is bound or to which any of the property or assets of the Company, any of its subsidiaries or the Issuer is subject, or (B) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (A) and (B) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(o) *No Conflicts*. The execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities by the Issuer and compliance by the Issuer and the CEMEX Transaction Parties with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, any of its subsidiaries or the Issuer (collectively, the "Entities") pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any Entity is a party or by which any Entity is bound or to which any of the property or assets of any Entity is subject, (ii) result in any violation of the provisions of the *Estatutos Sociales* or the charter or by-laws or similar organizational documents of the Issuer or any of the CEMEX Transaction Parties or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(p) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities and compliance by the Issuer with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for (i) such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws in connection with the purchase and resale of the Securities by the Initial Purchasers and (ii) such as may be required for the listing of the Securities on the Exchange (as defined below).

(q) *Legal Proceedings*. Except as described in each of the Time of Sale Information and the Offering Memorandum, (i) there are no legal, governmental or regulatory actions, suits or proceedings pending and (ii) the Company, its subsidiaries and the Issuer have not been notified of any legal, governmental or regulatory investigations, in each case to which the Company, any of its subsidiaries or the Issuer is a party or to which any property of the Company, any of its subsidiaries or the Issuer is the subject that, individually or in the aggregate, if determined adversely to the Company, any of its subsidiaries or the Issuer, could reasonably be expected to have a Material Adverse Effect; and to the best knowledge of the Company, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or by others.

(r) *Independent Accountants*. KPMG Cárdenas Dosal, S.C., who have certified certain financial statements of the Company and its subsidiaries and whose reports appear in the Time of Sale Information and the Offering Memorandum are independent public accountants with respect to the

within the meaning of the published rules and regulations of the Mexican Institute of Public Accountants, which are substantially the same as those contemplated by Rule 10A of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

(s) *Title to Real and Personal Property*. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries, (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or (iii) are described in each of the Time of Sale Information and the Offering Memorandum.

(t) *Investment Company Act*. Assuming the accuracy of the representations, warranties, covenants and agreements of the Initial Purchasers contained in this Agreement, (i) neither the Company nor any of its subsidiaries is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act, and (ii) the Issuer is not making a "public offering" of the Securities for purposes of Section 7(d) of the Investment Company Act.

(u) *Taxes*. Except as disclosed in the Time of Sale Information and the Offering Memorandum, the Company and its Material Subsidiaries have paid all material federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, (i) there is no material tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets and (ii) there is no tax, levy, deduction, charge or withholding imposed by the British Virgin Islands, Mexico or any political subdivision thereof on the Issuer or any CEMEX Transaction Party either (A) on or by virtue of the execution, delivery or enforcement of the Transaction Documents, or (B) on any payment of principal, interest or other amounts under or in respect of the Securities.

(v) *Licenses and Permits*. The Company, each of its subsidiaries and the Issuer possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in each of the Time of Sale Information and the Offering Memorandum, neither the Company, nor

any of its subsidiaries nor the Issuer has received notice of any revocation or modification of any such license, certificate, permit or authorization.

(w) *Compliance With Environmental Laws*. (i) The Company and its subsidiaries (x) are, and at all prior times were, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (z) have not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to

receive required permits, licenses or approvals, or cost or liability, as would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) except as described in each of the Time of Sale Information and the Offering Memorandum, (x) there are no proceedings that are pending, or that are known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, (y) the Company and its subsidiaries are not aware of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, and (z) none of the Company and its subsidiaries anticipates material capital expenditures relating to any Environmental Laws, except in the case of each of (x), (y) and (z) above, for such proceedings, issues, liabilities, obligations or expenditures as would not, individually or in the aggregate, have a Material Adverse Effect.

(x) *Disclosure Controls*. The Company and its subsidiaries, taken as a whole, maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act). The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(y) *Accounting Controls*. The Company and its subsidiaries, taken as a whole, maintain an internal control system that provides reasonable assurance that material errors or irregularities will be prevented or detected within a timely period in the normal course of business. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with

management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) *No Unlawful Payments*. Neither the Company nor any of its subsidiaries nor the Borrower nor, to the best knowledge of the Note Guarantors or the Borrower, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(aa) *Compliance with Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of the United States of America, Mexico, the Netherlands and the British Virgin Islands, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(bb) *Compliance with OFAC*. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"); and the Company and its subsidiaries will not directly or indirectly use any proceeds received by the Note Issuer from the issuance of the Note or the Issuer from the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(cc) *Solvency*. On and immediately after the Closing Date, each of the CEMEX Transaction Parties and the Issuer (after giving effect to the issuance of the Securities and the other Transactions as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i)

the present fair market value (or present fair saleable value) of the assets of each CEMEX Transaction Party and the Issuer is not less than the total amount required to pay the respective liabilities of each CEMEX Transaction Party and the Issuer on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) each CEMEX Transaction Party and the Issuer is able to realize upon

its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of (A) the issuance of the Securities as contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum and (B) the issuance of the Note and the other Transactions as contemplated by the Time of Sale Information and the Offering Memorandum, no CEMEX Transaction Party or the Issuer is incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) no CEMEX Transaction Party or the Issuer is engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such entity is engaged; and (v) neither any CEMEX Transaction Party nor the Issuer is a defendant in any civil action that would result in a judgment that any CEMEX Transaction Party or the Issuer is or would become unable to satisfy.

(dd) *No Restrictions on Subsidiaries*. No subsidiary of the Company is currently prohibited directly under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(ee) *No Broker's Fees*. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Initial Purchaser for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(ff) *Rule 144A Eligibility*. On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system.

(gg) *No Integration*. Neither the Company, the Issuer, the Note Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities or the Note in a manner that would require registration of the Securities under the Securities Act.

(hh) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer, the Note Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities or the Note by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering

within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(ii) *Securities Law Exemptions*. Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex C hereto) and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act or to qualify the Indenture under Trust Indenture Act.

(jj) *No Stabilization*. Neither the Company nor any of its subsidiaries has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(kk) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ll) *Statistical and Market Data*. Nothing has come to the attention of the Company that has caused the Company to believe that the statistical, industry and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(mm) *Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

4. Further Agreements of the Company and the Issuer. Each CEMEX Transaction Party and the Issuer jointly and severally covenant and agree with each Initial Purchaser that:

(a) *Delivery of Copies*. The Company will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements*. Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Company will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Representative reasonably objects. If an amendment or supplement to the Offering Memorandum contains amendments or additions to the audited financial statements included in the Offering Memorandum, copies of the Offering Memorandum provided to the Initial Purchasers shall contain a report or reports signed by the independent registered public accountants with respect to such audited financial statements contained therein.

(c) *Additional Written Communications*. Before making, preparing, using, authorizing, approving or referring to any Issuer Written Communication, the Company and the Issuer will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative*. The Company and the Issuer will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser, not misleading; and (iii) of the receipt by the Company or the Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company and the Issuer will use their reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the

withdrawal thereof.

(e) *Time of Sale Information*. If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the

statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Company and the Issuer will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum*. If at any time prior to the earlier of (i) the completion of the initial offering of the Securities and (ii) nine months after the date of the Offering Memorandum (A) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, not misleading or (B) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Company will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in the Offering Memorandum as so amended or supplemented (including such document to be incorporated by reference therein) will not, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, be misleading or so that the Offering Memorandum will comply with law.

(g) *Blue Sky Compliance*. The Company and the Issuer will qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representative shall reasonably request and will continue such qualifications in effect so long as required for the offering and resale of the Securities; *provided* that neither the Company nor the Issuer shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(h) *Clear Market*. During the period from the date hereof through and including the Closing Date, each Note Guarantor, the Issuer and their respective affiliates will not, without the prior written consent of the Representative, offer, sell, contract to sell or otherwise dispose of in the international bond market any debt securities issued or guaranteed by any Note Guarantor, the Issuer or any of their respective affiliates and having a tenor of more than one year. For the avoidance of doubt, the Company and its affiliates may at any time offer, sell, contract to sell or

otherwise dispose of certificados bursatiles in the local Mexican market and enter into receivables securitization transactions.

(i) *Use of Proceeds*. The Company, the Issuer and the Note Issuer will apply the proceeds from the sale of the Securities and the Note as described in each of the Time of Sale Information and the Offering Memorandum under the heading "Use of Proceeds."

(j) *Supplying Information*. While the Securities remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company and the Issuer will, during any period in which the Company is not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the

information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(k) *DTC*. The Company and the Issuer will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through DTC and its participants, including Euroclear and Clearstream.

(l) *No Resales by the Company or the Issuer*. The Company and the Issuer will not, and will not permit any of their respective affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by the Company, the Issuer or any of their respective affiliates and resold (i) in a transaction registered under the Securities Act or (ii) in a transaction exempt from the registration requirements under the Securities Act if such transaction does not cause the holding periods under Rule 144 under the Securities Act to be extended for other holders of Securities.

(m) *No Integration*. Neither the Company, nor the Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *Compliance with Securities Laws*. Neither the Issuer, nor the Company nor any of its subsidiaries or other affiliates has taken or will take, directly or indirectly, any action which would constitute a breach or a violation of any applicable provisions of the Act or the Exchange Act and the rules and regulations promulgated thereunder or any other securities laws of the United States in connection with the offering, sale or distribution of the Securities in the manner provided by this Agreement.

(p) *No Stabilization*. The Company, New Sunward, CEMEX México and their respective affiliates will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities in violation of the laws of the United States, Mexico and the British Virgin Islands.

(q) *Exchange Listing*. The Company and the Issuer will use their reasonable best efforts to list the Securities on the Irish Stock Exchange Limited (the "Exchange").

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Initial Purchaser and approved by the Company in advance in writing or (v) any written communication relating to or that contains the terms of the Securities and/or other information that was included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum.

6. Conditions of Initial Purchasers' Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by the CEMEX Transaction Parties and the Issuer of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties*. The representations and warranties of the CEMEX Transaction Parties and the Issuer contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the CEMEX Transaction Parties and the Issuer and

their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade*. Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded to the Securities or any other debt securities or

preferred stock issued or guaranteed by the Company or any of its subsidiaries by Standard and Poor's, a division of McGraw-Hill Companies, or Fitch Ratings, Ltd.; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change*. No event or condition of a type described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto) the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate*. The Representative shall have received on and as of the Closing Date a certificate of an executive officer of the Company who has specific knowledge of each of the Company's, New Sunward's, CEMEX México's and the Note Issuer's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the best knowledge of such officer, the representations set forth in Sections 3(a) and 3(b) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer in this Agreement are true and correct and that the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters*. On the date of this Agreement and on the Closing Date, KPMG Cárdenas Dosal, S.C. shall have furnished to the Representative, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; *provided* that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinions and 10b-5 Statement of Counsel for the Company and the Issuer*. Skadden, Arps, Slate, Meagher & Flom LLP, special U.S. counsel for the Company and the Issuer, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinions and 10b-5 statement, dated the

Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(g) *Opinion of British Virgin Islands Counsel for the Company and the Issuer*. W. Smiths, British Virgin Islands counsel for the Company and the Issuer, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(h) *Opinion and 10b-5 Statement of General Counsel for the Company*. Lic. Ramiro G.

Villarreal Morales, General Counsel for the Company, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinion and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(i) *Opinion of Dutch Counsel for the Company*. Warendorf, Dutch counsel for the Company, shall have furnished to the Representative, at the request of the Company, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(j) *Opinion and 10b-5 Statement of U.S. Counsel for the Initial Purchasers* . The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Sullivan & Cromwell LLP, counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(k) *Opinion and 10b-5 Statement of Mexican Counsel for the Initial Purchasers* . The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Ritch Mueller S.C., Mexican counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(l) *No Legal Impediment to Issuance*. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note.

(m) *Good Standing*. The Representative shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Issuer, the Note Issuer, and New Sunward in their respective jurisdictions of organization, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(n) *Additional Transaction Documents; Transactions*. On the Closing Date, the Additional Transaction Documents shall have been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties, as applicable, and the Transactions shall have been consummated in a manner consistent in all material respects with the description thereof in the Time of Sale Information and otherwise reasonably acceptable to the Representative.

(o) *DTC*. The Securities shall be eligible for clearance and settlement through DTC.

(p) *Additional Documents*. On or prior to the Closing Date, the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

(q) *Exchange Listing*. Application shall have been made to list the Securities on the Exchange.

(r) *Payment of Fees*. The Representative shall have received the Underwriting Commission on behalf of the Initial Purchasers. J.P. Morgan Securities Inc. shall have received the Structuring Fee.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

7. Indemnification and Contribution.

(a) *Indemnification of the Initial Purchasers*. The Issuer and each Note Guarantor jointly and severally agree to indemnify and hold harmless each Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims,

damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser

furnished to the Issuer or any of the Note Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use therein.

(b) *Indemnification of the Company and the Issuer*. Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Issuer, each Note Guarantor, each of their respective directors and officers and each person, if any, who controls the Issuer and each Note Guarantor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the final paragraph on the front cover page regarding delivery of the Securities; the first full paragraph on page ii regarding stabilization or over-allotment by the Initial Purchasers; the third, fifth, seventh, thirteenth, fourteenth, fifteenth and sixteenth paragraphs; and the subsection regarding Japan in the section entitled “Plan of Distribution.”

(c) *Notice and Procedures*. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 7. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal

defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to

any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc. and any such separate firm for the Issuer, the Note Guarantors, their respective directors and officers and any control persons of the Issuer and the Note Guarantors shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution*. If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other in connection with the statements or omissions

that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuer from the sale of the Securities and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Note Guarantors and the Issuer or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability*. The Note Guarantors, the Issuer and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies*. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been

declared by U.S. federal, New York State or Mexican authorities; (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum; (v) a change or development involving a prospective change in Mexican taxation affecting the Company, the Securities or the transfer thereof that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum or the imposition of exchange controls by Mexico; or (vi) the occurrence of any change, or any development involving a prospective change, in or affecting the existing financial, political, economic or other conditions in, or the foreign exchange of, the United States, Mexico, the British Virgin Islands or the Netherlands which, in the judgment of the Representative, would materially and adversely affect the financial markets or the market for the Securities or other debt securities or materially impair the ability of the Initial Purchasers to purchase, hold or effect resales of the Securities on the terms and in the manner contemplated by this Agreement, Time of Sale Information and the Offering Memorandum.

9. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Company may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term “Initial Purchaser” includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the

aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Company shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder) of the Securities of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Company, the Issuer or any non-defaulting Initial Purchaser for damages caused by its default.

10. Payment of Expenses. Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company and the Issuer jointly and severally agree to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's and the Issuer's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related reasonable fees and expenses of counsel for the Initial Purchaser); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by DTC, Euroclear and Clearstream; (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; (x) all expenses

and application fees related to the listing of the Securities on the Exchange; (xi) the costs incident to the creation of the Issuer, the Note Issuer and SwapCo and the structuring and execution of the Swap; and (xii) all out-of-pocket costs and expenses (including the reasonable fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of each CEMEX Transaction Party, the Issuer and the Initial Purchasers contained in this Agreement or made by or on behalf of each CEMEX Transaction Party, the Issuer or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of any CEMEX Transaction Party, the Issuer or the Initial Purchasers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended; (d) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; and (e) the term "written communication" has the meaning set forth in Rule 405 under the Securities Act.

14. Exchange Rates Fluctuations. In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the "judgment currency") other than

United States dollars, the Company and the Issuer, jointly and severally, will indemnify each Initial Purchaser or other person to whom such amount is due against any loss incurred by such Initial Purchaser or other person, as the case may be, as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which the judgment currency actually received by such Initial Purchaser or other person, as the case may be, is able to purchase United States dollars with the amount of the judgment currency actually received by such Initial Purchaser or other person, as the case may be. The foregoing indemnity shall constitute a separate and independent obligation of each of the Company and the Issuer and shall continue in

full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into United States dollars.

15. Submission to Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any state or federal court in The City of New York and in the respective courts of each party's own corporate domicile with respect to actions brought against it, irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding in any state or federal court in The City of New York and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. Each CEMEX Transaction Party and the Issuer hereby appoints CEMEX NY Corporation, the Company's New York subsidiary, as its authorized agent (the "Authorized Agent") upon whom process may be served in any such action arising out of or based on this Agreement or the transactions contemplated hereby which may be instituted in any state or federal court in The City of New York by any Initial Purchaser or by any person who controls any of the Initial Purchasers, expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and designates its domicile, the domicile of CEMEX NY Corporation specified above and any domicile that CEMEX NY Corporation may have in the future as its domicile to receive any notice hereunder (including service of process). Such appointment shall be irrevocable. If for any reason CEMEX NY Corporation (or any successor agent for this purpose) shall cease to act as agent for service of process as provided above, each CEMEX Transaction Party and the Issuer will promptly appoint a successor agent for this purpose reasonably acceptable to you and shall grant thereto notarial powers-of-attorney for lawsuits and collections. Each CEMEX Transaction Party and the Issuer represent and warrant that the Authorized Agent has agreed to act as said agent for service of process, and each CEMEX Transaction Party and the Issuer agree to take any and all action, including the filing of any and all documents and instruments in full force and effect, as aforesaid. Service of process upon the Authorized Agent and written notice of such service to any CEMEX Transaction Party or the Issuer shall be deemed, in every respect, effective service of process upon any CEMEX Transaction Party or the Issuer, respectively.

16. Miscellaneous. (a) *Authority of the Representative*. Any action by the Initial Purchasers hereunder may be taken by J.P. Morgan Securities Inc. on behalf of the Initial Purchasers, and any such action taken by J.P. Morgan Securities Inc. shall be binding upon the Initial Purchasers.

(b) *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Representative c/o J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017 (fax: (212) 834-6618); Attention: Latin America New Issues. Notices to the CEMEX Transaction Parties and the Issuer shall

be given to them at c/o CEMEX, S.A.B. de C.V. Av. Ricardo Magáin, Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo Léon, México 66265 (fax: +011-5281-8888-4417); Attention: General Counsel. Notices to CEMEX NY Corporation shall be given to them at CEMEX NY Corporation, 590 Madison Ave., 41st floor, New York, New York 10022 (fax: (212) 317-6047); Attention: General Counsel.

(c) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Counterparts*. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

17. *Determination of Multipliers*. The Note Issuer has requested that JPMorgan Chase Bank, N.A. ("JPMCB") delay the determination of the multipliers to be included in the Note, the Note Indenture and the Offering Memorandum with respect to the Yen Rate (as defined in the Preliminary Offering Memorandum) of the Note in order to increase the likelihood of optimal pricing of the Note for the Note Issuer. JPMCB shall determine such multipliers in its discretion, in consultation with the Note Issuer, prior to the close of business New York City time on Wednesday, December 13, 2006, based on market pricing for JPMCB's hedging activities relating to Extinguishable Cross-Currency Swap (as defined in the Preliminary Offering Memorandum). The Note Issuer agrees that the multipliers determined by JPMCB shall be binding on the Note Issuer regardless of their amount and acknowledges that it understands, and has agreed to bear, the market risks relating to the determination of these multipliers.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

C5 CAPITAL (SPV) LIMITED

By /s/ Michael Fay
Name: Michael Fay
Title: Authorised Signatory for Atlantic Managers Ltd,
Director

CEMEX, S.A.B. de C.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

CEMEX MÉXICO S.A. de C.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

NEW SUNWARD HOLDING B.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

NEW SUNWARD HOLDING FINANCIAL VENTURES B.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

Accepted: December 11, 2006

J.P. MORGAN SECURITIES INC.

For itself and on behalf of the
several Initial Purchasers listed
in Schedule 1 hereto.

By /s/ Wendi G. Royal

Name: Wendi G. Royal
Title: Vice President

Schedule 1

Initial Purchaser	Principal Amount
J.P. Morgan Securities Inc.	$221,667,000
Barclays Capital	110,833,000
Calyon Securities (USA) Inc.	8,750,000
Banc of America Securities LLC	8,750,000
Total	$350,000,000

ANNEX A

a. Additional Time of Sale Information

1. The offering memorandum supplement dated December 8, 2006, which is attached as Annex B-1.

2. Term sheet containing the terms of the securities, substantially in the form of Annex B-2.

ANNEX B-1

C5 CAPITAL (SPV) LIMITED

Offering Memorandum Supplement

See attached.

ANNEX B-2

C5 CAPITAL (SPV) LIMITED

Pricing Term Sheet

See attached.

ANNEX C

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S under the Securities Act ("Regulation S") or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchase Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(iv) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuer.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and

(iii) it will not offer or sell any Securities in the Republic of Italy or Japan unless it complies with the applicable laws and regulations in these jurisdictions as described in the Preliminary Offering Memorandum under the heading, "Plan of Distribution."

(d) Each Initial Purchaser acknowledges that no action has been or will be taken by the Company that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that

purpose is required.

Exhibit 4.20

EXECUTION COPY

$900,000,000

C10 CAPITAL (SPV) LIMITED
(CEMEX, S.A.B. de C.V.)

6.722% Fixed-to-Floating Rate Callable Perpetual Debentures

Purchase Agreement

December 11, 2006

J.P. Morgan Securities Inc.

As Representative of the
several Initial Purchasers listed
in Schedule 1 hereto
c/o J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

C10 Capital (SPV) Limited, a British Virgin Islands restricted purpose company (the "Issuer"), proposes to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the "Initial Purchasers"), for whom you are acting as representative (the "Representative"), $900,000,000 principal amount of its 6.722% Fixed-to-Floating Rate Callable Perpetual Debentures (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of December 18, 2006 (the "Indenture") among the Issuer and The Bank of New York, as trustee (the "Trustee").

Concurrently with the issuance of the Securities and as part of the transactions (the "Transactions") as described under the heading "The Offering" in the Preliminary Offering Memorandum and the Offering Memorandum (each, as defined below), New Sunward Holding Financial Ventures B.V. (the "Note Issuer"), a private company with limited liability formed under the laws of the Netherlands and a wholly owned indirect subsidiary of CEMEX, S.A.B. de C.V. (the "Company"), will issue dual-currency notes in an aggregate principal amount of $900,000,000 (the "Note") pursuant to an Indenture to be dated as of December 18, 2006 (the "Note Indenture") among the Note Issuer, the Company, New Sunward Holding B.V. ("New Sunward") and CEMEX México S.A. de C.V. ("CEMEX México" and, together with the Company and New Sunward, the "Note Guarantors") and The Bank of New York, as trustee (the "Note Trustee"), to the Issuer. The obligations of the Note Issuer under the Note will be jointly and severally guaranteed by the Note Guarantors. The Issuer will enter into the

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swap transactions as described under the heading "Description of the Extinguishable Swaps" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Swap" the Extinguishable Coupon Swap Agreement (as defined in the Preliminary Offering Memorandum) is referred to herein as the "Swap Agreements") with Swap 10 Capital (SPV) Limited, a British Virgin Islands restricted purpose company ("SwapCo"). The Securities will be secured by a first-priority security interest in (x) the Issuer's rights and obligations under the Note and the Extinguishable Coupon Swap Agreement and (y) a cash account in the name of the Issuer held with the Trustee, into which the proceeds of the Note and the Swap shall be deposited prior to the distribution to SwapCo or holders of the Securities (collectively, the "Pledge" and the documents necessary to effect the Pledge, the "Pledge Agreements"). The Note Issuer will also enter into a Conversion Payment Undertaking with the Issuer as described under the heading "Description of the Dual-Currency Notes and the Note Indenture—Conversion Payment Undertaking" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Conversion Payment Undertaking"), which will be fully and unconditionally guaranteed by the Note Guarantors on a joint and several basis.

For purposes of this Agreement:

"Additional Transaction Documents" means the Note, the Note Indenture (including the guarantees by the Note Guarantors), the Contingent Payment Undertaking, the Pledge Agreements and the Swap Agreements.

"CEMEX Transaction Parties" means the Company, the Note Issuer, New Sunward and CEMEX México.

"Transaction Documents" means this Agreement, the Securities, the Indenture and the Additional Transaction Documents.

The Securities will be sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The CEMEX Transaction Parties and the Issuer have prepared a preliminary offering memorandum dated December 4, 2006 and an offering memorandum supplement dated December 8, 2006 (such preliminary offering memorandum, as supplemented by such offering memorandum supplement, being hereinafter referred to as the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the CEMEX Transaction Parties, the Issuer and the Transactions. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company to the Initial Purchasers pursuant to the terms of this Agreement. Each of the CEMEX Transaction Parties and the Issuer hereby confirms that it has authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized

terms used but not defined herein shall have the meanings given to such terms in the Preliminary Offering Memorandum. References herein to the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the following information shall have been prepared (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the CEMEX Transaction Parties and the Issuer each hereby confirms its agreement with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) The Issuer agrees to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Issuer the respective principal amount of Securities set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 100% of the principal amount thereof plus accrued interest, if any, from December 18, 2006 to the Closing Date. The Issuer will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein. As compensation, the Company will pay to the Representative on behalf of the Initial Purchasers an underwriting commission of 0.40% (the "Underwriting Commission") of the aggregate principal amount of the Securities purchased by the Initial Purchasers on the Closing Date as commissions for the sale of the Securities under this Agreement. In addition, the Company will pay to J.P. Morgan Securities Inc. a structuring fee agreed to in the letter dated December 11, 2006 as compensation for your role as the sole structuring advisor for the Transactions (the "Structuring Fee"). Such payments will be made on the Closing Date.

(b) The Company and the Issuer each understands that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the

Securities Act (a "QIB"), an accredited investor within the meaning of Rule 501(a) under the Securities Act and a Qualified Purchaser (as defined below);

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in

any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(A) within the United States to persons whom it reasonably believes to be both QIBs and qualified purchasers ("Qualified Purchasers") as defined in the Investment Company Act of 1940, as amended, and the rules and regulations of the Securities Exchange Commission (the "Commission") thereunder (the "Investment Company Act") in transactions pursuant to Rule 144A under the Securities Act ("Rule 144A") and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(B) in accordance with the restrictions set forth in Annex C hereto.

(c) Each Initial Purchaser acknowledges and agrees that each of the CEMEX Transaction Parties, the Issuer and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 6(f) through 6(k), the counsels for each of the CEMEX Transaction Parties, the Issuer and the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto), and each Initial Purchaser hereby consents to such reliance.

(d) The Company and the Issuer each acknowledges and agrees that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser.

(e) Each of the CEMEX Transaction Parties and the Issuer acknowledges and agrees that each of the Initial Purchasers is acting solely in the capacity of an arm's length contractual counterparty to the CEMEX Transaction Parties and the Issuer with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as financial advisors or fiduciaries to, or agents of, any CEMEX Transaction Party or the Issuer or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the CEMEX Transaction Parties, the Issuer or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The CEMEX Transaction Parties and the Issuer shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the

Representative nor any other the Initial Purchaser shall have any responsibility or liability to any CEMEX Transaction Party or the Issuer with respect thereto. Any review by the Representative or any Initial Purchaser of the CEMEX Transaction Parties, the Issuer and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the CEMEX Transaction Parties, the Issuer or any other person.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Sullivan & Cromwell LLP at 10:00 A.M., New York City time, on December 18, 2006, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representative and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date".

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Company to the Representative against delivery to the nominee of The Depository Trust Company ("DTC"), for the account of the Initial Purchasers, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Representative not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Company and the Issuer. The CEMEX Transaction Parties and the Issuer jointly and severally represent and warrant to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum*. The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, in the form first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the CEMEX Transaction Parties and the Issuer make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the CEMEX Transaction Parties or the Issuer in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum.

(b) *Additional Written Communications*. The Company and the Issuer (including their agents and representatives, other than the Initial Purchasers in their capacity as such) have not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any written

communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company, the Issuer or their agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an "Issuer Written Communication") other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c). Each such Issuer Written Communication, when taken together with the Time of Sale Information, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Company and the Issuer make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents*. The documents incorporated by reference in each of the Time

of Sale Information and the Offering Memorandum, when filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *Financial Statements*. The financial statements and the related notes thereto included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly the financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and the changes in their financial position and stockholders' equity for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles in Mexico applied on a consistent basis throughout the periods covered thereby; the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (other than any financial information with respect to Rinker Group Ltd. ("Rinker")) has been derived from the accounting records of the Company and its subsidiaries and presents fairly the information shown thereby; the financial information included in each of the Time of Sale Information and the Offering Memorandum with respect to Rinker has been derived from Rinker's publicly filed financial information, and the Company has no reason to believe such information is not materially accurate.

(e) *No Material Adverse Change*. Since the date of the most recent financial statements of the Company and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (i) there has not been (A) any change in the capital stock of any CEMEX Transaction Party, (B) any

material change in the capital stock of any subsidiary of the Company that is a "material subsidiary" as defined under Rule 1-02 of Regulation S-X of the Securities Act ("Material Subsidiary") but is not a CEMEX Transaction Party, (C) any material increase in the consolidated long-term debt of the Company and its subsidiaries, (D) any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company, New Sunward or CEMEX México on any class of its capital stock, or (E) any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, properties, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Time of Sale Information.

(f) *Organization and Good Standing*. The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on (A) the general affairs, business, properties, management, financial position, or results of operations of the Company and its subsidiaries taken as a whole or (B) on the performance by the Issuer of its obligations under the Securities (a "Material Adverse Effect"). The Issuer has been duly organized and is validly existing and in good standing under the laws of the British Virgin Islands.

(g) *Capitalization*. The Company has an authorized capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading "Capitalization" all the outstanding shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and, except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, are owned directly or indirectly

by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party; and all the outstanding shares of capital stock of the Issuer have been duly and validly authorized and issued, are fully paid and non-assessable and are held in trust for charitable purposes by or on behalf of C10 Capital Trust, free of any lien, charge,

encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(h) *Due Authorization*. The Issuer has full right, power and authority to execute and deliver this Agreement, the Securities, the Indenture and to perform its obligations thereunder; each of the CEMEX Transaction Parties and the Issuer has full right, power and authority to execute and deliver the Transaction Documents to which it is a party and to perform their respective obligations thereunder.

(i) *The Indenture*. The Indenture has been duly authorized by the Issuer and, when duly executed and delivered in accordance with its terms by the Trustee, will constitute a valid and legally binding agreement of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (collectively, the "Enforceability Exceptions").

(j) *The Securities*. The Securities have been duly authorized by the Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement*. This Agreement has been duly authorized, executed and delivered by each of the CEMEX Transaction Parties and the Issuer.

(l) *Additional Transaction Documents*. Each of the Additional Transaction Documents has been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties which are a party thereto and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, will constitute a valid and legally binding agreement of the Issuer and such CEMEX Transaction Parties enforceable against the Issuer and such CEMEX Transaction Parties, as applicable, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Descriptions of the Transaction Documents*. Each Transaction Document conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum.

(n) *No Violation or Default*. (i) No CEMEX Transaction Party nor the Issuer is in violation of its charter or by-laws or similar organizational documents; (ii) neither the Company nor any of its subsidiaries nor the Issuer is (A) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, any of its subsidiaries or the Issuer is a party or by

which the Company, any of its subsidiaries or the Issuer is bound or to which any of the property or assets

of the Company, any of its subsidiaries or the Issuer is subject, or (B) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (A) and (B) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(o) *No Conflicts*. The execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities by the Issuer and compliance by the Issuer and the CEMEX Transaction Parties with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, any of its subsidiaries or the Issuer (collectively, the "Entities") pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any Entity is a party or by which any Entity is bound or to which any of the property or assets of any Entity is subject, (ii) result in any violation of the provisions of the *Estatutos Sociales* or the charter or by-laws or similar organizational documents of the Issuer or any of the CEMEX Transaction Parties or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(p) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities and compliance by the Issuer with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for (i) such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws in connection with the purchase and resale of the Securities by the Initial Purchasers and (ii) such as may be required for the listing of the Securities on the Exchange (as defined below).

(q) *Legal Proceedings*. Except as described in each of the Time of Sale Information and the Offering Memorandum, (i) there are no legal, governmental or regulatory actions, suits or proceedings pending and (ii) the Company, its subsidiaries and the Issuer have not been notified of any legal, governmental or regulatory investigations, in each case to which the Company, any of its subsidiaries or the Issuer is a party or to which any property of the Company, any of its subsidiaries or the Issuer is the subject that, individually or in the aggregate, if determined adversely to the Company, any of its subsidiaries or the Issuer, could reasonably be expected to have

a Material Adverse Effect; and to the best knowledge of the Company, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or by others.

(r) *Independent Accountants*. KPMG Cárdenas Dosal, S.C., who have certified certain financial statements of the Company and its subsidiaries and whose reports appear in the Time of Sale Information and the Offering Memorandum are independent public accountants with respect to the Company and its subsidiaries within the meaning of the published rules and regulations of the Mexican Institute of Public Accountants, which are substantially the same as those contemplated by Rule 10A of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

(s) *Title to Real and Personal Property*. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries, (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or (iii) are described in each of the Time of Sale Information and the Offering Memorandum.

(t) *Investment Company Act*. Assuming the accuracy of the representations, warranties, covenants and agreements of the Initial Purchasers contained in this Agreement, (i) neither the Company nor any of its subsidiaries is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act, and (ii) the Issuer is not making a "public offering" of the Securities for purposes of Section 7(d) of the Investment Company Act.

(u) *Taxes*. Except as disclosed in the Time of Sale Information and the Offering Memorandum, the Company and its Material Subsidiaries have paid all material federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, (i) there is no material tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets and (ii) there is no tax, levy, deduction, charge or withholding imposed by the British Virgin Islands, Mexico or any political subdivision thereof on the Issuer or any CEMEX Transaction Party either (A) on or by virtue of the execution, delivery or enforcement of the Transaction Documents, or (B) on any payment of principal, interest or other amounts under or in respect of the Securities.

(v) *Licenses and Permits*. The Company, each of its subsidiaries and the Issuer possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in each of the Time of Sale Information and the Offering Memorandum, neither the Company, nor any of its subsidiaries nor the Issuer has received notice of any revocation or modification of any such license, certificate, permit or authorization.

(w) *Compliance With Environmental Laws*. (i) The Company and its subsidiaries (x) are, and at all prior times were, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (z) have not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability, as would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) except as described in each of the Time of Sale Information and the Offering Memorandum, (x) there are no proceedings that are pending, or that are known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, (y) the Company and its subsidiaries are not aware of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, and (z) none of the Company and its subsidiaries anticipates material capital expenditures relating to any Environmental Laws, except in the case of each of (x), (y) and (z) above, for such proceedings, issues, liabilities, obligations or expenditures as would not, individually or in the aggregate, have a Material Adverse Effect.

(x) *Disclosure Controls*. The Company and its subsidiaries, taken as a whole, maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act).

The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(y) *Accounting Controls*. The Company and its subsidiaries, taken as a whole, maintain an internal control system that provides reasonable assurance that material errors or irregularities will be prevented or detected within a timely period in the normal course of business. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) *No Unlawful Payments*. Neither the Company nor any of its subsidiaries nor the Borrower nor, to the best knowledge of the Note Guarantors or the Borrower, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(aa) *Compliance with Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of the United States of America, Mexico, the Netherlands and the British Virgin Islands, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(bb) *Compliance with OFAC*. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”); and the Company and its subsidiaries will not directly or indirectly use any proceeds received by the Note Issuer from the issuance of the Note or the Issuer from the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(cc) *Solvency*. On and immediately after the Closing Date, each of the CEMEX Transaction Parties and the Issuer (after giving effect to the issuance of the Securities and the other Transactions as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of each CEMEX Transaction Party and the Issuer is not less than the total amount required to pay the respective liabilities of each CEMEX Transaction Party and the Issuer on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) each CEMEX Transaction Party and the Issuer is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of (A) the issuance of the Securities as contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum and (B) the issuance of the Note and the other Transactions as contemplated by the Time of Sale Information and the Offering Memorandum, no CEMEX Transaction Party or the Issuer is incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) no CEMEX Transaction Party or the Issuer is engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such entity is engaged; and (v) neither any CEMEX Transaction Party nor the Issuer is a defendant in any civil action that would result in a judgment that any CEMEX Transaction Party or the Issuer is or would become unable to satisfy.

(dd) *No Restrictions on Subsidiaries*. No subsidiary of the Company is currently prohibited directly under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(ee) *No Broker's Fees*. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Initial Purchaser for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(ff) *Rule 144A Eligibility*. On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system.

(gg) *No Integration*. Neither the Company, the Issuer, the Note Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has,

directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities or the Note in a manner that would require registration of the Securities under the Securities Act.

(hh) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer, the Note Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities or the Note by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(ii) *Securities Law Exemptions*. Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex C hereto) and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the

Offering Memorandum, to register the Securities under the Securities Act or to qualify the Indenture under Trust Indenture Act.

(jj) *No Stabilization*. Neither the Company nor any of its subsidiaries has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(kk) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ll) *Statistical and Market Data*. Nothing has come to the attention of the Company that has caused the Company to believe that the statistical, industry and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(mm) *Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

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4. Further Agreements of the Company and the Issuer. Each CEMEX Transaction Party and the Issuer jointly and severally covenant and agree with each Initial Purchaser that:

(a) *Delivery of Copies*. The Company will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements*. Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Company will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Representative reasonably objects. If an amendment or supplement to the Offering Memorandum contains amendments or additions to the audited financial statements included in the Offering Memorandum, copies of the Offering Memorandum provided to the Initial Purchasers shall contain a report or reports signed by the independent registered public accountants with respect to such audited financial statements contained therein.

(c) *Additional Written Communications*. Before making, preparing, using, authorizing, approving or referring to any Issuer Written Communication, the Company and the Issuer will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative*. The Company and the Issuer will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the

initial offering of the Securities as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser, not misleading; and (iii) of the receipt by the Company or the Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any

jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company and the Issuer will use their reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information*. If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Company and the Issuer will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum*. If at any time prior to the earlier of (i) the completion of the initial offering of the Securities and (ii) nine months after the date of the Offering Memorandum (A) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, not misleading or (B) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Company will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in the Offering Memorandum as so amended or supplemented (including such document to be incorporated by reference therein) will not, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, be misleading or so that the Offering Memorandum will comply with law.

(g) *Blue Sky Compliance*. The Company and the Issuer will qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representative shall reasonably request and will continue such qualifications in effect so long as required for the offering and resale of the Securities; *provided* that neither the Company nor the Issuer shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it

would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(h) *Clear Market*. During the period from the date hereof through and including the Closing Date, each Note Guarantor, the Issuer and their respective affiliates will not, without the prior written consent of the Representative, offer, sell, contract to sell or otherwise dispose of in the international bond market any debt securities issued or guaranteed by any Note Guarantor, the Issuer or any of their respective affiliates and having a tenor of more than one year. For the avoidance of doubt, the Company and its affiliates may at any time offer, sell, contract to sell or otherwise dispose of certificados bursatiles in the local Mexican market and enter into receivables securitization transactions.

(i) *Use of Proceeds*. The Company, the Issuer and the Note Issuer will apply the proceeds from the sale of the Securities and the Note as described in each of the Time of Sale Information and the Offering Memorandum under the heading "Use of Proceeds."

(j) *Supplying Information*. While the Securities remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company and the Issuer will, during any period in which the Company is not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(k) *DTC*. The Company and the Issuer will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through DTC and its participants, including Euroclear and Clearstream.

(l) *No Resales by the Company or the Issuer*. The Company and the Issuer will not, and will not permit any of their respective affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by the Company, the Issuer or any of their respective affiliates and resold (i) in a transaction registered under the Securities Act or (ii) in a transaction exempt from the registration requirements under the Securities Act if such transaction does not cause the holding periods under Rule 144 under the Securities Act to be extended for other holders of Securities.

(m) *No Integration*. Neither the Company, nor the Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *Compliance with Securities Laws*. Neither the Issuer, nor the Company nor any of its subsidiaries or other affiliates has taken or will take, directly or indirectly, any action which would constitute a breach or a violation of any applicable provisions of the Act or the Exchange Act and the rules and regulations promulgated thereunder or any other securities laws of the United States in connection with the offering, sale or distribution of the Securities in the manner provided by this Agreement.

(p) *No Stabilization*. The Company, New Sunward, CEMEX México and their respective affiliates will not take, directly or indirectly, any action designed to or that could reasonably be expected to

cause or result in any stabilization or manipulation of the price of the Securities in violation of the laws of the United States, Mexico and the British Virgin Islands.

(q) *Exchange Listing*. The Company and the Issuer will use their reasonable best efforts to list the Securities on the Irish Stock Exchange Limited (the "Exchange").

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Initial Purchaser and approved by the Company in advance in writing or (v) any written communication relating to or that contains the terms of the Securities and/or other information that was included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum.

6. Conditions of Initial Purchasers' Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by the CEMEX Transaction Parties and the Issuer of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties*. The representations and warranties of the CEMEX Transaction Parties and the Issuer contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the CEMEX Transaction Parties and the Issuer and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade*. Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded to the Securities or any other debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries by Standard and Poor's, a division of McGraw-Hill Companies, or Fitch Ratings, Ltd.; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change*. No event or condition of a type described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto) the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate*. The Representative shall have received on and as of the Closing Date a certificate of an executive officer of the Company who has specific knowledge of each of the Company's, New Sunward's, CEMEX México's and the Note Issuer's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the best knowledge of such officer, the representations set forth in Sections 3(a) and 3(b) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer in this Agreement are true and correct and that the Company, New Sunward, CEMEX México, the Note Issuer

and the Issuer have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters*. On the date of this Agreement and on the Closing Date, KPMG Cárdenas Dosal, S.C. shall have furnished to the Representative, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily

included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; *provided* that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinions and 10b-5 Statement of Counsel for the Company and the Issuer* . Skadden, Arps, Slate, Meagher & Flom LLP, special U.S. counsel for the Company and the Issuer, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinions and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(g) *Opinion of British Virgin Islands Counsel for the Company and the Issuer* . W. Smiths, British Virgin Islands counsel for the Company and the Issuer, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(h) *Opinion and 10b-5 Statement of General Counsel for the Company* . Lic. Ramiro G. Villarreal Morales, General Counsel for the Company, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinion and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(i) *Opinion of Dutch Counsel for the Company*. Warendorf, Dutch counsel for the Company, shall have furnished to the Representative, at the request of the Company, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(j) *Opinion and 10b-5 Statement of U.S. Counsel for the Initial Purchasers* . The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Sullivan & Cromwell LLP, counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(k) *Opinion and 10b-5 Statement of Mexican Counsel for the Initial Purchasers* . The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Ritch Mueller S.C., Mexican counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(l) *No Legal Impediment to Issuance*. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the

Closing Date, prevent the issuance or sale of the Securities or the Note; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note.

(m) *Good Standing*. The Representative shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Issuer, the Note Issuer, and New Sunward in their respective jurisdictions of organization, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(n) *Additional Transaction Documents; Transactions*. On the Closing Date, the Additional Transaction Documents shall have been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties, as applicable, and the Transactions shall have been consummated in a manner consistent in all material respects with the description thereof in the Time of Sale Information and otherwise reasonably acceptable to the Representative.

(o) *DTC*. The Securities shall be eligible for clearance and settlement through DTC.

(p) *Additional Documents*. On or prior to the Closing Date, the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

(q) *Exchange Listing*. Application shall have been made to list the Securities on the Exchange.

(r) *Payment of Fees*. The Representative shall have received the Underwriting Commission on behalf of the Initial Purchasers. J.P. Morgan Securities Inc. shall have received the Structuring Fee.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

7. Indemnification and Contribution.

(a) *Indemnification of the Initial Purchasers*. The Issuer and each Note Guarantor jointly and severally agree to indemnify and hold harmless each Initial Purchaser, its affiliates, directors and officers and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and

expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Issuer or any of the Note Guarantors in writing by or on behalf of such Initial Purchaser

through the Representative expressly for use therein.

(b) *Indemnification of the Company and the Issuer*. Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Issuer, each Note Guarantor, each of their respective directors and officers and each person, if any, who controls the Issuer and each Note Guarantor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the final paragraph on the front cover page regarding delivery of the Securities; the first full paragraph on page ii regarding stabilization or over-allotment by the Initial Purchasers; the third, fifth, seventh, thirteenth, fourteenth, fifteenth and sixteenth paragraphs; and the subsection regarding Japan in the section entitled “Plan of Distribution.”

(c) *Notice and Procedures*. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 7. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the

consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc. and any such separate firm for the Issuer, the Note Guarantors, their respective directors and officers and any control persons of the Issuer and the Note Guarantors shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days

after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution*. If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuer from the sale of the Securities and the total discounts and commissions received by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Note Guarantors and the Issuer or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability*. The Note Guarantors, the Issuer and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this

Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies*. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by U.S. federal, New York State or Mexican authorities; (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum; (v) a change or development involving a prospective change in Mexican taxation affecting the Company, the Securities or the transfer thereof that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum or the imposition of exchange controls by Mexico; or (vi) the occurrence of any change, or any development involving a prospective change, in or affecting the existing financial, political, economic or other conditions in, or the foreign exchange of, the United States, Mexico, the British Virgin Islands or the Netherlands which, in the judgment of the Representative, would materially and adversely affect the financial markets or the market for the Securities or other debt securities or materially impair the ability of the Initial Purchasers to purchase, hold or effect resales of the Securities on the terms and in the manner contemplated by this Agreement, Time of Sale Information and the Offering Memorandum.

9. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial

Purchaser, either the non-defaulting Initial Purchasers or the Company may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term “Initial Purchaser” includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Company shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed

to purchase hereunder) of the Securities of such defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Company, the Issuer or any non-defaulting Initial Purchaser for damages caused by its default.

10. Payment of Expenses. Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company and the Issuer jointly and severally agree to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection;

(ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's and the Issuer's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related reasonable fees and expenses of counsel for the Initial Purchaser); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by DTC, Euroclear and Clearstream; (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; (x) all expenses and application fees related to the listing of the Securities on the Exchange; (xi) the costs incident to the creation of the Issuer, the Note Issuer and SwapCo and the structuring and execution of the Swap; and (xii) all out-of-pocket costs and expenses (including the reasonable fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of each CEMEX Transaction Party, the Issuer and the Initial Purchasers contained in this Agreement or made by or on behalf of each CEMEX Transaction Party, the Issuer or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of any CEMEX Transaction Party, the Issuer or the Initial Purchasers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise

expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended; (d)

the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; and (e) the term “written communication” has the meaning set forth in Rule 405 under the Securities Act.

14. Exchange Rates Fluctuations. In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the “judgment currency”) other than United States dollars, the Company and the Issuer, jointly and severally, will indemnify each Initial Purchaser or other person to whom such amount is due against any loss incurred by such Initial Purchaser or other person, as the case may be, as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which the judgment currency actually received by such Initial Purchaser or other person, as the case may be, is able to purchase United States dollars with the amount of the judgment currency actually received by such Initial Purchaser or other person, as the case may be. The foregoing indemnity shall constitute a separate and independent obligation of each of the Company and the Issuer and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term “rate of exchange” shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into United States dollars.

15. Submission to Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any state or federal court in The City of New York and in the respective courts of each party’s own corporate domicile with respect to actions brought against it, irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding in any state or federal court in The City of New York and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. Each CEMEX Transaction Party and the Issuer hereby appoints CEMEX NY Corporation, the Company’s New York subsidiary, as its authorized agent (the “Authorized Agent”) upon whom process may be served in any such action arising out of or based on this Agreement or the transactions contemplated hereby which may be instituted in any state or federal court in The City of New York by any Initial Purchaser or by any person who controls any of the Initial Purchasers, expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and designates its domicile, the domicile of CEMEX NY Corporation specified above and any domicile that CEMEX NY Corporation may have in the future as its domicile to receive any notice hereunder (including service of process). Such appointment shall be irrevocable. If for any reason CEMEX NY Corporation (or any successor agent for this purpose) shall cease to act as agent for service of process as provided above, each CEMEX Transaction Party and the Issuer will promptly appoint a successor agent for this purpose reasonably acceptable to you and shall grant thereto notarial powers-of-attorney for lawsuits and collections. Each CEMEX Transaction Party and the Issuer represent and warrant that the Authorized Agent has agreed to act as said

agent for service of process, and each CEMEX Transaction Party and the Issuer agree to take any and all action, including the filing of any and all documents and instruments in full force and effect, as aforesaid.

Service of process upon the Authorized Agent and written notice of such service to any CEMEX Transaction Party or the Issuer shall be deemed, in every respect, effective service of process upon any CEMEX Transaction Party or the Issuer, respectively.

16. Miscellaneous. (a) *Authority of the Representative*. Any action by the Initial Purchasers hereunder may be taken by J.P. Morgan Securities Inc. on behalf of the Initial Purchasers, and any such action taken by J.P. Morgan Securities Inc. shall be binding upon the Initial Purchasers.

(b) *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers shall be given to the Representative c/o J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017 (fax: (212) 834-6618); Attention: Latin America New Issues. Notices to the CEMEX Transaction Parties and the Issuer shall be given to them at c/o CEMEX, S.A.B. de C.V. Av. Ricardo Magáin, Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo Léon, México 66265 (fax: +011-5281-8888-4417); Attention: General Counsel. Notices to CEMEX NY Corporation shall be given to them at CEMEX NY Corporation, 590 Madison Ave., 41st floor, New York, New York 10022 (fax: (212) 317-6047); Attention: General Counsel.

(c) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Counterparts*. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

17. *Determination of Multipliers*. The Note Issuer has requested that JPMorgan Chase Bank, N.A. ("JPMCB") delay the determination of the multipliers to be included in the Note, the Note Indenture and the Offering Memorandum with respect to the Yen Rate (as defined in the Preliminary Offering Memorandum) of the Note in order to increase the likelihood of optimal pricing of the Note for the Note Issuer. JPMCB shall determine such multipliers in its discretion, in consultation with the Note Issuer, prior to the close of business New York City time on Wednesday,

December 13, 2006, based on market pricing for JPMCB's hedging activities relating to Extinguishable Cross-Currency Swap (as defined in the Preliminary Offering Memorandum). The Note Issuer agrees that the multipliers determined by JPMCB shall be binding on the Note Issuer regardless of their amount and acknowledges that it understands, and has agreed to bear, the market risks relating to the determination of these multipliers.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

C10 CAPITAL (SPV) LIMITED

By /s/ Michael Fay
Name: Michael Fay
Title: Authorised Signatory for Atlantic Managers Ltd, Director

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CEMEX, S.A.B. de C.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

CEMEX MÉXICO S.A. de C.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

NEW SUNWARD HOLDING B.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

NEW SUNWARD HOLDING FINANCIAL VENTURES B.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

Accepted: December 11, 2006

J.P. MORGAN SECURITIES INC.

For itself and on behalf of the
several Initial Purchasers listed
in Schedule 1 hereto.

By /s/ Wendi G. Royal

Name: Wendi G. Royal
Title: Vice President

Schedule 1

Initial Purchaser	Principal Amount
J.P. Morgan Securities Inc.	$570,000,000
Barclays Capital	285,000,000
Calyon Securities (USA) Inc.	22,500,000
Banc of America Securities LLC	22,500,000
Total	$900,000,000

ANNEX A

a. Additional Time of Sale Information

1. The offering memorandum supplement dated December 8, 2006, which is attached as Annex B-1.

2. Term sheet containing the terms of the securities, substantially in the form of Annex B-2.

ANNEX B-1

C10 CAPITAL (SPV) LIMITED

Offering Memorandum
Supplement

See attached.

ANNEX B-2

C10 CAPITAL (SPV) LIMITED

Pricing Term Sheet

See attached.

ANNEX C

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S under the Securities Act ("Regulation S") or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchase Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United

States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act.

Terms used above have the meanings given to them by Regulation S."

(iv) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuer.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and

(iii) it will not offer or sell any Securities in the Republic of Italy or Japan unless it complies with the applicable laws and regulations in these jurisdictions as described in the Preliminary Offering Memorandum under the heading, "Plan of Distribution."

(d) Each Initial Purchaser acknowledges that no action has been or will be taken by the Company that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

Exhibit 4.21

EXECUTION COPY

$750,000,000

C8 CAPITAL (SPV) LIMITED
(CEMEX, S.A.B. de C.V.)

6.640% Fixed-to-Floating Rate Callable Perpetual Debentures

Purchase Agreement

February 6, 2007

J.P. Morgan Securities Inc.

As Representative of the
several Initial Purchasers listed
in Schedule 1 hereto
c/o J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

C8 Capital (SPV) Limited, a British Virgin Islands restricted purpose company (the "Issuer"), proposes to issue and sell to the several initial purchasers listed in Schedule 1 hereto (the "Initial Purchasers"), for whom you are acting as representative (the "Representative"), $750,000,000 principal amount of its 6.640% Fixed-to-Floating Rate Callable Perpetual Debentures (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of February 12, 2007 (the "Indenture") among the Issuer and The Bank of New York, as trustee (the "Trustee").

Concurrently with the issuance of the Securities and as part of the transactions (the "Transactions") as described under the heading "The Offering" in the Preliminary Offering Memorandum and the Offering Memorandum (each, as defined below), New Sunward Holding Financial Ventures B.V. (the "Note Issuer"), a private company with limited liability formed under the laws of the Netherlands and a wholly owned indirect subsidiary of CEMEX, S.A.B. de C.V. (the "Company"), will issue dual-currency notes in an aggregate principal amount of $750,000,000 (the "Note") pursuant to an Indenture to be dated as of February 12, 2007 (the "Note Indenture") among the Note Issuer, the Company, New Sunward Holding B.V. ("New Sunward") and CEMEX México, S.A. de C.V. ("CEMEX México" and, together with the Company and New Sunward, the "Note Guarantors") and The Bank of New York, as trustee (the "Note Trustee"), to the Issuer. The obligations of the Note Issuer under the Note will be jointly and severally guaranteed by the Note Guarantors. The Issuer will enter into the swap transactions as described under the heading "Description of the Extinguishable Swaps" in the

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Preliminary Offering Memorandum and the Offering Memorandum (the "Swap" the Extinguishable Coupon Swap Agreement (as defined in the Preliminary Offering Memorandum) is referred to herein as the "Swap Agreements") with Swap 8 Capital (SPV) Limited, a British Virgin Islands restricted purpose company ("SwapCo"). The Securities will be secured by a first-priority security interest in (x) the Issuer's rights and obligations under the Note and the Extinguishable Coupon Swap Agreement and (y) a cash account in the name of the Issuer held with the Trustee, into which the proceeds of the Note and the Swap shall be deposited prior to the distribution to SwapCo or holders of the Securities (collectively, the "Pledge" and the documents necessary to effect the Pledge, the "Pledge Agreements"). The Note Issuer will also enter into a Conversion Payment Undertaking with the Issuer as described under the heading "Description of the Dual-Currency Notes and the Note Indenture—Conversion Payment Undertaking" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Conversion Payment Undertaking"), which will be fully and unconditionally guaranteed by the Note Guarantors on a joint and several basis.

For purposes of this Agreement:

"Additional Transaction Documents" means the Note, the Note Indenture (including the guarantees by the Note Guarantors), the Contingent Payment Undertaking, the Pledge Agreements and the Swap Agreements.

"CEMEX Transaction Parties" means the Company, the Note Issuer, New Sunward and CEMEX México.

"Transaction Documents" means this Agreement, the Securities, the Indenture and the Additional Transaction Documents.

The Securities will be sold to the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The CEMEX Transaction Parties and the Issuer have prepared a preliminary offering memorandum dated February 5, 2007 (such preliminary offering memorandum being hereinafter referred to as the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the CEMEX Transaction Parties, the Issuer and the Transactions. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company to the Initial Purchasers pursuant to the terms of this Agreement. Each of the CEMEX Transaction Parties and the Issuer hereby confirms that it has authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchasers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Preliminary Offering Memorandum. References herein to the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the following information shall have been prepared (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the CEMEX Transaction Parties and the Issuer each hereby confirms its agreement with the several Initial Purchasers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) The Issuer agrees to issue and sell the Securities to the several Initial Purchasers as provided in this Agreement, and each Initial Purchaser, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Issuer the respective principal amount of Securities set forth opposite such Initial Purchaser's name in Schedule 1 hereto at a price equal to 100% of the principal amount thereof plus accrued interest, if any, from February 12, 2007 to the Closing Date. The Issuer will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein. As compensation, the Company will pay to the Representative on behalf of the Initial Purchasers an underwriting commission of 0.45% (the "Underwriting Commission") of the aggregate principal amount of the Securities purchased by the Initial Purchasers on the Closing Date as commissions for the sale of the Securities under this Agreement. Such payment will be made on the Closing Date.

(b) The Company and the Issuer each understands that the Initial Purchasers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act (a "QIB"), an accredited investor within the meaning of Rule 501(a) under the

Securities Act and a Qualified Purchaser (as defined below);

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except:

(A) within the United States to persons whom it reasonably believes to be both QIBs and qualified purchasers

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("Qualified Purchasers") as defined in the Investment Company Act of 1940, as amended, and the rules and regulations of the Securities Exchange Commission (the "Commission") thereunder (the "Investment Company Act") in transactions pursuant to Rule 144A under the Securities Act ("Rule 144A") and in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of the Securities is aware that such sale is being made in reliance on Rule 144A; or

(B) in accordance with the restrictions set forth in Annex C hereto.

(c) Each Initial Purchaser acknowledges and agrees that each of the CEMEX Transaction Parties, the Issuer and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Sections 6(f) through 6(k), the counsels for each of the CEMEX Transaction Parties, the Issuer and the Initial Purchasers, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchasers, and compliance by the Initial Purchasers with their agreements, contained in paragraph (b) above (including Annex C hereto), and each Initial Purchaser hereby consents to such reliance.

(d) The Company and the Issuer each acknowledges and agrees that the Initial Purchasers may offer and sell Securities to or through any affiliate of an Initial Purchaser and that any such affiliate may offer and sell Securities purchased by it to or through any Initial Purchaser.

(e) Each of the CEMEX Transaction Parties and the Issuer acknowledges and agrees that each of the Initial Purchasers is acting solely in the capacity of an arm's length contractual counterparty to the CEMEX Transaction Parties and the Issuer with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as financial advisors or fiduciaries to, or agents of, any CEMEX Transaction Party or the Issuer or any other person. Additionally, neither the Representative nor any other Initial Purchaser is advising the CEMEX Transaction Parties, the Issuer or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The CEMEX Transaction Parties and the Issuer shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representative nor any other the Initial Purchaser shall have any responsibility or liability to any CEMEX Transaction Party or the Issuer with respect thereto. Any review by the Representative or any Initial Purchaser of the CEMEX Transaction Parties, the Issuer and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Representative or such Initial Purchaser, as the case may be, and shall not be on behalf of the CEMEX Transaction Parties, the Issuer or any other person.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Sullivan & Cromwell LLP at 10:00 A.M., New York City time, on February 12, 2007, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representative and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the "Closing Date".

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Company to the Representative against delivery to the nominee of The Depository Trust Company ("DTC"), for the account of the Initial Purchasers, of one or more global notes representing the Securities (collectively, the "Global Note"), with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Representative not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Company and the Issuer. The CEMEX Transaction Parties and the Issuer jointly and severally represent and warrant to each Initial Purchaser that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum*. The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, in the form first used by the Initial Purchasers to confirm sales of the Securities and as of the Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the CEMEX Transaction Parties and the Issuer make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Initial Purchaser furnished to the CEMEX Transaction Parties or the Issuer in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum.

(b) *Additional Written Communications*. The Company and the Issuer (including their agents and representatives, other than the Initial Purchasers in their capacity as such) have not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any written communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company, the Issuer or their agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an "Issuer Written Communication") other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c). Each such Issuer Written

Communication, when taken together with the Time of Sale Information, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Company and the Issuer make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and

in conformity with information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in any Issuer Written Communication.

(c) *Incorporated Documents*. The documents incorporated by reference in each of the Time of Sale Information and the Offering Memorandum, when filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) *Financial Statements*. The financial statements and the related notes thereto included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly the financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and the changes in their financial position and stockholders' equity for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles in Mexico applied on a consistent basis throughout the periods covered thereby; the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (other than any financial information with respect to Rinker Group Ltd. ("Rinker")) has been derived from the accounting records of the Company and its subsidiaries and presents fairly the information shown thereby; the financial information included in each of the Time of Sale Information and the Offering Memorandum with respect to Rinker has been derived from Rinker's publicly filed financial information, and the Company has no reason to believe such information is not materially accurate.

(e) *No Material Adverse Change*. Since the date of the most recent financial statements of the Company and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (i) there has not been (A) any change in the capital stock of any CEMEX Transaction Party, (B) any material change in the capital stock of any subsidiary of the Company that is a "material subsidiary" as defined under Rule 1-02 of Regulation S-X of the Securities Act ("Material Subsidiary") but is not a CEMEX Transaction Party, (C) any material increase in the consolidated long-term debt of the Company and its subsidiaries, (D) any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company, New Sunward or CEMEX México on any class of its capital stock, or (E) any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, properties, management, financial position,

shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Time of Sale Information.

(f) *Organization and Good Standing*. The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on (A) the general affairs, business, properties, management, financial position, or results of operations of the Company and its subsidiaries taken as a whole or (B) on the performance by the Issuer of its obligations under the Securities (a "Material Adverse Effect"). The Issuer has been duly

organized and is validly existing and in good standing under the laws of the British Virgin Islands.

(g) *Capitalization*. The Company has an authorized capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading “Capitalization” all the outstanding shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and, except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party; and all the outstanding shares of capital stock of the Issuer have been duly and validly authorized and issued, are fully paid and non-assessable and are held in trust for charitable purposes by or on behalf of C8 Capital Trust, free of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(h) *Due Authorization*. The Issuer has full right, power and authority to execute and deliver this Agreement, the Securities, the Indenture and to perform its obligations thereunder; each of the CEMEX Transaction Parties and the Issuer has full right, power and authority to execute and deliver the Transaction Documents to which it is a party and to perform their respective obligations thereunder.

(i) *The Indenture*. The Indenture has been duly authorized by the Issuer and, when duly executed and delivered in accordance with its terms by the Trustee, will constitute a valid and legally binding agreement of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (collectively, the "Enforceability Exceptions”).

(j) *The Securities*. The Securities have been duly authorized by the Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement*. This Agreement has been duly authorized, executed and delivered by each of the CEMEX Transaction Parties and the Issuer.

(l) *Additional Transaction Documents*. Each of the Additional Transaction Documents has been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties which are a party thereto and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, will constitute a valid and legally binding agreement of the Issuer and such CEMEX Transaction Parties enforceable against the Issuer and such CEMEX Transaction Parties, as applicable, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Descriptions of the Transaction Documents*. Each Transaction Document conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum.

(n) *No Violation or Default*. (i) No CEMEX Transaction Party nor the Issuer is in violation of its charter or by-laws or similar organizational documents; (ii) neither the Company nor any of its subsidiaries nor the Issuer is (A) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, any of its subsidiaries or the Issuer is a party or by which the Company, any of its subsidiaries or the Issuer is bound or to which any of the property or assets of the Company, any of its subsidiaries or the Issuer is subject, or (B) in violation of any law or statute or any

judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (A) and (B) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(o) *No Conflicts*. The execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities by the Issuer and compliance by the

Issuer and the CEMEX Transaction Parties with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, any of its subsidiaries or the Issuer (collectively, the "Entities") pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any Entity is a party or by which any Entity is bound or to which any of the property or assets of any Entity is subject, (ii) result in any violation of the provisions of the *Estatutos Sociales* or the charter or by-laws or similar organizational documents of the Issuer or any of the CEMEX Transaction Parties or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(p) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities and compliance by the Issuer with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for (i) such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws in connection with the purchase and resale of the Securities by the Initial Purchasers and (ii) such as may be required for the listing of the Securities on the Exchange (as defined below).

(q) *Legal Proceedings*. Except as described in each of the Time of Sale Information and the Offering Memorandum, (i) there are no legal, governmental or regulatory actions, suits or proceedings pending and (ii) the Company, its subsidiaries and the Issuer have not been notified of any legal, governmental or regulatory investigations, in each case to which the Company, any of its subsidiaries or the Issuer is a party or to which any property of the Company, any of its subsidiaries or the Issuer is the subject that, individually or in the aggregate, if determined adversely to the Company, any of its subsidiaries or the Issuer, could reasonably be expected to have a Material Adverse Effect; and to the best knowledge of the Company, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or by others.

(r) *Independent Accountants*. KPMG Cárdenas Dosal, S.C., who have certified certain financial statements of the Company and its subsidiaries and whose reports appear in the Time of Sale Information and the Offering Memorandum are independent public accountants with respect to the Company and its subsidiaries within the meaning of the published rules and regulations of the Mexican Institute of Public Accountants, which are substantially the same as those contemplated by Rule 10A of

the Code of Professional Conduct of the American Institute of Certified Public Accountants.

(s) *Title to Real and Personal Property*. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries, (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or (iii) are described in each of the Time of Sale Information and the Offering Memorandum.

(t) *Investment Company Act*. Assuming the accuracy of the representations, warranties, covenants and agreements of the Initial Purchasers contained in this Agreement, (i) neither the Company nor any of its subsidiaries is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act, and (ii) the Issuer is not making a "public offering" of the Securities for purposes of Section 7(d) of the Investment Company Act.

(u) *Taxes*. Except as disclosed in the Time of Sale Information and the Offering Memorandum, the Company and its Material Subsidiaries have paid all material federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, (i) there is no material tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets and (ii) there is no tax, levy, deduction, charge or withholding imposed by the British Virgin Islands, Mexico or any political subdivision thereof on the Issuer or any CEMEX Transaction Party either (A) on or by virtue of the execution, delivery or enforcement of the Transaction Documents, or (B) on any payment of principal, interest or other amounts under or in respect of the Securities.

(v) *Licenses and Permits*. The Company, each of its subsidiaries and the Issuer possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in each of the Time of Sale Information and the Offering Memorandum, neither the Company, nor any of its

subsidiaries nor the Issuer has received notice of any revocation or modification of any such license, certificate, permit or authorization.

(w) *Compliance With Environmental Laws*. (i) The Company and its subsidiaries (x) are, and at all prior times were, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (z) have not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no

knowledge of any event or condition that would reasonably be expected to result in any such notice, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability, as would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) except as described in each of the Time of Sale Information and the Offering Memorandum, (x) there are no proceedings that are pending, or that are known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, (y) the Company and its subsidiaries are not aware of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, and (z) none of the Company and its subsidiaries anticipates material capital expenditures relating to any Environmental Laws, except in the case of each of (x), (y) and (z) above, for such proceedings, issues, liabilities, obligations or expenditures as would not, individually or in the aggregate, have a Material Adverse Effect.

(x) *Disclosure Controls*. The Company and its subsidiaries, taken as a whole, maintain an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act). The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(y) *Accounting Controls*. The Company and its subsidiaries, taken as a whole, maintain an internal control system that provides reasonable assurance that material errors or irregularities will be prevented or detected within a timely period in the normal course of business. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii)

access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) *No Unlawful Payments*. Neither the Company nor any of its subsidiaries nor the Borrower nor, to the best knowledge of the Note Guarantors or the Borrower, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(aa) *Compliance with Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of the United States of America, Mexico, the Netherlands and the British Virgin Islands, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(bb) *Compliance with OFAC*. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets

Control of the U.S. Department of the Treasury ("OFAC"); and the Company and its subsidiaries will not directly or indirectly use any proceeds received by the Note Issuer from the issuance of the Note or the Issuer from the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(cc) *Solvency*. On and immediately after the Closing Date, each of the CEMEX Transaction Parties and the Issuer (after giving effect to the issuance of the Securities and the other Transactions as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of each CEMEX Transaction Party and the Issuer is not less than the total amount required to pay the respective liabilities of each CEMEX Transaction Party and the Issuer on its total existing debts and liabilities

(including contingent liabilities) as they become absolute and matured; (ii) each CEMEX Transaction Party and the Issuer is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of (A) the issuance of the Securities as contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum and (B) the issuance of the Note and the other Transactions as contemplated by the Time of Sale Information and the Offering Memorandum, no CEMEX Transaction Party or the Issuer is incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) no CEMEX Transaction Party or the Issuer is engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such entity is engaged; and (v) neither any CEMEX Transaction Party nor the Issuer is a defendant in any civil action that would result in a judgment that any CEMEX Transaction Party or the Issuer is or would become unable to satisfy.

(dd) *No Restrictions on Subsidiaries*. No subsidiary of the Company is currently prohibited directly under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(ee) *No Broker's Fees*. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Initial Purchaser for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(ff) *Rule 144A Eligibility*. On the Closing Date, the Securities will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in an automated inter-dealer quotation system.

(gg) *No Integration*. Neither the Company, the Issuer, the Note Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities or the Note in a manner that would require registration of the Securities under the Securities Act.

(hh) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer, the Note Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities or the Note by means of any form of general solicitation or general advertising within the meaning of Rule

502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(ii) *Securities Law Exemptions*. Assuming the accuracy of the representations and warranties of the Initial Purchasers contained in Section 1(b) (including Annex C hereto) and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchasers and the offer, resale and delivery of the Securities by the Initial Purchasers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act or to qualify the Indenture under Trust Indenture Act.

(jj) *No Stabilization*. Neither the Company nor any of its subsidiaries has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(kk) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ll) *Statistical and Market Data*. Nothing has come to the attention of the Company that has caused the Company to believe that the statistical, industry and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(mm) *Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

4. Further Agreements of the Company and the Issuer. Each CEMEX Transaction Party and the Issuer jointly and severally covenant and agree with each Initial Purchaser that:

(a) *Delivery of Copies*. The Company will deliver, without charge, to the Initial Purchasers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including all amendments and supplements thereto) as the Representative may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements*. Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Company will furnish to the Representative and counsel for the Initial Purchasers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Representative reasonably objects. If an amendment or supplement to the Offering Memorandum contains amendments or additions to the audited financial statements included in the Offering Memorandum, copies of the Offering Memorandum provided to the Initial Purchasers shall contain a report or reports signed by the independent registered public accountants with respect to such audited financial statements contained therein.

(c) *Additional Written Communications*. Before making, preparing, using, authorizing, approving or referring to any Issuer Written Communication, the Company and the Issuer will furnish to the Representative and counsel for the Initial Purchasers a copy of such written communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Representative reasonably objects.

(d) *Notice to the Representative*. The Company and the Issuer will advise the Representative promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser, not misleading; and (iii) of the receipt by the Company or the Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company and the Issuer will use their reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information*. If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any untrue statement of a

material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Company and the Issuer will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum*. If at any time prior to the earlier of (i) the completion of the initial offering of the Securities and (ii) nine months after the date of the Offering Memorandum (A) any event shall occur or condition shall exist as a result of which the Offering

Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, not misleading or (B) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Company will immediately notify the Initial Purchasers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Initial Purchasers such amendments or supplements to the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in the Offering Memorandum as so amended or supplemented (including such document to be incorporated by reference therein) will not, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, be misleading or so that the Offering Memorandum will comply with law.

(g) *Blue Sky Compliance*. The Company and the Issuer will qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representative shall reasonably request and will continue such qualifications in effect so long as required for the offering and resale of the Securities; *provided* that neither the Company nor the Issuer shall be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(h) *Clear Market*. During the period from the date hereof through and including the Closing Date, each Note Guarantor, the Issuer and their respective affiliates will not, without the prior written consent of the Representative, offer, sell, contract to sell or otherwise dispose of in the international bond market any debt securities issued or guaranteed by any Note Guarantor, the Issuer or any of their respective affiliates and having a tenor of more than one year. For the avoidance of doubt, the Company and its affiliates may at any time offer, sell, contract to sell or

otherwise dispose of *certificados bursátiles* in the local Mexican market and enter into receivables securitization transactions.

(i) *Use of Proceeds*. The Company, the Issuer and the Note Issuer will apply the proceeds from the sale of the Securities and the Note as described in each of the Time of Sale Information and the Offering Memorandum under the heading "Use of Proceeds."

(j) *Supplying Information*. While the Securities remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company and the Issuer will, during any period in which the Company is not subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon the request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(k) *DTC*. The Company and the Issuer will assist the Initial Purchasers in arranging for the Securities to be eligible for clearance and settlement through DTC and its participants, including Euroclear and Clearstream.

(l) *No Resales by the Company or the Issuer*. The Company and the Issuer will not, and will not permit any of their respective affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by the Company, the Issuer or any of their respective affiliates and resold (i) in a transaction registered under the Securities Act or (ii) in a transaction exempt from the registration requirements under the Securities Act if such transaction does not cause the holding periods under Rule 144 under the Securities Act to be extended for other holders of Securities.

(m) *No Integration*. Neither the Company, nor the Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit

offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(n) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(o) *Compliance with Securities Laws*. Neither the Issuer, nor the Company nor any of its subsidiaries or other affiliates has taken or will take, directly or indirectly,

any action which would constitute a breach or a violation of any applicable provisions of the Act or the Exchange Act and the rules and regulations promulgated thereunder or any other securities laws of the United States in connection with the offering, sale or distribution of the Securities in the manner provided by this Agreement.

(p) *No Stabilization*. The Company, New Sunward, CEMEX México and their respective affiliates will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities in violation of the laws of the United States, Mexico and the British Virgin Islands.

(q) *Exchange Listing*. The Company and the Issuer will use their reasonable best efforts to list the Securities on the Irish Stock Exchange Limited (the "Exchange").

5. Certain Agreements of the Initial Purchasers. Each Initial Purchaser hereby represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Initial Purchaser and approved by the Company in advance in writing or (v) any written communication relating to or that contains the terms of the Securities and/or other information that was included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum.

6. Conditions of Initial Purchasers' Obligations. The obligation of each Initial Purchaser to purchase Securities on the Closing Date as provided herein is subject to the performance by the CEMEX Transaction Parties and the Issuer of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties*. The representations and warranties of the CEMEX Transaction Parties and the Issuer contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the CEMEX Transaction Parties and the Issuer and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade*. Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded to the Securities or any other debt securities or preferred stock issued or guaranteed by the Company or any of

its subsidiaries by Standard and Poor's, a division of McGraw-Hill Companies, or Fitch Ratings, Ltd.; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or

has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change*. No event or condition of a type described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or supplement thereto) the effect of which in the judgment of the Representative makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate*. The Representative shall have received on and as of the Closing Date a certificate of an executive officer of the Company who has specific knowledge of each of the Company's, New Sunward's, CEMEX México's and the Note Issuer's financial matters and is satisfactory to the Representative (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the best knowledge of such officer, the representations set forth in Sections 3(a) and 3(b) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer in this Agreement are true and correct and that the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters*. On the date of this Agreement and on the Closing Date, KPMG Cárdenas Dosal, S.C. shall have furnished to the Representative, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; *provided* that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinions and 10b-5 Statement of Counsel for the Company and the Issuer* . Skadden, Arps, Slate, Meagher & Flom LLP, special U.S. counsel for the Company and the Issuer, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinions and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(g) *Opinion of British Virgin Islands Counsel for the Company and the Issuer* . Ogier, British Virgin Islands counsel for the Company and the Issuer, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(h) *Opinion and 10b-5 Statement of General Counsel for the Company* . Lic. Ramiro G. Villarreal Morales, General Counsel for the Company, shall have furnished to the Representative, at the request of the Company and the Issuer, their written opinion and 10b-5 statement, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(i) *Opinion of Dutch Counsel for the Company* . Warendorf, Dutch counsel for the Company, shall have furnished to the Representative, at the request of the Company, their written opinion, dated the Closing Date and addressed to the Initial Purchasers, in form and substance reasonably satisfactory to the Representative.

(j) *Opinion and 10b-5 Statement of U.S. Counsel for the Initial Purchasers* . The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Sullivan & Cromwell LLP, counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(k) *Opinion and 10b-5 Statement of Mexican Counsel for the Initial Purchasers* . The Representative shall have received on and as of the Closing Date an opinion and 10b-5 statement of Ritch Mueller, S.C., Mexican counsel for the Initial Purchasers, with respect to such matters as the Representative may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(l) *No Legal Impediment to Issuance* . No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note.

(m) *Good Standing* . The Representative shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Issuer, the Note Issuer, and New Sunward in their respective jurisdictions of organization, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(n) *Additional Transaction Documents; Transactions* . On the Closing Date, the Additional Transaction Documents shall have been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties, as applicable, and the

Transactions shall have been consummated in a manner consistent in all material respects with the description thereof in the Time of Sale Information and otherwise reasonably acceptable to the Representative.

(o) *DTC.* The Securities shall be eligible for clearance and settlement through DTC.

(p) *Additional Documents* . On or prior to the Closing Date, the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer shall have furnished to the Representative such further certificates and documents as the Representative may reasonably request.

(q) *Exchange Listing*. Application shall have been made to list the Securities on the Exchange.

(r) *Payment of Fees*. The Representative shall have received the Underwriting Commission on behalf of the Initial Purchasers.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchasers.

7. Indemnification and Contribution.

(a) *Indemnification of the Initial Purchasers*. The Issuer and each Note Guarantor jointly and severally agree to indemnify and hold harmless each Initial Purchaser, its affiliates, directors, officers, advisors and each person, if any, who controls such Initial Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser furnished to the Issuer or any of the Note Guarantors in writing by or on behalf of such Initial Purchaser through the Representative expressly for use therein.

(b) *Indemnification of the Company and the Issuer*. Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Issuer, each Note

Guarantor, each of their respective directors and officers and each person, if any, who controls the Issuer and each Note Guarantor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Initial Purchaser furnished to the Company in writing by such Initial Purchaser through the Representative expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the final paragraph on the front cover page regarding delivery of the Securities; the first full paragraph on page ii regarding stabilization or over-allotment by the Initial Purchasers; the third, fifth, seventh, thirteenth paragraphs and fourteenth paragraph which includes the subsections regarding United Kingdom and Japan in the section entitled “Plan of Distribution.”

(c) *Notice and Procedures*. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 7. If any such proceeding

shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the

Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Initial Purchaser, its affiliates, directors and officers and any control persons of such Initial Purchaser shall be designated in writing by J.P. Morgan Securities Inc. and any such separate firm for the Issuer, the Note Guarantors, their respective directors and officers and any control persons of the Issuer and the Note Guarantors shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution*. If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuer from the sale of the Securities and the total

discounts and commissions received

by the Initial Purchasers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Note Guarantors and the Issuer on the one hand and the Initial Purchasers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Note Guarantors and the Issuer or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability*. The Note Guarantors, the Issuer and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Initial Purchaser be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchaser with respect to the offering of the Securities exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies*. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representative, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by U.S. federal, New York State or Mexican authorities; (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering

Memorandum; (v) a change or development involving a prospective change in Mexican taxation affecting the Company, the Securities or the transfer thereof that, in the judgment of the Representative, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum or the imposition of exchange controls by Mexico; or (vi) the occurrence of any change, or any development involving a prospective change, in or affecting the existing financial, political, economic or other conditions in, or the foreign exchange of, the United States, Mexico, the British Virgin Islands or the Netherlands which, in the judgment of the Representative, would materially and adversely affect the financial markets or the market for the Securities or other debt securities or materially impair the ability of the Initial Purchasers to purchase, hold or effect resales of the Securities on the terms and in the manner contemplated by this Agreement, Time of Sale Information and the Offering Memorandum.

9. Defaulting Initial Purchaser. (a) If, on the Closing Date, any Initial Purchaser defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Initial Purchasers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Initial Purchaser, the non-defaulting Initial Purchasers do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Initial Purchasers to purchase such Securities on such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Initial Purchaser, either the non-defaulting Initial Purchasers or the Company may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Initial Purchasers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term “Initial Purchaser” includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Initial Purchaser agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Company shall have the right to require each non-defaulting Initial Purchaser to purchase the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder plus such Initial Purchaser's pro rata share (based on the principal amount of Securities that such Initial Purchaser agreed to purchase hereunder) of the Securities of such

defaulting Initial Purchaser or Initial Purchasers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Initial Purchaser or Initial Purchasers by the non-defaulting Initial Purchasers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Initial Purchasers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Initial Purchaser of any liability it may have to the Company, the Issuer or any non-defaulting Initial Purchaser for damages caused by its default.

10. Payment of Expenses. Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company and the Issuer jointly and severally agree to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's and the Issuer's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Representative may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related reasonable fees and expenses of counsel for the Initial Purchaser); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by DTC, Euroclear and Clearstream; (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; (x) all expenses and application fees related to the listing of the Securities on the Exchange; and (xi) the costs incident to the creation of the Issuer, the Note Issuer and SwapCo and the structuring and execution of the Swap. So long as the transactions contemplated in this Agreement are consummated, the Representative agrees to pay or cause to be paid all out-of-pocket costs and expenses (including the reasonable fees and expenses of their counsel) reasonably incurred by the Initial Purchasers in connection with this

Agreement and the offering contemplated hereby. However, if the transactions contemplated by this Agreement are not consummated or this Agreement is terminated, the Company and the Issuer jointly and severally agree to pay or cause to be paid such out-of-pocket costs and expenses (including the reasonable fees and expenses of counsel) reasonably incurred by the Initial Purchasers in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Initial Purchaser referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Initial Purchaser shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of each CEMEX Transaction Party, the Issuer and the Initial Purchasers contained in this Agreement or made by or on behalf of each CEMEX Transaction Party, the Issuer or the Initial Purchasers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of any CEMEX Transaction Party, the Issuer or the Initial Purchasers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended; (d) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; and (e) the term "written communication" has the meaning set forth in Rule 405 under the Securities Act.

14. Exchange Rates Fluctuations. In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the "judgment currency") other than

United States dollars, the Company and the Issuer, jointly and severally, will indemnify each Initial Purchaser or other person to whom such amount is due against any loss incurred by such Initial Purchaser or other person, as the case may be, as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which the judgment currency actually received by such Initial Purchaser or other person, as the case may be, is able to purchase United States dollars with the amount of the judgment currency actually received by such Initial Purchaser or other person, as the case may be. The foregoing indemnity shall constitute a separate and independent obligation of each of the

Company and the Issuer and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into United States dollars.

15. Submission to Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any state or federal court in The City of New York and in the respective courts of each party's own corporate domicile with respect to actions brought against it, irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding in any state or federal court in The City of New York and any right it may have to the jurisdiction of other courts pursuant to applicable law, and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. Each CEMEX Transaction Party and the Issuer hereby appoints CEMEX NY Corporation, the Company's New York subsidiary, as its authorized agent (the "Authorized Agent") upon whom process may be served in any such action arising out of or based on this Agreement or the transactions contemplated hereby which may be instituted in any state or federal court in The City of New York by any Initial Purchaser or by any person who controls any of the Initial Purchasers, expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and designates its domicile, the domicile of CEMEX NY Corporation specified above and any domicile that CEMEX NY Corporation may have in the future as its domicile to receive any notice hereunder (including service of process). Such appointment shall be irrevocable. If for any reason CEMEX NY Corporation (or any successor agent for this purpose) shall cease to act as agent for service of process as provided above, each CEMEX Transaction Party and the Issuer will promptly appoint a successor agent for this purpose reasonably acceptable to you and shall grant thereto notarial powers-of-attorney for lawsuits and collections. Each CEMEX Transaction Party and the Issuer represent and warrant that the Authorized Agent has agreed to act as said agent for service of process, and each CEMEX Transaction Party and the Issuer agree to take any and all action, including the filing of any and all documents and instruments in full force and effect, as aforesaid. Service of process upon the Authorized Agent and written notice of such service to any CEMEX Transaction Party or the Issuer shall be deemed, in every respect, effective service of process upon any CEMEX Transaction Party or the Issuer, respectively.

16. Miscellaneous. (a) *Authority of the Representative*. Any action by the Initial Purchasers hereunder may be taken by J.P. Morgan Securities Inc. on behalf of the Initial Purchasers, and any such action taken by J.P. Morgan Securities Inc. shall be binding upon the Initial Purchasers.

(b) *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Initial Purchasers

shall be given to the Representative c/o J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017 (fax: (212) 834-6618); Attention: Latin America New Issues. Notices to the CEMEX Transaction Parties and the Issuer shall be given to them at c/o CEMEX, S.A.B. de C.V. Av. Ricardo Magáin, Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo Léon, México 66265 (fax: +011-5281-8888-4417); Attention: General Counsel. Notices to CEMEX NY Corporation shall be given to them at CEMEX NY Corporation, 590 Madison Ave., 41st floor, New York, New York 10022 (fax: (212) 317-6047); Attention: General Counsel.

(c) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Counterparts*. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

17. *Determination of Multipliers*. The Note Issuer has requested that Barclays Bank PLC ("Barclays") delay the determination of the multipliers to be included in the Note, the Note Indenture and the Offering Memorandum with respect to the Yen Rate (as defined in the Preliminary Offering Memorandum) of the Note in order to increase the likelihood of optimal pricing of the Note for the Note Issuer. Barclays shall determine such multipliers in its discretion, in consultation with the Note Issuer, prior to the close of business New York City time on February ___, 2007, based on market pricing for Barclays' hedging activities relating to Extinguishable Cross-Currency Swap (as defined in the Preliminary Offering Memorandum). The Note Issuer agrees that the multipliers determined by Barclays shall be binding on the Note Issuer regardless of their amount and acknowledges that it understands, and has agreed to bear, the market risks relating to the determination of these multipliers.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

C8 CAPITAL (SPV) LIMITED

By /s/ Michael Fay
Name: Michael Fay
Title: Authorised Signatory for
Ogier Managers (BVI) Limited

Director

CEMEX, S.A.B. de C.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

CEMEX MÉXICO, S.A. de C.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Chief Financial Officer

NEW SUNWARD HOLDING B.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

NEW SUNWARD HOLDING FINANCIAL VENTURES B.V.

By /s/ Rodrigo Treviño
Name: Rodrigo Treviño
Title: Attorney-in-Fact

Accepted: February 6, 2007

J.P. MORGAN SECURITIES INC.

For itself and on behalf of the
several Initial Purchasers listed
in Schedule 1 hereto.

By /s/ Wendi G. Royal

Name: Wendi G. Royal
Title: Vice President

Schedule 1

Initial Purchaser	Principal Amount
J.P. Morgan Securities Inc.	$500,000,000
Barclays Capital	250,000,000
Total	$750,000,000

ANNEX A

a. Additional Time of Sale Information

1. Term sheet containing the terms of the securities, substantially in the form of Annex B.

ANNEX B

C8 CAPITAL (SPV) LIMITED

Pricing Term Sheet

See attached.

ANNEX C

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Initial Purchaser acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) Such Initial Purchaser has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S under the Securities Act ("Regulation S") or Rule 144A or any other available exemption from registration under the Securities Act.

(ii) None of such Initial Purchaser or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Initial Purchaser will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchase Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S or Rule 144A or any other available exemption from registration under the Securities Act. Terms used above have the meanings given to them by Regulation S."

(iv) Such Initial Purchaser has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuer.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Initial Purchaser, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and

(iii) it will not offer or sell any Securities in the Republic of Italy or Japan unless it complies with the applicable laws and regulations in these jurisdictions as described in the Preliminary Offering Memorandum under the heading, “Plan of Distribution.”

(d) Each Initial Purchaser acknowledges that no action has been or will be taken by the Company that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

CLIFFORD
CHANCE

Exhibit 4.22

CONFORMED COPY

CEMEX FINANCE EUROPE B.V.

EUR 900,000,000

4.75 per cent. Notes due 2014

Guaranteed by

cemex espaÑA, S.A.

SUBSCRIPTION AGREEMENT

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THIS AGREEMENT is made on 28 February 2007

BETWEEN

(1) **CEMEX FINANCE EUROPE B.V.** (the "**Issuer**");

(2) **CEMEX ESPAÑA, S.A.** (the "**Guarantor**");

(3) **BANC OF AMERICA SECURITIES LIMITED** , **BNP PARIBAS** and **HSBC BANK PLC** (the "**Joint Lead Managers** "); and

(4) **BANCO SANTANDER CENTRAL HISPANO, S.A., BAYERISCHE LANDESBANK, CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID** and **WESTLB AG** (together with the Joint Lead Managers, the "**Managers**").

WHEREAS

(A) The Issuer has authorised the creation and issue of EUR 900,000,000 in aggregate principal amount of 4.75 per cent. guaranteed Notes due 2014 (the "**Notes**"). The Guarantor has authorised the giving of its guarantee in relation to the Notes.

(B) The Notes will be in bearer form and in the denomination of EUR 50,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 99,000. The Notes will initially be represented by a single temporary global note (the "**Temporary Global Note**"), which will be exchangeable for interests in a permanent global note (the "**Permanent Global Note**") in the circumstances specified in the Temporary Global Note. The Permanent Global Note will in turn be exchangeable for notes in definitive form (" **Definitive Notes**"), with interest coupons ("**Coupons**") attached, in the limited circumstances specified in the Permanent Global Note.

(C) The Notes will be issued subject to, and have the benefit of, a trust deed (the " **Trust Deed**"), a draft of which is in the agreed form and to which will be scheduled the forms of the Temporary Global Note, the Permanent Global Note and any Definitive Notes. The Trust Deed, which will include the Guarantee of the Notes (as defined below), will be made between the Issuer, the Guarantor and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") as trustee for the holders of the Notes from time to time.

(D) The Issuer and the Guarantor will, in relation to the Notes, enter into a paying agency agreement (the " **Agency Agreement**") with Citibank, N.A. (as paying agent) and the Trustee.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement the following expressions have the following meanings:

"**CEMEX España Group**" shall mean at any time the Guarantor and any company which is (i) required to be included in the consolidated accounts of the Guarantor pursuant to Article 42 of the Commercial Code

(*Código de Comercio*) of Spain or (ii) included in the same group as the Guarantor for the purposes of Article 4 of the

Securities Market Law 24/1988 of 28 July (*Ley 24/1988, de 28 de Julio, del Mercado de Valores)* as amended;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg;

"**Closing Date**" means, subject to Clause 8.2 (*Postponed closing*), 5 March 2007;

"**Conditions**" means the terms and conditions of the Notes as scheduled to the agreed form of the Trust Deed as the same may be modified prior to the Closing Date, and any reference to a numbered " **Condition**" is to the correspondingly numbered provision thereof;

"**euro**", "**EUR**" or "**€**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System;

"**Event of Default**" means one of those circumstances described in Condition 8 (*Events of Default*);

"**Fitch**" means Fitch Ratings Limited or any successor thereto from time to time;

"**FMSA**" means The Netherlands Financial Markets Supervision Act 2007 (*Wet op het financieel toezicht 2007*) and its subordinate and implementing decrees and regulations (as amended or restated from time to time);

"**FSMA**" means the Financial Services and Markets Act 2000;

"**Guarantee of the Notes**" has the meaning given in Condition 2(b) (*Guarantee of the Notes*);

"**Holding Company**" at any time shall mean a member of the CEMEX España Group at least 75 per cent. of the assets of which are shares in any one or more other members of the CEMEX España Group;

"**Issue Documents**" means this Agreement, the Trust Deed and the Agency Agreement;

"**Issue Price**" means 99.528 per cent. of the aggregate principal amount of the Notes;

"**Loss**" means any liability, damages, cost, loss or expense (including, without limitation, legal fees and any amount in respect of applicable value added tax to the extent not recoverable);

"**Offering Circular**" means the offering circular dated the date of this Agreement prepared in connection with the issue of the Notes, as the same may be amended or supplemented on or before the Closing Date;

"**person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Permitted Transaction**" means:

(i) any debt capital market transaction where both the Issuer and the subscriber are members of the CEMEX España Group;

(ii) any offering of notes in the United States or international private placement market;

(iii) any United States Dollar or Europeso international debt capital market transaction offering bonds or notes under, but not limited to, Rule 144A and/or Regulation S;

(iv) renewal or negotiation of bilateral credit lines with banks in the ordinary course of business;

(v) any securitisation of receivables (save to the extent such securitisation shall have an adverse effect on the creditworthiness of the Issuer or the Guarantor);

(vi) general syndication of the Guarantor's U.S.$ 9,000,000,000 acquisition facility entered into in December 2006; and

(vii) any other transaction that the parties hereto agree to in writing, such agreement not to be unreasonably denied by the Joint Lead Managers;

"**Preliminary Offering Circular**" means the preliminary offering circular dated 16 February 2007 prepared in connection with the issue of the Notes;

"**Principal Subsidiary**" at any time shall mean a member of the CEMEX España Group other than a Holding Company:

(i) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the total assets of the CEMEX España Group, all as calculated respectively by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Guarantor and its Subsidiaries; or

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary which immediately before the transfer is a Principal Subsidiary;

"**S&P**" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc.;

"**Securities Act**" means the United States Securities Act of 1933;

"**Stabilising Manager**" means BNP Paribas;

"**Subsidiary**" means, in respect of any person (the "**first person**") at any particular time, any other person (the "**second person**"):

(a) *Control*: whose affairs and policies the first person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or

(b) *Consolidation*: whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person; and

"U.S.$" means United States dollars, the lawful currency of the United States of America.

1.2 **Clauses and Schedules**

Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.

1.3 **Legislation**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.4 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

1.5 **Agreed Form**

Any reference herein to a document being in "**agreed form**" means that the document in question has been agreed between the proposed parties thereto, subject to any amendments that the parties may agree upon prior to the Closing Date.

2. **ISSUE OF THE NOTES**

2.1 **Undertaking to issue**

The Issuer and the Guarantor undertake to the Managers that:

2.1.1 *Issue of Notes*: subject to and in accordance with the provisions of this Agreement, the Notes will be issued on the Closing Date, in accordance with this Agreement and the Trust Deed; and

2.1.2 *Issue documentation*: they will on or before the Closing Date, execute the Issue Documents to which they are respectively a party.

2.2 **Undertaking to subscribe**

The Managers undertake to the Issuer and the Guarantor that, subject to and in accordance with the provisions of this Agreement, they will subscribe for the Notes on the Closing Date at the Issue Price *plus* (if the Closing Date is postponed in accordance with Clause 8.2 (*Postponed closing*)) any accrued interest in respect thereof. The obligations of the Managers under this sub-clause are joint and several.

2.3 **Stabilising**

In connection with the issue of the Notes, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of the Notes. The Managers acknowledge that the Issuer has not authorised the creation and issue of Notes in excess of EUR 900,000,000 in aggregate principal amount. No such stabilising activities shall take place in or from The Netherlands.

2.4 **Fixed price re-offering**

Each Manager represents, warrants and agrees that, prior to being notified by the Joint Lead Managers that the Notes are free to trade, it has not offered or sold and will not offer or sell (and has procured and will procure that none of its Subsidiaries or affiliates offers or sells) any Notes at a price less than the offered price set by the Joint Lead Managers.

2.5 **Agreement among Managers**

The execution of this Agreement on behalf of all parties hereto will constitute acceptance by each Manager of the IPMA Agreement Among Managers Version 1 subject to any amendment notified to such Manager in writing at any time prior to the receipt by the Joint Lead Managers of the document appointing such Manager's authorised signatory and its execution of this Agreement.

3. **REPRESENTATIONS AND WARRANTIES BY THE ISSUER AND THE GUARANTOR**

3.1 **Representations and warranties by the Issuer and the Guarantor**

The Issuer and the Guarantor jointly and severally represent and warrant to the Managers on the date hereof as follows *provided, however, that* the representations and warranties relating to the Guarantor are given by the Guarantor only:

3.1.1 *Incorporation, capacity and authorisation*: each of the Issuer and the Guarantor is duly incorporated, validly existing under the laws of its jurisdiction of incorporation with full power and capacity to own or lease its property and assets and to conduct its business as described in the Preliminary Offering Circular and the Offering Circular and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;

3.1.2 *Capacity and authorisation*: each of the Issuer and the Guarantor has full power and capacity:

(a) in the case of the Issuer only, to create and issue the Notes; and

(b) in the case of the Issuer and the Guarantor, to execute this Agreement, the Agency Agreement

and the Trust Deed,

and in each case to undertake and perform the obligations expressed to be assumed by it herein and therein, and each of the Issuer and the Guarantor (to the extent to which they are respectively parties thereto) has taken all necessary action to approve and authorise the same;

3.1.3 *No breach*: the creation, issue and sale of the Notes, the execution of this Agreement, the Agency Agreement, the Trust Deed and the undertaking and performance by the Issuer and the Guarantor of the respective obligations expressed to be assumed by each of them herein and therein will not conflict with, or result in a breach of or default under, the laws of either of their respective jurisdictions of incorporation, any agreement or instrument to which either of them is a party or by which either of them is bound or in respect of indebtedness in relation to which either of them is a surety or any provisions of their respective constitutive documents;

3.1.4 *Legal, valid, binding and enforceable*:

(a) this Agreement, the Agency Agreement and the Trust Deed constitute legal, valid, binding and enforceable obligations of the Issuer and the Guarantor (to the extent to which they are respectively parties thereto) subject, in the case of enforceability, to any relevant reservations expressed in the relevant legal opinions referred to in Clause 8.3.1(a) (*Legal Opinions*) of this Agreement; and

(b) upon due execution by or on behalf of the Issuer and due authentication and delivery, the Notes will constitute legal, valid, binding and enforceable obligations of the Issuer subject, in the case of enforceability, to any relevant reservations expressed in the relevant legal opinions referred to in Clause 8.3.1(a) (*Legal opinions*) of this Agreement;

3.1.5 *Status of the Notes*: the Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding;

3.1.6 *Status of the Guarantee of the Notes*: the Guarantee of the Notes constitutes a direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligation of the Guarantor which will at all times rank (subject, in respect of the Guarantor, to any applicable exceptions under Spanish law) at least pari passu and equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding;

3.1.7 *Approvals*: all authorisations, consents and approvals required in respect of the Issuer and the Guarantor for or in connection with the creation, issue and sale of the Notes, the execution of this Agreement, the Agency Agreement, the Trust Deed and the performance by the Issuer and the Guarantor of the respective

obligations expressed to be undertaken by each of them herein and therein and the distribution of the Preliminary Offering Circular and the Offering Circular in accordance with the provisions set out in the Schedule (*Selling Restrictions*) have been obtained and are in full force and effect;

3.1.8 *Taxation*: save as disclosed in the Preliminary Offering Circular and the Offering Circular, as amended or updated and together with any supplements published in accordance with Clause 4.4, all payments of principal and interest in respect of the Notes, and all payments by the Issuer and the Guarantor under this Agreement, the Agency Agreement and the Trust Deed, will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by The Netherlands or the Kingdom of Spain or any political subdivision or authority thereof or therein having power to tax;

3.1.9 *Preliminary Offering Circular*: the Preliminary Offering Circular contained as of its date of issue all information which was (in the context of the issue, offering and sale of the Notes) material; as of such date such information was true and accurate in all material respects and was not misleading in any material respect; any opinions, predictions or intentions expressed in the Preliminary Offering Circular were as of such date honestly held or made and were not misleading in any material respect; the Preliminary Offering Circular did not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the issue, offering and sale of Notes) not misleading in any material respect; and all proper enquiries were made to verify the foregoing;

3.1.10 *Offering Circular*: the Offering Circular contains all information which is (in the context of the issue, offering and sale of the Notes and the Guarantee of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in the Offering Circular are honestly held or made and are not misleading in any material respect; the Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the issue, offering and sale of the Notes and the Guarantee of the Notes) not misleading in any material respect; and all proper enquiries have been made to verify the foregoing;

3.1.11 *Financial statements*: in the case of (i) the Issuer, its most recently prepared unconsolidated audited annual financial statements, and (ii) the Guarantor, its most recently prepared audited consolidated annual financial statements were prepared in accordance with accounting principles generally accepted in its jurisdiction of incorporation and consistently applied and give (i) in the case of the Issuer (in conjunction with the notes thereto) a true and fair view of its financial condition and (ii) in the case of the Guarantor (in conjunction with the notes thereto) present fairly, in all material respects, its and its Subsidiaries' financial condition (taken as a whole) as at the date(s) as of which they were prepared and the results of its (in the case of unconsolidated accounts) and its

Subsidiaries' (in the case of consolidated accounts) operations (taken as a whole) during the periods then ended;

3.1.12 *General duty of disclosure*: the Preliminary Offering Circular contained, and the Offering Circular contains, in each case taken as a whole, all such information which, according to the particular nature of the Issuer, the Guarantor, the Notes and the Guarantee of the Notes, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses of the Issuer and the Guarantor and of the rights attaching to the Notes and the Guarantee of the Notes;

3.1.13 *No material litigation*: save as disclosed in the Preliminary Offering Circular and the Offering Circular, there are no litigation or arbitration proceedings against or affecting the Issuer, the Guarantor, any of their respective Subsidiaries or any of their respective assets or revenues, nor is the Issuer or the Guarantor aware of any pending or threatened proceedings of such kind, which are or might be material in the context of the issue of the Notes thereunder;

3.1.14 *No material adverse change*: save as disclosed in the Preliminary Offering Circular and the Offering Circular and since the last day of the financial period in respect of which the most recent consolidated audited financial statements of the Issuer, or, as the case may be, the Guarantor have been prepared, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer or the Guarantor or any Principal Subsidiary that is material in the context of the issue of the Notes thereunder;

3.1.15 *Dutch banking laws*: The Issuer and the Guarantor hereby represent, warrant and agree that the Issuer and the Guarantor meet and will continue to meet, the criteria set out in Art. 3:2 of the FMSA so that the Issuer has the benefit of exemptive relief pursuant thereto, including in particular that:

(a) the Guarantor is a parent company of the Issuer and meets and will continue to meet the financial test of a positive consolidated shareholders equity for the life of the Notes issued by the Issuer;

(b) at least 95 per cent. of the Issuer's balance sheet is currently and will continue to be lent and/or invested within the group (*concern*) as defined in Art. 3:2 of the FMSA; and

(c) all funds borrowed by the Issuer, other than borrowings from "professional market parties" or within a "closed circle" (both as defined in the FMSA) are: (i) obtained by means of debt securities issued in compliance with the FMSA and (ii) secured by a guarantee from the Guarantor (or a New Guarantor (as defined in the Trust Deed)), a keep well agreement between the Issuer and the Guarantor or a guarantee from a credit institution subject to adequate prudential supervision.

3.2 **Representations repeated**

The representations and warranties in Clause 3.1 (*Representations and warranties by the Issuer and the Guarantor*) shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) on each date on which the Offering Circular is updated or amended in accordance with Clause 4.4 of this Agreement and on each date falling on or before the Closing Date.

4. **UNDERTAKINGS BY THE ISSUER AND THE GUARANTOR**

The Issuer and the Guarantor jointly and severally undertake to the Managers as follows:

4.1 **Change in matters represented**

The Issuer and the Guarantor shall forthwith notify the Managers of anything which has or may have rendered, or will or may render, untrue or incorrect in any respect any representation and warranty by the Issuer or the Guarantor in this Agreement.

4.2 **Non-satisfaction of conditions precedent**

If, at any time after entering into the Issue Documents under Clause 2 (*Issue of the Notes*) and before the issue of the Notes, the Issuer and/or the Guarantor becomes aware that the conditions specified in Clause 8.3 (*Conditions Precedent*) will not be satisfied in relation to the issue, the Issuer and/or the Guarantor shall forthwith notify the Managers to this effect giving full details thereof.

4.3 **Other information**

Without prejudice to the generality of the foregoing, the Issuer and/or the Guarantor shall from time to time promptly furnish to each Manager such information relating to the Issuer and/or the Guarantor as such Managers may reasonably request.

4.4 **Supplements to the Offering Circular**

The Issuer and the Guarantor shall update or amend the Offering Circular (following consultation with the Joint Lead Managers who will consult with the Managers) by the publication of a supplement thereto or a new Offering Circular in a form approved by the Managers (such approval not to be unreasonably withheld) in the

event of any significant new factor, material mistake or inaccuracy relating to any of the Issuer, the Guarantor or the Notes and which arises or is noted between the time when the Offering Circular is approved and completion (in the view of the Joint Lead Managers) of distribution of the Notes.

4.5 **Listing and Admission to Trading**

The Issuer and the Guarantor shall use reasonable endeavours to procure the admission of the Notes to listing on the Official List of the United Kingdom Financial Services Authority ("**FSA**") and to trading on the Professional Securities Market of the London Stock Exchange plc (the "**London Stock Exchange**"); *provided, however, that*, if it is impracticable or unduly burdensome to maintain such admissions to listing and to trading, the Issuer and the Guarantor shall use reasonable endeavours to produce and maintain as aforesaid a listing of or quotation for the Notes on such other listing authority, stock exchange and/or quotation system as they may (with the approval of the Joint Lead Managers (not to be unreasonably withheld)) decide.

4.6 **No competing issues**

Except with respect to any Permitted Transaction, during the period commencing on the date of this Agreement and ending on the Closing Date, the Issuer will not, without the prior consent of the Joint Lead Managers (such consent not to be unreasonably withheld), issue or agree to issue any other listed notes, bonds or other debt securities of whatsoever nature where such notes, bonds or other debt securities would have the same maturity and currency as the Notes.

5. **SELLING RESTRICTIONS**

Each of the parties to this Agreement represents, warrants and undertakes as set out in the Schedule.

6. **INDEMNITY**

6.1 **Indemnity by Issuer and the Guarantor**

The Issuer and the Guarantor jointly and severally undertake to each Manager that if a Manager, an affiliate of any Manager or an officer, director, employee and agent of any Manager or any such affiliate or any person by whom each of them is controlled for the purposes of the Securities Act (each, a "**Relevant Party**") incurs any Loss arising out of, in connection with or based on:

6.1.1 any inaccuracy or alleged inaccuracy of any representation and warranty by the Issuer or the Guarantor in this Agreement (on the date of this Agreement or on any other date when it is deemed to be repeated) or otherwise made by the Issuer or the Guarantor in respect of the Notes; or

6.1.2 any breach or alleged breach by the Issuer or the Guarantor of any of their respective undertakings in this Agreement or otherwise made by the Issuer or the Guarantor in respect of the Notes,

then the Issuer and the Guarantor jointly and severally will pay to that Manager an amount equal to such Loss. No Manager shall have any fiduciary or other relationship in respect of this Clause with any Relevant Party or any duty to recover any such payment or to account to any other person for any amounts paid to it under this clause. Terms used in this Clause 6 have the meanings given to them by the Securities Act and the regulations thereunder.

6.2 **Conduct of Claims**

If any action, proceeding, claim or demand ("**Proceedings**") shall be brought or asserted against any Manager in respect of which indemnity may be sought from the Issuer and the Guarantor as contemplated in sub-clause 6.1, such Manager shall promptly notify the Issuer and the Guarantor in writing thereof. The Issuer and the Guarantor, acting jointly, may elect to assume the defence of such Proceedings in which case they shall retain reputable lawyers approved by the relevant Manager (such approval not to be unreasonably withheld or delayed) in each relevant jurisdiction, if more than one, and shall be liable to pay the fees and expenses of such lawyers relating to such Proceedings (provided, however, that the Issuer and the Guarantor, acting jointly, shall not be entitled to so assume the defence, if at the time of such election, any of the events specified in Condition 8(a)(iv) to (viii) or (xi) (*Events of Default*) have occurred or are continuing).

In any Proceedings with respect to which the Issuer and the Guarantor, acting jointly, have elected to assume

the defence of any Proceedings, the relevant Manager shall have the right to retain its own lawyers in each relevant jurisdiction, if more than one, and to participate fully in the defence of such Proceedings (and in any event shall be kept informed and consulted in detail about the defence of such proceedings) but the fees and expenses of such lawyers shall be at the expense of such Manager unless:

6.2.1 the Issuer and the Guarantor and such Manager shall have mutually agreed to the retention of such lawyers; or

6.2.2 the named parties to any such Proceedings (including any joined parties) include the Issuer and the Guarantor and such Manager and representation of the Issuer and the Guarantor and such Manager by the same lawyers (in the relevant jurisdiction, in the discretion of such Manager), would be inappropriate due to actual or potential differing interests between them or actual or potential differing defences available to them; or

6.2.3 the Issuer and the Guarantor have failed to retain reputable lawyers approved by such Manager (such approval not to be unreasonably withheld or delayed) in any relevant jurisdiction pursuant to its obligation to do so under this Clause 6.2.

The Issuer and the Guarantor, acting jointly, will not settle any Proceedings without the written consent of the relevant Manager. Nothing herein shall affect the position of the parties hereto pursuant to Clause 6.1 in the event that the Issuers and the Guarantor, acting jointly, do not elect to assume the defence of any Proceedings.

7. FEES AND EXPENSES

7.1 Combined management, underwriting and selling commission

The Issuer (or, in default, the Guarantor) shall, on the Closing Date, pay to the Joint Lead Managers for the account of the Managers a combined commission of 0.225 per cent. of the aggregate principal amount of the Notes. Such commission shall be set off against the Managers' obligation to procure payment of the Issue Price as provided in Clause 8.1.2.

7.2 Expenses

The agreement relating to the allocation of costs and expenses incurred in connection with the issue of the Notes is set out in a mandate letter dated 21 February 2007 between the Guarantor and the Joint Lead Managers.

7.3 Taxes

All payments in respect of the obligations of the Issuer and the Guarantor under this Agreement shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within The Netherlands or the Kingdom of Spain or (in either case) any political subdivision thereof or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer (or, in default, the Guarantor) shall pay such additional amounts as

will result in the receipt by the relevant Manager of such amounts as would have been received by it if no such withholding or deduction had been required.

7.4 Stamp duties

The Issuer (or, in default, the Guarantor) shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable in The Netherlands, the Kingdom of Spain, Luxembourg, Belgium or the United Kingdom in connection with the issue, sale or delivery of the Notes and the entry into, the execution and delivery of this Agreement, the Agency Agreement and the Trust Deed and shall indemnify each Manager against any Loss which it may incur or which may be made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

8. CLOSING

8.1 Closing

Subject to Clause 8.3 (*Conditions precedent*), the closing of the issue shall take place on the Closing Date, whereupon:

8.1.1 *Delivery of Temporary Global Note*: the Issuer shall deliver the Temporary Global Note, duly executed on behalf of the Issuer and authenticated in accordance with the Trust Deed, to a common depositary designated for the purpose by Euroclear and Clearstream, Luxembourg for credit on the Closing Date to the accounts of Euroclear and Clearstream, Luxembourg with such common depositary; and

8.1.2 *Payment of net issue proceeds*: against such delivery, the Managers shall procure the payment of the net proceeds of the issue of the Notes (namely the Issue Price *plus* accrued interest *less* the fees and expenses that are to be set off pursuant to Clause 7 (*Fees and Expenses*)) to the Issuer by credit transfer in euro for same day value to such account as the Issuer has designated to the Joint Lead Managers.

8.2 **Postponed closing**

The Issuer, the Guarantor and the Joint Lead Managers (on behalf of the Managers) may agree to postpone the Closing Date to another date not later than 19 March 2007, whereupon all references herein to the Closing Date shall be construed as being to that later date.

8.3 **Conditions precedent**

The Managers shall only be under obligation to subscribe and pay for the Notes if:

8.3.1 *Closing documents*: the Joint Lead Managers (on behalf of the Managers) receive on (or, in the case of the evidence referred to in sub-paragraph (d), on or before) the Closing Date:

(a) *Legal opinions*: legal opinions dated the Closing Date and addressed to the Managers and the Trustee from Clifford Chance as to the laws of England, The Netherlands and the Kingdom of Spain in a form acceptable to the Joint Lead Managers (on behalf of the Managers);

(b) *Closing certificate*: a closing certificate, dated the Closing Date and addressed to the Managers, signed by a duly authorised signatory on behalf of the Issuer and a closing certificate, also dated the Closing Date and addressed to the Managers, signed by a duly authorised signatory on behalf of the Guarantor in a form acceptable to the Joint Lead Managers (on behalf of the Managers);

(c) *Comfort letters*: comfort letters dated the date of this Agreement and the Closing Date and addressed to the Managers from KPMG Auditores, S.L. in respect of the Issuer and the Guarantor, in a form acceptable to the Joint Lead Managers (on behalf of the Managers); and

(d) *Process agent's acceptance:* evidence that the person mentioned in Clause 13.5 (*Process Agents*) has agreed to receive process in the manner specified therein.

8.3.2 *Issue documentation*: the Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto.

8.3.3 *No material adverse change*: there has, since the date of this Agreement, been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer or the Guarantor or any of their respective Subsidiaries that is material in the context of the issue of the Notes or the giving of the Guarantee of the Notes.

8.3.4 *No adverse change of rating*: since the date of this Agreement, neither of Fitch nor S&P has in respect of the Issuer or the Guarantor or any of their debt securities issued (a) any notice downgrading either such entity or its debt securities to BB+ or lower (or its equivalent for the time being) (a "**sub-investment grade rating**"), or (b) any new notice indicating that it intends to downgrade, or is considering the possibility of downgrading, either such entity or its debt securities to a sub-investment grade rating.

8.3.5 *Accuracy of representations*: the representations and warranties by the Issuer and the Guarantor in this Agreement are true and correct on the date of this Agreement and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the Closing Date with reference to the facts and circumstances then subsisting.

8.3.6 *Listing and Trading*: the Joint Lead Managers receive confirmation on or before the Closing Date that the Notes have, subject only to the execution, authentication and delivery of the Temporary Global Note, been admitted to the Official List of the FSA and to trading on the Professional Securities Market of the London Stock Exchange,

provided, however, that the Joint Lead Managers (on behalf of the Managers) may, at their discretion, waive satisfaction of any of the conditions specified in this Clause 8.3.

9. **TERMINATION**

9.1 **Managers' right to terminate**

The Joint Lead Managers (on behalf of the Managers) may give a termination notice to the Issuer and the Guarantor at any time prior to the payment of the net proceeds of the issue of the Notes to the Issuer on the Closing Date if:

9.1.1 *Inaccuracy of representation*: any representation and warranty by the Issuer or the Guarantor in this Agreement is or proves to be untrue or incorrect on the date of this Agreement or on any date on which it is deemed to be repeated;

9.1.2 *Breach of obligation*: the Issuer or the Guarantor fails to perform any of its obligations under this Agreement;

9.1.3 *Failure of condition precedent*: any of the conditions in Clause 8.3 (*Conditions precedent*) is not satisfied or waived by the Joint Lead Managers (on behalf of the Managers) on the Closing Date; or

9.1.4 *Force majeure*: since the date of this Agreement there has been, in the opinion of the Joint Lead Managers (after consultation with the Guarantor (if practicable)), such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market.

9.2 **Consequences**

Upon the giving of a termination notice under Clause 9.1 (*Managers' right to terminate*) and subject to Clause 9.3 (*Saving*):

9.2.1 *Discharge of Issuer and Guarantor*: the Issuer and the Guarantor shall be discharged from performance of their respective obligations under Clauses 2.1 (*Undertaking to issue*), 7.1 (*Combined management, underwriting and selling commission*) and sub-clause 8.1.1 (*Delivery of Temporary Global Note*); and

9.2.2 *Discharge of Managers*: the Managers shall be discharged from performance of their respective obligations under Clause 2.2 (*Undertaking to subscribe*) and sub-clause 8.1.2 (*Payment of net issue proceeds*).

9.3 **Saving**

A discharge pursuant to Clause 9.2 (*Consequences*) shall not affect the other obligations of the parties to this Agreement and shall be without prejudice to accrued liabilities.

10. **SURVIVAL**

The provisions of this Agreement shall continue in full force and effect notwithstanding the completion of the arrangements set out herein for the issue of the Notes and regardless of any investigation by any party to this Agreement.

11. **TIME**

Any date or period specified herein may be postponed or extended by mutual agreement among the parties but, as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

12. **NOTICES**

12.1 **Addresses for notices**

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

12.1.1 *Issuer*: if to the Issuer, to it at:

Address:	Amsteldijk 166 1079 LH Amsterdam The Netherlands
Fax:	+31 20 644 4095
Attention:	The Managing Director

12.1.2 *Guarantor*: if to the Guarantor, to it at:

CEMEX España, S.A.

Address:	Hernández de Tejada, 1 28029 Madrid Spain
Fax:	+34 91 377 6500 and +34 91 377 6514
Attention:	Treasury Department and Finance Department

12.1.3 *Managers*: if to the Managers, to the Joint Lead Managers on behalf of the Managers at:

BANC OF AMERICA SECURITIES LIMITED

Address:	5 Canada Square London E14 5AQ England
Fax:	+ 44 207 174 6414
Attention:	Syndicate Desk

BNP PARIBAS

Address:	10 Harewood Avenue London NW1 6AA England
Fax:	+ 44 207 595 2555
Attention:	Fixed Income Syndicate

HSBC Bank plc

Address:	8 Canada Square London E14 5HQ United Kingdom
Fax:	+44 207 992 4973
Attention:	Transaction Management Group

12.2 **Effectiveness**

Every notice or other communication sent in accordance with Clause 12.1 (*Addresses for notices*) shall be effective upon receipt by the addressee; *provided, however, that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13. **LAW AND JURISDICTION**

13.1 **Governing law**

This Agreement and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

13.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a " **Dispute**"), arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) or the consequences of its nullity.

13.3 **Appropriate forum**

The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

13.4 **Rights of the Managers to take proceedings outside England**

Clause 13.2 (*English courts*) is for the benefit of the Managers only. As a result, nothing in this Clause 13 (*Law and jurisdiction*) prevents the Managers from taking proceedings relating to a Dispute (" **Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Managers may take concurrent Proceedings in any number of jurisdictions.

13.5 **Process agents**

Each of the Issuer and the Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to CEMEX UK at Cemex House, Coldharbour Lane, Thorpe Egham, Surrey TW20 8TD or, if different, its registered office for the time being or at any address of the Issuer or the Guarantor in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantor, the Issuer and the Guarantor shall, on the written demand of any Manager addressed and delivered to the Issuer and the Guarantor appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Manager shall be entitled to appoint

such a person by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor. Nothing in this paragraph shall affect the right of any Manager to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

13.6 **Attorney**

If the Issuer is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws of The Netherlands, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws shall govern the

existence and extent of such attorney's or attorneys' authority and the effects of the exercise thereof.

14. **RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

15. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

AS WITNESS the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

SCHEDULE
SELLING RESTRICTIONS

1. **GENERAL**

1.1 **No action to permit public offering**

Each Manager acknowledges that no action has been or will be taken in any country or jurisdiction by the Issuer or the Guarantor that would, or is intended to, permit an offer to the public of the Notes, or possession or distribution of any offering material or publicity in relation thereto, in any country or jurisdiction where action for that purpose is required.

1.2 **Managers' compliance with applicable laws**

Each Manager undertakes to the Issuer and the Guarantor that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes such offering material, in all cases at its own expense.

2. **UNITED STATES**

2.1 **No registration under Securities Act**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

2.2 **Compliance by Issuer and Guarantor with United States securities laws**

The Issuer and the Guarantor represent, warrant and undertake to each of the Managers that neither they nor any of their respective affiliates (including any person acting on behalf of the Issuer, the Guarantor or any of their respective affiliates) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act or the qualification of the Trust Deed as an indenture under the United States Trust Indenture Act of 1939 and, in particular, that:

2.2.1 *No directed selling efforts*: neither the Issuer, the Guarantor nor any of their respective affiliates nor any person acting on their behalf has engaged or will engage in any directed selling efforts with respect to the Notes; and

2.2.2 *Offering restrictions*: the Issuer, the Guarantor and their respective affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

2.3 **Managers' compliance with United States securities laws**

Each Manager:

2.3.1 *Offers/sales only in accordance with Regulation S*: represents, warrants and undertakes to the Issuer and the Guarantor that it has offered and sold the Notes, and will offer and sell the Notes:

(a) *Original distribution*: as part of their distribution, at any time; and

(b) *Outside original distribution*: otherwise, until 40 days after the later of the commencement of the offering and the Closing Date,

only in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

(i) *No directed selling efforts*: neither it nor any of its affiliates (including any person acting on behalf of such Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes; and

(ii) *Offering restrictions*: it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and

(iii) *No solicitation*: neither it nor any of its affiliates (including any person acting on behalf of such Manager or any of its affiliates) has solicited or will solicit any offer to buy or offer to sell the Notes by any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in the United States; and

2.2.3 *Prescribed form of confirmation*: undertakes to the Issuer and the Guarantor that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period a confirmation or notice in substantially the following form:

"The securities covered hereby have not been registered under the United States Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

2.3 **Managers' compliance with United States Treasury regulations**

Each Manager represents, warrants and undertakes to the Issuer and the Guarantor that:

2.3.1 *Restrictions on offers etc*: except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"):

(a) *No offers etc to United States or United States persons*: it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and

(b) *No delivery of definitive Notes in United States*: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period;

2.3.2 *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules; and

2.3.3 *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6),

and, with respect to each affiliate of such Manager that acquires Notes from such Manager for the purpose of offering or selling such Notes during the restricted period, such Manager undertakes to the Issuer and the Guarantor that it will obtain from such affiliate for the benefit of the Issuer and the Guarantor the representations, warranties and undertakings contained in sub-clauses 2.3.1, 2.3.2 and 2.3.3.

2.4 **Interpretation**

Terms used in clauses 2.2 and 2.3 above have the meanings given to them by Regulation S under the Securities Act. Terms used in clause 2.4 above have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the D Rules.

3. **UNITED KINGDOM**

Each Manager represents, warrants and undertakes to the Issuer, the Guarantor and each other Manager that:

3.1 *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

3.2 *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

4. **EUROPEAN ECONOMIC AREA**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant**

Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

4.1 to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

4.2 to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

4.3 in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

5. **THE KINGDOM OF SPAIN**

Neither the Notes, the Preliminary Offering Circular nor the Offering Circular have been approved or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, each Manager acknowledges that the Notes may not be offered in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of article 30bis of the Spanish Securities Market Law of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and article 38 of Royal Decree 1310/2005 of 4 November 2005 which implements the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (*Real Decreto 1310/2005, de 4 de noviembre*) and supplemental rules enacted thereunder.

SIGNATURES

The Issuer

CEMEX FINANCE EUROPE B.V.

By: ÁNGEL MÉNDEZ

The Guarantor

CEMEX ESPAÑA, S.A.

By: JAVIER GARCIA

The Joint Lead Managers

BANC OF AMERICA SECURITIES LIMITED

By: JULIAN VELARDE

BNP PARIBAS

By: JULIAN VELARDE

HSBC BANK PLC

By: JULIAN VELARDE

The Managers

BANCO SANTANDER CENTRAL HISPANO, S.A.
BAYERISCHE LANDESBANK
CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID
WESTLB AG

By: JULIAN VELARDE

(*Duly authorised attorney*)

Exhibit 4.23

Final

Bid Agreement

Cemex Australia Pty Ltd

Cemex,S.A.B. de C.V

Rinker Group Limited

Bid Agreement

Date [ ] April 2007

Among the parties	**Cemex Australia Pty Ltd** ACN 122 401 405 of Level 4 126 Phillip St Sydney NSW (**Bidder**); **Cemex, S.A.B. de C.V.** of Av. Ricardo Margain Zozaya 325, C.P. 66265 San Pedro Garza Garcia, N.L. Mexico (**Cemex**) **Rinker Group Limited** ABN 53 003 433 118 of Level 8, Tower B, 799 Pacific Hwy Chatswood NSW (**Target**).
Background	(a) The Bidder has agreed to vary the terms of the Takeover Offer: (i) by increasing the consideration payable to the Target Shareholders under the Takeover Offer to the Higher Price; (ii) to allow the Target Shareholders to retain the Interim Dividend without any reduction in the consideration payable to the Target Shareholders under the Takeover Offer; and (iii) by freeing the Takeover Offer from all of the defeating conditions other than the 90% Condition. (b) The directors of the Target have agreed to recommend to the Target Shareholders acceptance of the Offer at the Higher Price, in the absence of a superior proposal.
The parties agree	as set out in the Operative part of this agreement, in consideration

of, among other things, the mutual promises contained in this agreement.

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this document are set out below.

Term	Meaning
90% Condition	the condition in clause 8.6(a) of the Bidder's Statement.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited.
Australian Dollar Price	AUD 19.50
Bidder's Statement	the Bidder's Statement of the Bidder dated 30 October 2006 (as previously supplemented by the First Supplementary Bidder's Statement dated 8 December 2006, the Second Supplementary Bidder's Statement dated 23 January 2007 and the Third Supplementary Bidder's Statement dated 22 March 2007), which shall be modified pursuant to a supplementary Bidder's Statement in accordance with the terms and conditions set forth herein.
Business Day	a business day as defined in the ASX listing rules.
Competing Proposal	any expression of interest, proposal or offer in relation to a bid, scheme, joint venture, dual listed company structure, purchase of a main undertaking, asset purchase, share issue or other similar reorganisation or transaction pursuant to which, if the transaction or arrangement is entered into or completed, either (a) the Target will issue more than 20% of the Target's voting shares as consideration for the shares or assets of a third party or (b) a third party will: 1 acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a significant proportion of the business of the Target Group; 2 acquire (whether directly or indirectly) a relevant interest in, become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in more than 20% of the Target's voting shares;

	3 acquire control (as determined in accordance with section 50AA of the Corporations Act) of the Target; or 4 otherwise acquire or merge with the Target (including by way of a scheme of arrangement, reverse takeover bid or dual listed companies structure).

Term	Meaning
Corporations Act	the *Corporations Act 2001* (Cth).
Divestiture Trigger	the day on which Bidder elects a majority of the board of directors of Target or 45 days after Bidder obtains legal ownership of a number of Target shares in excess of 50% of the issued shares in Target, whichever is sooner.
DoJ	U.S. Department of Justice
DOJ Settlement	the settlement between Cemex and the U.S. Department of Justice relating to the Takeover Offer as set forth in the Final Judgment of the U.S. District Court for the District of Columbia dated as of April 4, 2007 and the Hold Separate Stipulation and Order between Cemex and the U.S. Department of Justice dated as of April 4, 2007.
Government Agency	any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.
Higher Price	US$15.85 for each ordinary share in the Target.
Interim Dividend	the dividend of A$0.16 per ordinary share (which had a record date of 24 November 2006) previously paid by the Target to its shareholders.
Offer	the offer set out in the Bidder's Statement by Bidder to acquire all shares in the Target at the Higher Price.
Related Body Corporate	the meaning given in the Corporations Act.
Representative	in relation to a party: 1 a Related Body Corporate of the party; or 2 an Officer of the party or any of the party's Related Bodies Corporate; or 3 an adviser to the party or any of the party's Related Bodies Corporate.

Restriction Period	the period commencing on the date of this agreement and ending on the date that the Takeover Offer closes or lapses.
SEC	U.S. Securities and Exchange Commission
Takeover Offer	the Bidder's off market bid for all of the Target's ordinary shares pursuant to the Bidder's Statement (which shall be varied to reflect the Higher Price and other modified terms and conditions in accordance with this agreement).

Term	Meaning
Target Group	the Target and each of its subsidiaries.
Target Shareholders	the shareholders of the Target.

1.2 Interpretation

In this agreement, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

(a) words importing the singular include the plural and vice versa;

(b) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;

(c) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;

(d) a reference to a clause, party, attachment, exhibit or schedule is a reference to a clause of, and a party, attachment, exhibit and schedule to this agreement, and a reference to this agreement includes any attachment, exhibit and schedule;

(e) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(f) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;

(g) the word "includes" in any form is not a word of limitation;

(h) a reference to "$" or "dollar" is, unless otherwise stated, to Australian currency;

(i) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, Australia; and

(j) a term defined in or for the purposes of the Corporations Act has the same meaning when used

in this agreement.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Contra proferentem excluded

No term or condition of this agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this agreement or that provision.

2 Variation of Takeover Offer and Recommendation

2.1 Variation of Takeover Offer

(a) The Bidder must, immediately following the execution of this agreement, release to the ASX a public announcement of its intention to and take all actions necessary to validly vary the terms of the Takeover Offer so as to:

(1) increase the consideration payable to the Target Shareholders who accept the Takeover Offer to the Higher Price;

(2) give the Target Shareholders who accept the Takeover Offer the right to retain the whole of the Interim Dividend without any reduction to the Higher Price payable to the Target Shareholders who accept the Takeover Offer; and

(3) free the Takeover Offer from all defeating conditions to the Takeover Offer other than the 90% Condition.

Without limiting the foregoing, the Bidder must lodge with ASIC and the Target the required notice under section 650D of the Corporations Act and lodge with ASX the required notice under section 650F of the Corporations Act as soon as practicable. The notice under section 650D must be sent to Target Shareholders no later than the time at which the supplementary Bidder's Statement is sent to Target Shareholders in accordance with clause 2.3(a).

(b) The public announcement referred to in clause 2.1(a) must also state that the Bidder will, subject to obtaining any necessary ASIC modifications to the Corporations Act and Takeovers Panel approval (if required), vary the terms of the Takeover Offer so that Target Shareholders who accept the Takeover Offer are given the option (in addition to the existing options available under the Takeover Offer) to accept the Australian Dollar Price for the first 2,000 ordinary shares in the Target held by that Target Shareholder or by a nominee on behalf of that Target Shareholder based on the register of members of the Target on 12 April 2007, and the Bidder must promptly apply to ASIC for the modifications required to facilitate the variations referred to in this clause 2.1(b). As soon as practicable after the receipt of the required modifications from ASIC, the Bidder must take all actions necessary to validly vary the terms of the Takeover Offer in the manner contemplated by this clause 2.1(b) and make a public announcement of such variation.

2.2 Recommendation

(a) The Target's directors must, immediately following the announcement by the Bidder under clause 2.1(a), release to the ASX a public announcement in relation to the Takeover Offer stating the Target board's unanimous intention to recommend the Takeover Offer at the Higher Price, in the absence of a superior proposal, and that each Target director intends to accept the Takeover Offer in respect of his shares in Target, in the absence of a superior proposal.

(a) Within 5 Business Days after the Bidder varies the Takeover Offer in the manner referred to in clause 2.1(a) and files an amended Schedule TO and supplementary Bidder's Statement in

the manner referred to in clause 2.3, the Target's directors will issue a supplementary target's statement in relation to the Takeover Offer containing:

(1) a unanimous recommendation by the directors of the Target to the Target Shareholders that the Takeover Offer at the Higher Price (as modified in accordance with this agreement) be accepted; and

(2) a statement that each Target director intends to accept the Takeover Offer at the Higher Price in respect of his shares in Target,

in each case, in the absence of a superior proposal.

2.3 Notice to the ASX, ASIC and SEC

The Bidder must ensure that the announcement of the Bidder's intention to vary the terms of the Takeover Offer and the variation of the Takeover Offer referred to in clause 2.1, and the Target must ensure that the announcement of the Target directors' intention to recommend the Takeover Offer and the Target directors' recommendation referred to in clause 2.2, is notified to the ASX, ASIC and SEC in accordance with applicable laws. Without limitation of the foregoing:

(a) the Bidder must, within 5 Business Days of the announcement referred to in clause 2.1(a), (i) file with ASIC and the ASX a supplementary Bidder's Statement in relation to the variation of the terms of the Takeover Offer in accordance with clause 2.1(a), (ii) file with the SEC an amended Schedule TO which contains such supplementary Bidder's Statement and (iii) disseminate to the Target Shareholders the supplementary Bidder's Statement and Schedule TO amendment in accordance with applicable law; and

(b) the Target must, as soon as practicable after the Bidder varies the Takeover Offer in the manner referred to in clause 2.1(a) and files a supplementary Bidder's Statement and an amended Schedule TO in the manner referred to in this clause 2.3, (i) file with ASIC and the ASX a supplementary Target's Statement which includes the recommendation referred to in clause 2.2, (ii) file with the SEC an amended Schedule 14D-9 which contains such supplementary Target's Statement and (iii) disseminate to the Target Shareholders the supplementary Target's Statement and Schedule 14D-9 amendment in accordance with applicable law.

2.4 Announcements

Each party must provide the other with a draft of their respective initial press releases with respect to the matters referred to in clause 2.1 and 2.2 and the documents referred to in clause 2.3 prior to their publication.

3 Target undertakings

3.1 No solicitation

Subject to the Bidder complying with its obligations under clause 2.1, during the Restriction Period, the Target must ensure that neither it nor any of its Representatives, except with the prior written consent of the Bidder, directly or indirectly solicits, initiates or invites any enquiries, discussions or proposals with respect to, or to undertake due diligence in connection with, a Competing Proposal.

3.2 No talk

(a) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, during the Restriction Period, the Target must ensure that neither it nor any of its Representatives, except with the prior written consent of the Bidder, negotiates or enters into, continues or participates in any discussions or negotiations with any third party (other than the Bidder and its affiliates and Representatives) with respect to a Competing Proposal, even if:

(1) that person's Competing Proposal was not directly or indirectly solicited, initiated, or encouraged by the Target or any of its Representatives; or

(2)that person has publicly announced their Competing Proposal.

The Target must immediately terminate any such discussions or negotiations that are underway at the date of this agreement. If the Target has provided any confidential information to any third party since 30 October 2006 in connection with such third party's consideration of a possible Competing Proposal, the Target must immediately request in writing the return or destruction by such third party of such confidential information.

3.3 Conduct of business

(a) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, during the Restriction Period, the Target will not, and will procure that the Target Group will not:

(1) convert any or all or all of its shares into a larger or smaller number of shares or resolve to reduce its share capital in any way; or

(2) issue or agree to issue shares or convertible notes or grant or agree to grant an option over its shares;

except in relation to matters for which the Bidder has given its prior written consent (such consent not to be unreasonably withheld).

(b) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, during the shorter of the Restriction Period and the period commencing on the date of this agreement and ending 3 months later, the Target:

(1) will conduct, and will procure that the Target Group conducts, the business of the Target Group in the usual and ordinary course of business;

(2) will not, and will procure that the Target Group does not, charge or agree to charge, the whole or a substantial part, of its business or property; and

(3) will not, and will procure that the Target Group does not, make any material acquisitions or disposals or undertake any new commitments which would have breached the condition set out in clause 8.6(h) of the Bidder's Statement had it not been waived by the Bidder,

except in relation to matters for which the Bidder has given its prior written consent (such consent not to be unreasonably withheld).

(c) At the direction of the Bidder but subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, following the Bidder acquiring a relevant interest in the Target of not less than 90% and commencing the compulsory acquisition process under the Corporations Act, the Target must sign and become a party to an amended Hold Separate Stipulation and Order containing the same provisions as those contained in the Hold Separate Stipulation and Order executed in connection with the DOJ Settlement. Cemex indemnifies the Target and each of its directors from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Target or any of its directors suffers, incurs or is liable for in connection with the Target's entry into and compliance with this clause 3.3(c) and the performance of obligations under the amended Hold Separate Stipulation and Order required to be signed by the Target in the circumstances referred to in this clause 3.3(c). The indemnity in this clause 3.3(c) in so far as it is in favour of the Target's directors takes effect as a deed poll by Cemex in favour of each of the directors of Target as at the date of this agreement who may enforce the indemnity directly against Cemex.

(d) Subject to the Bidder complying with its obligations under clause 2.1, if so requested by Cemex, the Target will discuss with the DoJ an amended Hold Separate Stipulation and Order and, if such an amended Hold Separate Stipulation and Order is mutually agreed among Cemex, the Target and the DoJ, the Target must enter into such an amended Hold Separate Stipulation and Order. Nothing in such an amended Hold Separate

Stipulation and Order shall (1) commit or require the Target to make any divestiture, and Cemex and the Target further acknowledge that the fact and terms of any such divestiture of assets of the Target shall require the approval of the Target board (as reconstituted) after the occurrence of a Divestiture Trigger or (2) require the Target board to take or agree to take any action, or refrain from taking any action, that would or would be

likely to be inconsistent with its fiduciary or statutory duties under Australian law. Cemex indemnifies the Target and each of its directors from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising which the Target or any of its directors suffers, incurs or is liable for in connection with the Target's entry into and compliance with this clause 3.3(d) and the performance of obligations under any amended Hold Separate Stipulation and Order signed by the Target in the circumstances referred to in this clause 3.3(d). The indemnity in this clause 3.3(d) in so far as it is in favour of the Target's directors takes effect as a deed poll by Cemex in favour of each of the directors of Target as at the date of this agreement who may enforce the indemnity directly against Cemex.

3.4 Other obligations

(a) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, during the Restriction Period, the Target must not pay a dividend, other than annual and half yearly dividends consistent with past practice (provided that nothing in this clause 3.4(a) prejudices the Bidder's rights under clause 8.8(e) of the Bidder's Statement in respect of such dividend), or undertake a buy-back, capital return or other payment to shareholders without the consent of the Bidder.

(b) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, in the absence of a superior proposal existing at the time, the Target will use all reasonable efforts to facilitate the Takeover Offer and the acceptance of the Takeover Offer by the Target Shareholders.

(c) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, if a Competing Proposal is announced or is received by the Target which the Target directors consider is superior to the Takeover Offer and as a consequence of which the Target directors intend to change or withdraw their recommendation in respect of the Takeover Offer, the Target must notify the Bidder of the material terms of, but not the identity of the party making, the Competing Proposal (if it has not been publicly announced) and the Target directors must delay publicly announcing the change or withdrawal of their recommendation for 48 hours from the time that the Bidder became aware of the Competing Proposal (either by way of the public announcement of the Competing Proposal or by way of a notice from the Target).

(d) Subject to the Bidder complying with its obligations under clause 2.1 and subject also to clause 3.5, if requested by the Bidder, at a time after the Bidder has received acceptances under the Takeover Offer in respect of more than 50% of the Target's issued shares, the Target must allow not more than 3 Representatives, notified by the Bidder to the Target and approved by the Target acting reasonably, to have access to information of the Target solely for the purpose of investigating whether assets of the Target the subject of the DOJ Settlement can be sold as self sustaining entities. Nothing in this clause 3.4(d) requires the Target to give the Bidder's Representatives (or any other person) access to information which the Target considers to be competitively or commercially sensitive. Before the Target will allow the Bidder's Representatives access to any information pursuant to this clause 3.4(d), the Bidder, Cemex and each of the 3 Representatives referred to above must enter into such confidentiality undertakings as may be reasonably required by the Target and must comply with such other reasonable requirements as the Target may direct in relation to such access.

3.5 Exceptions

Nothing in clauses 3.2, 3.3 or 3.4 prevents the Target or the Target Directors from taking or refusing to take any action provided that the Target Directors have determined, in good faith after having consulted with their external legal and financial advisers, that failing to take, or failing to refuse to take, such action would or would be likely to constitute a breach of the Target Directors' fiduciary or statutory obligations.

4 Representations and warranties

Each party represents and warrants to each other party that:

(a) its execution and delivery of this agreement has been properly authorised by all necessary

corporate actions; and

(b) it has full corporate power and lawful authority to execute, deliver and perform its obligations under this agreement.

5 General

5.1 No representation or reliance

(a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement or any other, except for representations or inducements expressly set out in this agreement.

(b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

5.2 Notices

Any communication under or in connection with this agreement:

(a) must be in writing;

(b) must be addressed as shown below:

Party	Address	Addressee	Fax
Bidder	Level 4 126 Phillip St Sydney NSW	Ian Hopkins	612 9230 5333
Rinker	Level 8, Tower B, 799 Pacific Hwy Chatswood NSW	Company Secretary	612 9412 6666
Cemex	Av. Ricardo Margain Zozaya 325, C.P. 66265 San Pedro Garza Garcia, N.L. Mexico	Ramiro Villarreal, Senior Vice President and General Counsel	+52 81 8888 4399

(or as otherwise notified by that party to the other party from time to time);

(c) must be signed by the party making the communication or by a person duly authorised by that party;

(d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 5.2(b); and

(e) is regarded as received by the addressee:

(1) if sent by prepaid post, on the third Business Day after the date of posting to an address within the country in which it was posted, and on the fifth Business Day after the date of posting to an address outside the country in which it was posted;

(2) if sent by fax, at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is not a Business Day, or is after 5.00 pm on a Business Day in the place of receipt, when that communication will be regarded as received at 9.00 am on the next Business Day;

and

(3) delivered by hand, on delivery at the address of the addressee as provided in clause 5.2(b), unless delivery is not made on a Business Day, or after 5.00 pm on a Business Day, when that communication will be regarded as received at 9.00 am on the next Business Day.

(f) References in clause 5.2 to a "Business Day" shall mean a day which is not a Saturday, Sunday or a public holiday in the jurisdiction in which the notice is received.

5.3 Governing law and jurisdiction

(a) This agreement is governed by the laws of New South Wales.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

5.4 Waivers

(a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement.

(b) Any waiver or consent given by any party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party.

(c) No waiver of a breach of any term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

5.5 Counterparts

(a) This agreement may be executed in any number of counterparts.

(b) All counterparts, taken together, constitute one instrument.

(c) A party may execute this agreement by signing any counterpart.

5.6 Termination

This agreement will terminate upon the earliest of the close, lapse or withdrawal of the Takeover Offer or four months from the date of this agreement.

Signing page

Executed as an agreement (and as a deed poll for the purposes of clauses 3.3 (c) and (d))

Cemex Australia Pty Limited

Signed for
Cemex Australia Pty Limited

sign here /s/ Ramiro G. Villareal Morales

Secretary/Director

print name Ramiro G. Villareal Morales

sign here /s/ Hector Medina Aguiar

Director

print name Hector Medina Aguiar

Cemex, S.A.B. de C.V

Signed for
Cemex, S.A.B. de C.V

sign here /s/ Hector Medina Aguiar

Authorised Officer

print name Hector Medina Aguiar

sign here /s/ Ramiro G. Villareal Morales

Witness

print name Ramiro G. Villareal Morales

Rinker Group Limited

Signed for

Rinker Group Limited

sign here /s/ P.B. Abraham

Secretary/Director

print name P.B. Abraham

sign here /s/ J.P. Morschel

Director

print name J.P. Morschel

Exhibit 4.24

€730,000,000

C10-EUR CAPITAL (SPV) LIMITED
(CEMEX, S.A.B. de C.V.)

6.277% Fixed-to-Floating Rate Callable Perpetual Debentures

Purchase Agreement

May 3, 2007

Barclays Bank PLC
J.P. Morgan Securities Ltd.
HSBC Bank plc
BNP PARIBAS
Société Générale
(the "Managers")

c/o
Barclays Bank PLC
J.P. Morgan Securities Ltd.
(the "Joint Lead Managers")

Ladies and Gentlemen:

C10-EUR Capital (SPV) Limited, a British Virgin Islands restricted purpose company (the "Issuer"), proposes to issue and sell to the several Managers listed in Schedule 1 hereto (the "Managers"), for whom you are acting as Joint Lead Managers, €730,000,000 principal amount of its 6.277% Fixed-to-Floating Rate Callable Perpetual Debentures (the "Securities"). The Securities will be issued pursuant to an Indenture to be dated as of May 9, 2007 (the "Indenture") among the Issuer and The Bank of New York, as trustee (the "Trustee").

Concurrently with the issuance of the Securities and as part of the transactions (the "Transactions") as described under the heading "The Offering" in the Preliminary

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Offering Memorandum and the Offering Memorandum (each, as defined below), New Sunward Holding Financial Ventures B.V. (the "Note Issuer"), a private company with limited liability formed under the laws of the Netherlands and a wholly owned indirect subsidiary of CEMEX, S.A.B. de C.V. (the "Company"), will issue dual-currency notes in an aggregate principal amount of €730,000,000 (the "Note") pursuant to an Indenture to be dated as of May 9, 2007 (the "Note Indenture") among the Note Issuer, the Company, New Sunward Holding B.V. ("New Sunward") and CEMEX México, S.A. de C.V. ("CEMEX México" and, together with the Company and New Sunward, the "Note Guarantors") and The Bank of New York, as trustee (the "Note Trustee"), to the Issuer. The obligations of the Note Issuer under the Note will be jointly and severally guaranteed by the Note Guarantors. The Issuer will enter into the swap transactions as described under the heading "Description of the Extinguishable Swaps" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Extinguishable Cross-Currency Swap Agreement" and together with the "Extinguishable Coupon Swap Agreement" are referred to herein as the "Swap Agreements") with Swap C10-EUR Capital (SPV) Limited, a British Virgin Islands restricted purpose company ("SwapCo"). The Securities will be secured by a first-priority security interest in (x) the Issuer's rights and obligations under the Note and the Extinguishable Coupon Swap Agreement and (y) a cash account in the name of the Issuer held with the Trustee, into which the proceeds of the Note and the Swap shall be deposited prior to the distribution to SwapCo or holders of the Securities (collectively, the "Pledge" and the documents necessary to effect the Pledge, the "Pledge Agreements"). The Note Issuer will also enter into a Conversion Payment Undertaking with the Issuer as described under the heading "Description of the Dual-Currency Notes and the Note Indenture—Conversion Payment Undertaking" in the Preliminary Offering Memorandum and the Offering Memorandum (the "Conversion Payment Undertaking"), which will be fully and unconditionally guaranteed by the Note Guarantors on a joint and several basis.

For purposes of this Agreement:

"Additional Transaction Documents" means the Note, the Note Indenture (including the

guarantees by the Note Guarantors), the Contingent Payment Undertaking, the Pledge Agreements and the Swap Agreements.

"CEMEX Transaction Parties" means the Company, the Note Issuer, New Sunward and CEMEX México.

"Transaction Documents" means this Agreement, the Securities, the Indenture and the Additional Transaction Documents.

The Securities will be sold to the Managers without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom. The CEMEX Transaction Parties and the Issuer have prepared a preliminary offering memorandum dated April 30, 2007 (such preliminary offering memorandum being hereinafter referred to as the "Preliminary Offering Memorandum") and will prepare an offering memorandum to be dated May 8, 2007, the date on which the Yen Equivalent Principal Amount and the Yen Rate are determined (the "Offering Memorandum"), setting forth information concerning the CEMEX Transaction Parties, the Issuer and the Transactions. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company to the Managers pursuant to the terms of this Agreement. Each of the CEMEX Transaction Parties and the Issuer hereby confirms that it has authorized the use of the Preliminary Offering Memorandum, the other Time of Sale Information (as defined below) and the Offering Memorandum in connection with the offering and resale of the Securities by the Managers in the manner contemplated by this Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Preliminary Offering Memorandum. References herein to the Preliminary Offering Memorandum, the Time of Sale Information and the Offering Memorandum shall be deemed to refer to and include any document incorporated by reference therein.

At or prior to the time when sales of the Securities were first made (the "Time of Sale"), the following information shall have been prepared (collectively, the "Time of Sale Information"): the Preliminary Offering Memorandum, as supplemented and amended by the written communications listed on Annex A hereto.

Each of the CEMEX Transaction Parties and the Issuer each hereby confirms its agreement with the several Managers concerning the purchase and resale of the Securities, as follows:

1. Purchase and Resale of the Securities. (a) The Issuer agrees to issue and sell the Securities to the several Managers as provided in this Agreement, and each Manager, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not

jointly, to purchase from the Issuer the respective principal amount of Securities set forth opposite such Manager's name in Schedule 1 hereto at a price equal to 100% of the principal amount thereof plus accrued interest, if any, from May 9, 2007 to the Closing Date. The Issuer will not be obligated to deliver any of the Securities except upon payment for all the Securities to be purchased as provided herein. As compensation, the Company will pay to Barclays Bank PLC, on behalf of the Managers, an underwriting commission of 0.43% (the "Underwriting Commission") of the aggregate principal amount of the Securities purchased by the Managers on the Closing Date as commissions for the sale of the Securities under this Agreement. Such payment will be made on the Closing Date.

(b) The Company and the Issuer each understand that the Managers intend to offer the Securities for resale on the terms set forth in the Time of Sale Information. Each Manager, severally and not jointly, represents, warrants and agrees that:

(i) it is an accredited investor within the meaning of Rule 501(a) under the Securities Act and a Qualified Purchaser (as defined below);

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any

manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities as part of their initial offering except in accordance with the restrictions set forth in Annex C hereto.

(c) Each Manager acknowledges and agrees that each of the CEMEX Transaction Parties, the Issuer and, for purposes of the opinions to be delivered to the Managers pursuant to Sections 6(f) through 6(k), the counsels for each of the CEMEX Transaction Parties, the Issuer and the Managers, respectively, may rely upon the accuracy of the representations and warranties of the Managers, and compliance by the Managers with their agreements, contained in paragraph (b) above (including

Annex C hereto), and each Manager hereby consents to such reliance.

(d) The Company and the Issuer each acknowledge and agree that the Managers may offer and sell Securities to or through any affiliate of a Manager and that any such affiliate may offer and sell Securities purchased by it to or through any Manager.

(e) Each of the CEMEX Transaction Parties and the Issuer acknowledges and agrees that each of the Managers is acting solely in the capacity of an arm's length contractual counterparty to the CEMEX Transaction Parties and the Issuer with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as financial advisors or fiduciaries to, or agents of, any CEMEX Transaction Party or the Issuer or any other person. Additionally, neither the Joint Lead Managers nor any other Manager is advising the CEMEX Transaction Parties, the Issuer or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The CEMEX Transaction Parties and the Issuer shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and neither the Joint Lead Managers nor any other Manager shall have any responsibility or liability to any CEMEX Transaction Party or the Issuer with respect thereto. Any review by the Joint Lead Managers or any Manager of the CEMEX Transaction Parties, the Issuer and the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Joint Lead Managers or such Manager, as the case may be, and shall not be on behalf of the CEMEX Transaction Parties, the Issuer or any other person.

2. Payment and Delivery. (a) Payment for and delivery of the Securities will be made at the offices of Sullivan & Cromwell LLP at 12 P.M., New York City time, on May 9, 2007, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Joint Lead Managers and the Company may agree upon in writing. The time and date of such payment and delivery is referred to herein as the “Closing Date”.

(b) Payment for the Securities shall be made by wire transfer in immediately available funds to the account(s) specified by the Company to the Joint Lead Managers against delivery to the nominee of The Bank of New York, for the account of

Barclays Bank PLC, of one or more global notes representing the Securities (collectively, the “Global Note”), with any transfer taxes payable in connection with the sale of the Securities duly paid by the Company. The Global Note will be made available for inspection by the Joint Lead Managers not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date.

3. Representations and Warranties of the Company and the Issuer. The CEMEX Transaction Parties and the Issuer jointly and severally represent and warrant to each Manager that:

(a) *Preliminary Offering Memorandum, Time of Sale Information and Offering Memorandum.* The Preliminary Offering Memorandum, as of its date, did not, the Time of Sale Information, at the Time of Sale, did not, and at the Closing Date, will not, and the Offering Memorandum, in the form first used by the Managers to confirm sales of the Securities and as of the Closing Date, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they

were made, not misleading; *provided* that the CEMEX Transaction Parties and the Issuer make no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Manager furnished to the CEMEX Transaction Parties or the Issuer in writing by such Manager through the Joint Lead Managers expressly for use in the Preliminary Offering Memorandum, the Time of Sale Information or the Offering Memorandum.

(b) *Additional Written Communications*. The Company and the Issuer (including their agents and representatives, other than the Managers in their capacity as such) have not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any written communication that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company, the Issuer or their agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an "Issuer Written Communication") other than (i) the Preliminary Offering Memorandum, (ii) the Offering Memorandum, (iii) the documents listed on Annex A hereto, including a term sheet substantially in the form of Annex B hereto, which constitute part of the Time of Sale Information, and (iv) any electronic road show or other written communications, in each case used in accordance with Section 4(c). Each such Issuer Written Communication, when taken together with the Time of Sale Information, did not, and at

the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that the Company and the Issuer make no representation and warranty with respect to any statements or omissions made in each such Issuer Written Communication in reliance upon and in conformity with information relating to any Manager furnished to the Company in writing by such Manager through the Joint Lead Managers expressly for use in any Issuer Written Communication.

(c) *[Intentionally left blank*]

(d) *Financial Statements*. The financial statements and the related notes thereto included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum present fairly the financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and the changes in their financial position and stockholders' equity for the periods specified; such financial statements have been prepared in conformity with Mexican FRS applied on a consistent basis throughout the periods covered thereby; the other financial information included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum (other than any financial information with respect to Rinker Group Ltd. ("Rinker")) has been derived from the accounting records of the Company and its subsidiaries and presents fairly the information shown thereby; the financial information included in each of the Time of Sale Information and the Offering Memorandum with respect to Rinker has been derived from Rinker's publicly filed financial information, and the Company has no reason to believe such information is not materially accurate.

(e) *No Material Adverse Change*. Since the date of the most recent financial statements of the Company and its subsidiaries included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum and except as specifically disclosed in each of the Time of Sale Information and the Offering Memorandum (i) there has not been (A) any change in the capital stock of any CEMEX Transaction Party, (B) any material change in the capital stock of any subsidiary of the Company that is a "material subsidiary" as defined under Rule 1-02 of Regulation S-X of the Securities Act ("Material Subsidiary") but is not a CEMEX Transaction Party, (C) any material increase in the consolidated long-term debt of the Company and its subsidiaries, (D) any dividend or distribution of any kind declared, set aside for

payment, paid or made by the Company, New Sunward or CEMEX México on any class of its capital stock, or (E) any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, business, properties, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct

or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Time of Sale Information.

(f) *Organization and Good Standing*. The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on (A) the general affairs, business, properties, management, financial position, or results of operations of the Company and its subsidiaries taken as a whole or (B) on the performance by the Issuer of its obligations under the Securities (a "Material Adverse Effect"). The Issuer has been duly organized and is validly existing and in good standing under the laws of the British Virgin Islands.

(g) *Capitalization*. The Company has an authorized capitalization as set forth in each of the Time of Sale Information and the Offering Memorandum under the heading "Capitalization"; all the outstanding shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and, except as otherwise disclosed in the Time of Sale Information and the Offering Memorandum, are owned directly or

indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party; and all the outstanding shares of capital stock of the Issuer have been duly and validly authorized and issued, are fully paid and non-assessable and are held in trust for charitable purposes by or on behalf of C10-EUR Capital Trust, free of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(h) *Due Authorization*. The Issuer has full right, power and authority to execute and deliver this Agreement, the Securities, the Indenture and to perform its obligations thereunder; each of the CEMEX Transaction Parties and the Issuer has full right, power and authority to execute and deliver the Transaction Documents to which it is a party and to perform their respective obligations thereunder.

(i) *The Indenture*. The Indenture has been duly authorized by the Issuer and, when duly executed and delivered in accordance with its terms by the Trustee, will constitute a valid and legally binding agreement of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability (collectively, the "Enforceability Exceptions").

(j) *The Securities*. The Securities have been duly authorized by the Issuer and, when duly executed, authenticated, issued and delivered as provided in the Indenture and paid for as provided herein, will be duly and validly issued and outstanding and will constitute valid and legally binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to the Enforceability Exceptions, and will be entitled to the benefits of the Indenture.

(k) *Purchase Agreement*. This Agreement has been duly authorized, executed and delivered by each of the CEMEX Transaction Parties and the Issuer.

(l) *Additional Transaction Documents*. Each of the Additional Transaction Documents has been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties which are a party thereto and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, will constitute a valid and legally binding agreement of the Issuer and such CEMEX

Transaction Parties enforceable against the Issuer and such CEMEX Transaction Parties, as applicable, in accordance with its terms, subject to the Enforceability Exceptions.

(m) *Descriptions of the Transaction Documents*. Each Transaction Document conforms in all material respects to the description thereof contained in each of the Time of Sale Information and the Offering Memorandum.

(n) *No Violation or Default*. (i) No CEMEX Transaction Party nor the Issuer is in violation of its charter or by-laws or similar organizational documents; (ii) neither the Company nor any of its subsidiaries nor the Issuer is (A) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company, any of its subsidiaries or the Issuer is a party or by which the Company, any of its subsidiaries or the Issuer is bound or to which any of the property or assets of the Company, any of its subsidiaries or the Issuer is subject, or (B) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (A) and (B) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(o) *No Conflicts*. The execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities by the Issuer and compliance by the Issuer and the CEMEX Transaction Parties with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, any of its subsidiaries or the Issuer (collectively, the "Entities") pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any Entity is a party or by which any Entity is bound or to which any of the property or assets of any Entity is subject, (ii) result in any violation of the provisions of the *Estatutos Sociales* or the charter or by-laws or similar organizational documents of the Issuer or any of the CEMEX Transaction Parties or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or

regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(p) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Issuer and the CEMEX Transaction Parties of each of the Transaction Documents to which each is a party, the issuance and sale of the Securities and compliance by the Issuer with the terms thereof and the consummation of the transactions contemplated by the Transaction Documents, except for (i) such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws in connection with the purchase and resale of the Securities by the Managers and (ii) such as may be required for the listing of the Securities on the Exchange (as defined below).

(q) *Legal Proceedings*. Except as described in each of the Time of Sale Information and the Offering Memorandum, (i) there are no legal, governmental or regulatory actions, suits or proceedings pending and (ii) the Company, its subsidiaries and the Issuer have not been notified of any legal, governmental or regulatory investigations, in each case to which the Company, any of its subsidiaries or the Issuer is a party or to which any property of the Company, any of its subsidiaries or the Issuer is the subject that, individually or in the aggregate, if determined adversely to the Company, any of its subsidiaries or the Issuer, could reasonably be expected to have a Material Adverse Effect; and to the best knowledge of the Company, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or by others.

(r) *Independent Accountants*. KPMG Cárdenas Dosal, S.C., who have certified certain financial statements of the Company and its subsidiaries and whose reports appear in the Time of Sale Information and the Offering Memorandum are independent public accountants with respect to the Company and its subsidiaries within the meaning of the published rules and regulations of the Mexican Institute of Public Accountants, which are substantially the same as those contemplated by Rule 10A of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

(s) *Title to Real and Personal Property*. The Company and its subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries, (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or (iii) are described in each of the Time of Sale Information and the Offering Memorandum.

(t) *Investment Company Act*. Assuming the accuracy of the representations, warranties, covenants and agreements of the Managers contained in this Agreement, (i) neither the Company nor any of its subsidiaries is, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each of the Time of Sale Information and the Offering Memorandum none of them will be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act, and (ii) the Issuer is not making a "public offering" of the Securities for purposes of Section 7(d) of the Investment Company Act.

(u) *Taxes*. Except as disclosed in the Time of Sale Information and the Offering Memorandum, the Company and its Material Subsidiaries have paid all material federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Time of Sale Information and the Offering Memorandum, (i) there is no material tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets and (ii) there is no tax, levy, deduction, charge or withholding imposed by the British Virgin Islands, Mexico or any political subdivision thereof on the Issuer or any CEMEX Transaction Party either (A) on or by virtue of the execution, delivery or enforcement of the Transaction Documents, or (B) on any payment of principal, interest or other amounts under or in respect of the Securities.

(v) *Licenses and Permits*. The Company, each of its subsidiaries and the Issuer possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or

lease of their respective properties or the conduct of their respective businesses as described in each of the Time of Sale Information and the Offering Memorandum, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in each of the Time of Sale Information and the Offering Memorandum, neither the Company, nor any of its subsidiaries nor the Issuer has received notice of any revocation or modification of any such license, certificate, permit or authorization.

(w) *Compliance With Environmental Laws*. (i) The Company and its subsidiaries (x) are, and at all prior times were, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (z) have not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability, as would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) except as described in each of the Time of Sale Information and the Offering Memorandum, (x) there are no proceedings that are pending, or that are known to be contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, (y) the Company and its subsidiaries are not aware of any issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, and (z) none of the Company and its subsidiaries anticipates material capital expenditures relating to any

Environmental Laws, except in the case of each of (x), (y) and (z) above, for such proceedings, issues, liabilities, obligations or expenditures as would not, individually or in the aggregate, have a Material Adverse Effect.

(x) *Disclosure Controls*. The Company and its subsidiaries, taken as a whole, maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act). The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(y) *Accounting Controls*. The Company and its subsidiaries, taken as a whole, maintain an internal control system that provides reasonable assurance that material errors or irregularities will be prevented or detected within a timely period in the normal course of business. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) *No Unlawful Payments*. Neither the Company nor any of its subsidiaries nor the Borrower nor, to the best knowledge of the Note Guarantors or the Borrower, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(aa) *Compliance with Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of the United States of America, Mexico, the Netherlands and the British Virgin Islands, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding

by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(bb) *Compliance with OFAC*. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"); and the Company and its subsidiaries will not directly or indirectly use any proceeds received by the Note Issuer from the issuance of the Note or the Issuer from the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(cc) *Solvency*. On and immediately after the Closing Date, each of the CEMEX Transaction Parties and the Issuer (after giving effect to the issuance of the Securities and the other Transactions as described in each of the Time of Sale Information and the Offering Memorandum) will be Solvent. As used in this paragraph, the term "Solvent" means, with respect to a particular date, that on such date (i) the present fair market value (or present fair saleable value) of the assets of each CEMEX Transaction Party and the Issuer is not less than the total amount required to pay the respective liabilities of each CEMEX Transaction Party and the Issuer on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured; (ii) each CEMEX Transaction Party and the Issuer is

able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business; (iii) assuming consummation of (A) the issuance of the Securities as contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum and (B) the issuance of the Note and the other Transactions as contemplated by the Time of Sale Information and the Offering Memorandum, no CEMEX Transaction Party or the Issuer is incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature; (iv) no CEMEX Transaction Party or the Issuer is engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such entity is engaged; and (v)

neither any CEMEX Transaction Party nor the Issuer is a defendant in any civil action that would result in a judgment that any CEMEX Transaction Party or the Issuer is or would become unable to satisfy.

(dd) *No Restrictions on Subsidiaries*. No subsidiary of the Company is currently prohibited directly under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(ee) *No Broker's Fees*. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Manager for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(ff) *No Integration*. Neither the Company, the Issuer, the Note Issuer nor any of their respective affiliates (as defined in Rule 501(b) of Regulation D) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities or the Note in a manner that would require registration of the Securities under the Securities Act.

(gg) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer, the Note Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Managers, as to which no representation is made) has (i) solicited offers for, or offered or sold, the Securities or the Note by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engaged in any directed selling efforts within the meaning of Regulation S under the Securities Act ("Regulation S"), and all such persons have complied with the offering restrictions requirement of Regulation S.

(hh) *Securities Law Exemptions*. Assuming the accuracy of the

representations and warranties of the Managers contained in Section 1(b) (including Annex C hereto) and their compliance with their agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Managers and the offer, resale and delivery of the Securities by the Managers in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum, to register the Securities under the Securities Act or to qualify the Indenture under Trust Indenture Act.

(ii) *No Stabilization*. Neither the Company nor any of its subsidiaries has taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities.

(jj) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in any of the Time of Sale Information or the Offering Memorandum has been made or reaffirmed without a reasonable basis

or has been disclosed other than in good faith.

(kk) *Statistical and Market Data*. Nothing has come to the attention of the Company that has caused the Company to believe that the statistical, industry and market-related data included or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum is not based on or derived from sources that are reliable and accurate in all material respects.

(ll) *Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

4. Further Agreements of the Company and the Issuer. Each CEMEX Transaction Party and the Issuer jointly and severally covenant and agree with each Manager that:

(a) *Delivery of Copies*. The Company will deliver, without charge, to the Managers as many copies of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum

(including all amendments and supplements thereto) as the Joint Lead Managers may reasonably request.

(b) *Offering Memorandum, Amendments or Supplements*. Before finalizing the Offering Memorandum or making or distributing any amendment or supplement to any of the Time of Sale Information or the Offering Memorandum or filing with the Commission any document that will be incorporated by reference therein, the Company will furnish to the Joint Lead Managers and counsel for the Managers a copy of the proposed Offering Memorandum or such amendment or supplement or document to be incorporated by reference therein for review, and will not distribute any such proposed Offering Memorandum, amendment or supplement or file any such document with the Commission to which the Joint Lead Managers reasonably object. If an amendment or supplement to the Offering Memorandum contains amendments or additions to the audited financial statements included in the Offering Memorandum, copies of the Offering Memorandum provided to the Managers shall contain a report or reports signed by the independent registered public accountants with respect to such audited financial statements contained therein.

(c) *Additional Written Communications*. Before making, preparing, using, authorizing, approving or referring to any Issuer Written Communication, the Company and the Issuer will furnish to the Joint Lead Managers and counsel for the Managers a copy of such written communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Joint Lead Managers reasonably object.

(d) *Notice to the Joint Lead Managers*. The Company and the Issuer will advise the Joint Lead Managers promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of the initial offering of the Securities as a result of which any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such Time of Sale Information, Issuer Written Communication or the Offering Memorandum is delivered to a purchaser, not

misleading; and (iii) of the receipt by the Company or the Issuer of any notice with respect to any suspension of the qualification of the Securities for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company and the Issuer will use their reasonable best efforts to prevent the issuance of any such order preventing or suspending the use of any of the Time of Sale Information, any Issuer Written Communication or the Offering Memorandum or suspending any

such qualification of the Securities and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Time of Sale Information*. If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Time of Sale Information as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any of the Time of Sale Information to comply with law, the Company and the Issuer will immediately notify the Managers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Managers such amendments or supplements to any of the Time of Sale Information (or any document to be filed with the Commission and incorporated by reference therein) as may be necessary so that the statements in any of the Time of Sale Information as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading or so that any of the Time of Sale Information will comply with law.

(f) *Ongoing Compliance of the Offering Memorandum*. If at any time prior to the earlier of (i) the completion of the initial offering of the Securities and (ii) nine months after the date of the Offering Memorandum (A) any event shall occur or condition shall exist as a result of which the Offering Memorandum as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, not misleading or (B) it is necessary to amend or supplement the Offering Memorandum to comply with law, the Company will immediately notify the Managers thereof and forthwith prepare and, subject to paragraph (b) above, furnish to the Managers such amendments or supplements to the Offering Memorandum (or any document to be filed with the Commission and incorporated by reference therein) as

may be necessary so that the statements in the Offering Memorandum as so amended or supplemented (including such document to be incorporated by reference therein) will not, in the light of the circumstances existing when the Offering Memorandum is delivered to a purchaser, be misleading or so that the Offering Memorandum will comply with law.

(g) *[Intentionally left blank]*

(h) *Clear Market*. During the period from the date hereof through and including the Closing Date, each Note Guarantor, the Issuer and their respective affiliates will not, without the prior written consent of the Joint Lead Managers, offer, sell, contract to sell or otherwise dispose of in the international bond market any debt securities issued or guaranteed by any Note Guarantor, the Issuer or any of their respective affiliates and having a tenor of more than one year. For the avoidance of doubt, the Company and its affiliates may at any time offer, sell, contract to sell or otherwise dispose of *certificados bursátiles* in the local Mexican market and enter into receivables securitization transactions.

(i) *Use of Proceeds*. The Company, the Issuer and the Note Issuer will apply the proceeds from the sale of the Securities and the Note as described in each of the Time of Sale Information and the Offering Memorandum under the heading "Use of Proceeds."

(j) *Euroclear and Clearstream*. The Company and the Issuer will assist the Managers in arranging for the Securities to be eligible for clearance and settlement through Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”).

(k) *No Resales by the Company or the Issuer*. The Company and the Issuer will not, and will not permit any of their respective affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Securities that have been acquired by any of them, except for Securities purchased by the Company, the Issuer or any of their respective affiliates and resold (i) in a transaction registered under the Securities Act or (ii) in a transaction exempt from the registration requirements under the Securities Act if such transaction does not cause the holding periods under Rule 144 under the Securities Act to be extended for other holders of Securities.

(l) *No Integration*. Neither the Company, nor the Issuer nor any of their

respective affiliates (as defined in Rule 501(b) of Regulation D) will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act), that is or will be integrated with the sale of the Securities in a manner that would require registration of the Securities under the Securities Act.

(m) *No General Solicitation or Directed Selling Efforts*. None of the Company, the Issuer or any of their respective affiliates or any other person acting on its or their behalf (other than the Managers, as to which no covenant is given) will (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirement of Regulation S.

(n) *Compliance with Securities Laws*. Neither the Issuer, nor the Company nor any of its subsidiaries or other affiliates has taken or will take, directly or indirectly, any action which would constitute a breach or a violation of any applicable provisions of the Act or the Exchange Act and the rules and regulations promulgated thereunder or any other securities laws of the United States in connection with the offering, sale or distribution of the Securities in the manner provided by this Agreement.

(o) *No Stabilization*. The Company, New Sunward, CEMEX México and their respective affiliates will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Securities in violation of the laws of the United States, Mexico and the British Virgin Islands.

(p) *Exchange Listing*. The Company and the Issuer will use their reasonable best efforts to list the Securities on the Irish Stock Exchange Limited (the "Exchange").

5. Certain Agreements of the Managers. Each Manager hereby represents and agrees that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (i) the Preliminary Offering Memorandum and the Offering Memorandum, (ii) a written communication that

contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum, (iii) any written communication listed on Annex A or prepared pursuant to Section 4(c) above (including any electronic road show), (iv) any written communication prepared by such Manager and approved by the Company in advance in writing or (v) any written communication relating to or that contains the terms of the Securities and/or other information that was included (including through incorporation by reference) in the Preliminary Offering Memorandum or the Offering Memorandum.

6. Conditions of Managers' Obligations. The obligation of each Manager to purchase Securities on the Closing Date as provided herein is subject to the performance by the CEMEX Transaction Parties and the Issuer of their respective covenants and other obligations hereunder and to the following additional conditions:

(a) *Representations and Warranties*. The representations and warranties of the CEMEX Transaction Parties and the Issuer contained herein shall be true and correct on the date hereof and on and as of the Closing Date; and the statements of the CEMEX Transaction Parties and the Issuer and their respective officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date.

(b) *No Downgrade*. Subsequent to the earlier of (A) the Time of Sale and (B) the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded to the Securities or any other debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries by Standard and Poor's, a division of McGraw-Hill Companies, or Fitch Ratings, Ltd.; and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Securities or of any other debt securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading).

(c) *No Material Adverse Change*. No event or condition of a type described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in each of the Time of Sale Information (excluding any amendment or supplement thereto) and the Offering Memorandum (excluding any amendment or

supplement thereto) the effect of which in the judgment of the Joint Lead Managers makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum.

(d) *Officer's Certificate*. The Joint Lead Managers shall have received on and as of the Closing Date a certificate of an executive officer of the Company who has specific knowledge of each of the Company's, New Sunward's, CEMEX México's and the Note Issuer's financial matters and is satisfactory to the Joint Lead Managers (i) confirming that such officer has carefully reviewed the Time of Sale Information and the Offering Memorandum and, to the best knowledge of such officer, the representations set forth in Sections 3(a) and 3(b) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer in this Agreement are true and correct and that the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer have complied with all agreements and satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing Date and (iii) to the effect set forth in paragraphs (b) and (c) above.

(e) *Comfort Letters*. On the date of this Agreement and on the Closing Date, KPMG Cárdenas Dosal, S.C. shall have furnished to the Joint Lead Managers, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Managers, in form and substance reasonably satisfactory to the Joint Lead Managers, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the Time of Sale Information and the Offering Memorandum; *provided* that the letter delivered on the Closing Date shall use a "cut-off" date no more than three business days prior to the Closing Date.

(f) *Opinion of Counsel for the Company and the Issuer*. Skadden, Arps, Slate, Meagher & Flom LLP, special U.S. counsel for the Company and the Issuer, shall have furnished to the Joint Lead Managers, at the request of the Company and the Issuer, their written opinion dated the Closing Date and addressed to the Managers, in form and substance reasonably satisfactory to the Joint Lead Managers.

(g) *Opinion of British Virgin Islands Counsel for the Company and the*

Issuer. Ogier, British Virgin Islands counsel for the Company and the Issuer, shall have furnished to the Joint Lead Managers, at the request of the Company and the Issuer, their written opinion, dated the Closing Date and addressed to the Managers, in form and substance reasonably satisfactory to the Joint Lead Managers.

(h) *Opinion of General Counsel for the Company*. Lic. Ramiro G. Villarreal Morales, General Counsel for the Company, shall have furnished to the Joint Lead Managers, at the request of the Company and the Issuer, its written opinion dated the Closing Date and addressed to the Managers, in form and substance reasonably satisfactory to the Joint Lead Managers.

(i) *Opinion of Dutch Counsel for the Company*. Warendorf, Dutch counsel for the Company, shall have furnished to the Joint Lead Managers, at the request of the Company, their written opinion, dated the Closing Date and addressed to the Managers, in form and substance reasonably satisfactory to the Joint Lead Managers.

(j) *Opinion of U.S. Counsel for the Managers*. The Joint Lead Managers shall have received on and as of the Closing Date an opinion of Sullivan & Cromwell LLP, counsel for the Managers, with respect to such matters as the Joint Lead Managers may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(k) *Opinion of Mexican Counsel for the Managers*. The Joint Lead Managers shall have received on and as of the Closing Date an opinion of Ritch Mueller, S.C., Mexican counsel for the Managers, with respect to such matters as the Joint Lead Managers may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(l) *No Legal Impediment to Issuance*. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Securities or the Note.

(m) *Good Standing*. The Joint Lead Managers shall have received on and as of the Closing Date satisfactory evidence of the good standing of the Issuer, the Note Issuer, and New Sunward in their respective jurisdictions of organization, in each case in writing or any standard form of telecommunication, from the appropriate governmental authorities of such jurisdictions.

(n) *Additional Transaction Documents; Transactions*. On the Closing Date, the Additional Transaction Documents shall have been duly authorized, executed and delivered by the Issuer and the CEMEX Transaction Parties, as applicable, and the Transactions shall have been consummated in a manner consistent in all material respects with the description thereof in the Time of Sale Information and otherwise reasonably acceptable to the Joint Lead Managers.

(o) *Euroclear and Clearstream*. The Securities shall be eligible for clearance and settlement through Euroclear and Clearstream.

(p) *Additional Documents*. On or prior to the Closing Date, the Company, New Sunward, CEMEX México, the Note Issuer and the Issuer shall have furnished to the Joint Lead Managers such further certificates and documents as the Joint Lead Managers may reasonably request.

(q) *Exchange Listing*. Application shall have been made to list the Securities on the Exchange.

(r) *Payment of Fees*. The Joint Lead Managers shall have received the Underwriting Commission on behalf of the Managers.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Joint Lead Managers.

7. Indemnification and Contribution.

(a) *Indemnification of the Managers*. The Issuer and each Note Guarantor jointly and severally agree to indemnify and hold harmless each Manager, its affiliates, directors, officers, advisors and each person, if any, who controls such Manager within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act,

from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to

any Manager furnished to the Issuer or any of the Note Guarantors in writing by or on behalf of such Manager through the Joint Lead Managers expressly for use therein.

(b) *Indemnification of the Company and the Issuer*. Each Manager agrees, severally and not jointly, to indemnify and hold harmless the Issuer, each Note Guarantor, each of their respective directors and officers and each person, if any, who controls the Issuer and each Note Guarantor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Manager furnished to the Company in writing by such Manager through the Joint Lead Managers expressly for use in the Preliminary Offering Memorandum, any of the other Time of Sale Information, any Issuer Written Communication or the Offering Memorandum (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the following: the final paragraph on the front cover page regarding delivery of the Securities; the second full paragraph on page ii regarding stabilization or over-allotment by the Managers; the third, fifth and seventh paragraphs and the thirteenth paragraph which includes the subsections regarding the European Economic Area, France, United Kingdom and Japan in the section entitled “Plan of Distribution.”

(c) *Notice and Procedures*. If any suit, action, proceeding (including any

governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 7. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Manager, its affiliates, directors and officers and any control persons of such Manager shall be designated in writing by the Joint Lead Managers and any such separate firm for the Issuer, the Note Guarantors, their respective

directors and officers and any control persons of the Issuer and the Note Guarantors shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the

Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution*. If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Note Guarantors and the Issuer on the one hand and the Managers on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Note Guarantors and the Issuer on the one hand and the Managers on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable

considerations. The relative benefits received by the Note Guarantors and the Issuer on the one hand and the Managers on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuer from the sale of the Securities and the total discounts and commissions received by the Managers in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Securities. The relative fault of the Note Guarantors and the Issuer on the one hand and the Managers on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Note Guarantors and the Issuer or by the Managers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability*. The Note Guarantors, the Issuer and the Managers agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Managers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Managers be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Managers with respect to the offering of the Securities exceeds the amount of any damages that such Managers has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Managers' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies*. The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Joint

Lead Managers, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by U.S. federal, New York State or Mexican authorities; (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Joint Lead Managers, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum; (v) a change or development involving a prospective change in Mexican taxation affecting the Company, the Securities or the transfer thereof that, in the judgment of the Joint Lead Managers, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery, of the Securities on the terms and in the manner contemplated by this Agreement, the Time of Sale Information and the Offering Memorandum or the imposition of exchange controls by Mexico; or (vi) the occurrence of any change, or any development involving a prospective change, in or affecting the existing financial, political, economic or other conditions in, or the foreign exchange of, the United States, Mexico, the British Virgin Islands or the Netherlands which, in the judgment of the Joint Lead Managers, would materially and adversely affect the financial markets or the market for the Securities or other debt securities or materially impair the ability of the Managers to purchase, hold or effect resales of the Securities on the terms and in the manner contemplated by this Agreement, Time of Sale Information and the Offering Memorandum.

9. Defaulting Manager. (a) If, on the Closing Date, any Manager defaults on its obligation to purchase the Securities that it has agreed to purchase hereunder, the non-defaulting Managers may in their discretion arrange for the purchase of such Securities by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Manager, the non-defaulting Managers do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Managers to purchase such Securities on

such terms. If other persons become obligated or agree to purchase the Securities of a defaulting Manager, either the non-defaulting Managers or the Company may postpone the Closing Date for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Managers may be necessary in the Time of Sale Information, the Offering Memorandum or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Time of Sale Information or the Offering Memorandum that effects any such changes. As used in this Agreement, the term “Manager” includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Securities that a defaulting Managers agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Manager or Managers by the non-defaulting Managers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all the Securities, then the Company shall have the right to require each non-defaulting Manager to purchase the principal amount of Securities that such Manager agreed to purchase hereunder plus such Manager 's pro rata share (based on the principal amount of Securities that such Manager agreed to purchase hereunder) of the Securities of such defaulting Manager or Managers for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Manager or Managers by the non-defaulting Managers and the Company as provided in paragraph (a) above, the aggregate principal amount of such Securities that remains unpurchased exceeds one-eleventh of the aggregate principal amount of all the Securities, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Managers. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Manager of any liability it may have to the Company, the Issuer or any non-defaulting Manager for

damages caused by its default.

10. Payment of Expenses. Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company and the Issuer jointly and severally agree to pay or cause to be paid all costs and expenses incident to the performance of their respective obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation and printing of the Preliminary Offering Memorandum, any other Time of Sale Information, any Issuer Written Communication and the Offering Memorandum (including any amendment or supplement thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the fees and expenses of the Company's and the Issuer's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Securities under the laws of such jurisdictions as the Joint Lead Managers may designate (including the related reasonable fees and expenses of counsel for the Managers); (vi) any fees charged by rating agencies for rating the Securities; (vii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (viii) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by Euroclear and Clearstream; (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; (x) all expenses and application fees related to the listing of the Securities on the Exchange; and (xi) the costs incident to the creation of the Issuer, the Note Issuer and SwapCo and the structuring and execution of the Swap. So long as the transactions contemplated in this Agreement are consummated, the Joint Lead Managers agree to pay or cause to be paid all out-of-pocket costs and expenses (including the reasonable fees and expenses of their counsel) reasonably incurred by the Managers in connection with this Agreement and the offering contemplated hereby. However, if the transactions contemplated by this Agreement are not consummated or this Agreement is terminated, the Company and the Issuer jointly and severally agree to pay or cause to be paid such out-of-pocket costs and expenses (including the reasonable fees and expenses of counsel) reasonably incurred by the Managers in connection with this Agreement and the offering contemplated hereby. For the avoidance of doubt, any legal expenses for the Swap will be paid by HSBC Bank USA, N.A.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the affiliates, officers and directors of each Manager referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Securities from any Manager shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of each CEMEX Transaction Party, the Issuer and the Managers contained in this Agreement or made by or on behalf of each CEMEX Transaction Party, the Issuer or the Managers pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of any CEMEX Transaction Party, the Issuer or the Managers.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City or London; (c) the term "Exchange Act" means the Securities Exchange Act of 1934, as amended; (d) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act; and (e) the term "written communication" has the meaning set forth in Rule 405 under the Securities Act.

14. Exchange Rates Fluctuations. In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the "judgment currency") other than Euros, the Company and the Issuer, jointly and severally, will indemnify each Manager or other person to whom such amount is due against any loss incurred by such Manager or other person, as the case may be, as a result of any variation as between (i) the rate of exchange at which the Euro amount is converted

into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which the judgment currency actually received by such Manager or other person, as the case may be, is able to purchase Euros with the amount of the judgment currency actually received by such Manager or other person,

as the case may be. The foregoing indemnity shall constitute a separate and independent obligation of each of the Company and the Issuer and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into Euros.

15. Submission to Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any state or federal court in The City of New York and in the respective courts of each party's own corporate domicile with respect to actions brought against it, irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding in any state or federal court in The City of New York and any right it may have to the jurisdiction of other courts pursuant to applicable law, and irrevocably submits to the jurisdiction of such courts in any such suit, action or proceeding. Each CEMEX Transaction Party and the Issuer hereby appoints CEMEX NY Corporation, the Company's New York subsidiary, as its authorized agent (the "Authorized Agent") upon whom process may be served in any such action arising out of or based on this Agreement or the transactions contemplated hereby which may be instituted in any state or federal court in The City of New York by any Manager or by any person who controls any of the Managers, expressly consents to the jurisdiction of any such court in respect of any such action and waives any other requirements of or objections to personal jurisdiction with respect thereto and designates its domicile, the domicile of CEMEX NY Corporation specified above and any domicile that CEMEX NY Corporation may have in the future as its domicile to receive any notice hereunder (including service of process). Such appointment shall be irrevocable. If for any reason CEMEX NY Corporation (or any successor agent for this purpose) shall cease to act as agent for service of process as provided above, each CEMEX Transaction Party and the Issuer will promptly appoint a successor agent for this purpose reasonably acceptable to you and shall grant thereto notarial powers-of-attorney for lawsuits and collections. Each CEMEX Transaction Party and the Issuer represent and warrant that the Authorized Agent has agreed to act as said agent for service of process, and each CEMEX Transaction Party and the Issuer agree to take any and all action, including the filing of any and all documents and instruments in full force and effect, as aforesaid. Service of process upon the Authorized Agent and written notice of such service to any CEMEX Transaction Party

or the Issuer shall be deemed, in every respect, effective service of process upon any CEMEX Transaction Party or the Issuer, respectively.

16. Miscellaneous. (a) *Authority of the Joint Lead Managers*. Any action by the Managers hereunder may be taken by the Joint Lead Managers on behalf of the Managers, and any such action taken by the Joint Lead Managers shall be binding upon the Managers.

(b) *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Managers shall be given to both Joint Lead Managers, Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB, (fax: +44-207-773-4896); Attention: New Issues Syndicate; and J.P. Morgan Securities Ltd., 125 London Wall, London EC2Y 5AJ (fax: +44-207-777-9153), Attention: EM Syndicate. Notices to the CEMEX Transaction Parties and the Issuer shall be given to them at c/o CEMEX, S.A.B. de C.V. Av. Ricardo Magáin, Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo Léon, México 66265 (fax: +5281-8888-4417); Attention: General Counsel. Notices to CEMEX NY Corporation shall be given to them at CEMEX NY Corporation, 590 Madison Ave., 41st floor, New York, New York 10022 (fax: +1-212-317-6047); Attention: General Counsel.

(c) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Counterparts*. This Agreement may be signed in counterparts (which may include

counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

17. *Determination of Multipliers*. The Note Issuer has requested that HSBC Bank USA, N.A. delays the determination of the multipliers to be included in the Note, the Note Indenture and the Offering Memorandum with respect to the Yen Rate of the Note in order to increase the likelihood of optimal pricing of the Note for the Note Issuer. The Note Issuer shall cause HSBC Bank USA, N.A. to determine such multipliers in its discretion, in consultation with the Note Issuer, prior to the opening of business New York City time on May 8, 2007, based on market pricing for HSBC Bank USA, N.A.'s hedging activities relating to Extinguishable Cross-Currency Swap. The Note Issuer agrees that the multipliers determined by HSBC Bank USA, N.A. shall be binding on the Note Issuer regardless of their amount and acknowledges that it understands, and has agreed to bear, the market risks relating to the determination of these multipliers.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

C10-EUR CAPITAL (SPV) LIMITED

By /s/ Michael Fay

Name: Michael Fay
Title: Authorised Signatory for Ogier Managers (BVI) Limited, Director

CEMEX, S.A.B. de C.V.

By /s/ Rodrigo Treviño

Name: Rodrigo Treviño
Title: Chief Financial Officer

CEMEX MÉXICO, S.A. de C.V.

By /s/ Rodrigo Treviño

Name: Rodrigo Treviño
Title: Chief Financial Officer

NEW SUNWARD HOLDING B.V.

By s/ Juan Alberto Urionabarrenechea Güenechea
Name: Juan Alberto Urionabarrenechea Güenechea
Title: Attorney-in-Fact

NEW SUNWARD HOLDING FINANCIAL VENTURES B.V.

By /s/ Juan Alberto Urionabarrenechea Güenechea
Name: Juan Alberto Urionabarrenechea Güenechea
Title: Attorney-in-Fact

Accepted: May 3, 2007
BARCLAYS BANK PLC

By /s/ Kate Craven
Name: Kate Craven
Title: Authorized Signatory

J.P. MORGAN SECURITIES LTD.

By /s/ Kate Craven
Name: Kate Craven
Title: Authorized Signatory

HSBC BANK PLC

By /s/ Kate Craven
Name: Kate Craven
Title: Authorized Signatory

BNP PARIBAS

By /s/ Kate Craven
Name: Kate Craven
Title: Authorized Signatory

SOCIÉTÉ GÉNÉRALE

By /s/ Kate Craven
Name: Kate Craven
Title: Authorized Signatory

Schedule 1

Manager	Principal Amount
J.P. Morgan Securities Ltd.	€339,500,000
Barclays Bank PLC	€339,500,000
HSBC Bank plc	€25,500,000
BNP PARIBAS	€12,750,000
Société Générale	€12,750,000
Total	€730,000,000

ANNEX A

a. Additional Time of Sale Information

1. Term sheet containing the terms of the securities, substantially in the form of Annex B.

ANNEX B

C10-EUR CAPITAL (SPV) LIMITED

Pricing Term Sheet

This Pricing Term Sheet provides additional terms with respect to the offering by C10-EUR Capital (SPV) Limited (the "Issuer") of its Fixed-to-Floating Rate Callable Perpetual Debentures as set forth in the Issuer's preliminary offering memorandum, dated April 30, 2007 (the "Preliminary Offering Memorandum"). Capitalized terms used but not defined in this Pricing Term Sheet have the meaning assigned to them in the Preliminary Offering Memorandum.

Issuer:	C10-EUR Capital (SPV) Limited
Security:	Fixed-to-Floating Rate Callable Perpetual Debentures
Distribution:	Reg S / 3(c)7 / Not ERISA-eligible
Principal Amount of Debentures:	€730 million
Issue Price:	100.00 %
Ratings[1]:	S&P: BBB- (negative watch) Fitch: BBB (negative watch)
Yield:	6.28% to June 30, 2017

Spread over Mid Swaps:	179 BPS
Spread over DBR 3.75% due January 2017:	205.1 BPS
Trade Date:	May 3, 2007
Settlement Date:	May 9, 2007 (T+4)
Maturity Date:	Perpetual with no fixed maturity date
Early Redemption:	At Par on any interest payment date on or after June 30, 2017 if Dual Currency Notes are called, provided that if a partial redemption, the remaining outstanding principal amount of the Dual Currency Notes shall be not less than €200,000,000.

Interest During Fixed Rate Period:	6.277%
Interest During Floating Rate Period:	3-month Euribor plus 479 basis points, reset quarterly
Interest Payment Dates:	Fixed Rate Period: June 30, commencing June 30, 2007 Floating Rate Period: March 31, June 30, September 30 and December 31, commencing September 30, 2017
Change of Control Call Price	Higher of par and PV to June 30, 2017 at Mid swaps + 1.79%
ISIN and Common Code for Debentures:	ISIN: XS0300179198 Common Code: 030017919
Joint Bookrunners and Lead Managers:	Barclays Capital (b&d) and JPMorgan
Co-managers:	HSBC, BNP Paribas, and Société Générale
Proposed Listing:	Irish Stock Exchange
Denominations:	€50,000 / €1,000

1 A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

This term sheet is not an offer to sell any Debentures, and neither the Issuer nor either of the Initial Purchasers is soliciting an offer to buy any Debentures in any jurisdiction where the offer or sale is prohibited. The Debentures have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and are being offered and sold only to

investors outside the United States in accordance with Regulation S under the Securities Act. Each individual purchaser (or group of affiliated purchasers) acquiring Debentures in the initial offering must acquire Debentures having an aggregate principal amount of at least €200,000. The U.S. Securities and Exchange Commission, state securities regulators and the British Virgin Islands Financial Services Commission have not approved or disapproved of these securities. Any representation to the contrary is a criminal offense.

Any disclaimer or other notice that may appear below is not applicable to this communication and should be disregarded. Such disclaimer or notice was automatically generated as a result of this communication being sent by Bloomberg or another email system.

ANNEX C

Restrictions on Offers and Sales Outside the United States

In connection with offers and sales of Securities outside the United States:

(a) Each Manager acknowledges that the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except (i) pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and (ii) to persons that are "Qualified Purchasers" for purposes of the Investment Company Act of 1940, as amended.

(b) Each Manager, severally and not jointly, represents, warrants and agrees that:

(i) Such Manager has offered and sold the Securities, and will offer and sell the Securities, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Securities and the Closing Date, only in accordance with Regulation S under the Securities Act ("Regulation S").

(ii) None of such Manager or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities, and all such persons have complied and will comply with the offering restrictions requirement of Regulation S.

(iii) At or prior to the confirmation of sale of any Securities sold in reliance on Regulation S, such Manager will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchase Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities

Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities and the date of original issuance of the Securities, except in accordance with Regulation S. Terms used above have the meanings given to them by Regulation S. In addition, the issuer of these Securities is not a registered investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons at any time (including after the 40-day distribution compliance period) unless such U.S. persons are Qualified Purchasers for purposes of the Investment Company Act."

(iv) Such Manager has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Issuer.

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Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

(c) Each Manager, severally and not jointly, represents, warrants and agrees that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to

the Securities in, from or otherwise involving the United Kingdom; and

(iii) it will not offer or sell any Securities in the Republic of Italy or Japan unless it complies with the applicable laws and regulations in these jurisdictions as described in the Preliminary Offering Memorandum under the heading, “Plan of Distribution.”

(d) Each Manager acknowledges that no action has been or will be taken by the Company that would permit a public offering of the Securities, or possession or distribution of any of the Time of Sale Information, the Offering Memorandum, any Issuer Written Communication or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required.

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, 2006, 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

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   (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 29, 2007

/s/ Lorenzo H. Zambrano

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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

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   (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 29, 2007

/s/ Hector Medina

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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, 2006, 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

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Name: Lorenzo H. Zambrano
Title: Chief Executive Officer
Date: June 29, 2007

/s/ Hector Medina

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Name: Hector Medina
Title: Executive Vice President of Planning and Finance
Date: June 29, 2007

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. 333-86060) 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 26, 2007, with respect to the consolidated balance sheets of CEMEX, S.A.B. de C.V. and subsidiaries as of December 31, 2005 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, 2006, and the related financial statements schedules, management assessment of the effectiveness of internal control over financial reporting as of December 31, 2006 and the effectiveness of internal control over financial reporting as of December 31, 2006, which reports appear in this December 31, 2006 Annual Report on Form 20-F of CEMEX, S.A.B. de C.V.

KPMG Cárdenas Dosal, S.C.

/s/ Leandro Castillo Parada

Leandro Castillo Parada

Monterrey, N.L., Mexico
June 26, 2007