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, 2005

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from -------------- to ---------------

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. de C.V.

(Exact name of the registrant as specified in its charter)

CEMEX MEXICO, S.A. de C.V.
EMPRESAS TOLTECA DE MEXICO, S.A. de C.V.

(Exact names of co-registrants and guarantors as specified in their respective charters)

CEMEX CORPORATION

(Translation of registrant's name into English)

CEMEX MEXICO CORPORATION
EMPRESAS TOLTECA DE MEXICO CORPORATION

(Translation of co-registrants' and guarantors' names 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 ("ADSs"), each ADS representing ten Ordinary Participation Certificates (Certificados de Participacion Ordinarios)("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)

Guarantees of the 9.625% Notes due 2009 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.

3,714,456,977 CPOs (1)
7,676,571,754 Series A shares (including Series A shares underlying CPOs) (1)
3,838,285,877 Series B shares (including Series B shares underlying CPOs) (1)

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

(1) This information does not give effect to the two-for-one stock split approved by shareholders on April 27, 2006, which is expected to be effected in July 2006. For further description of the stock split, see "Presentation of Financial Information."

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INTRODUCTION

CEMEX, S.A. de C.V. is incorporated as a stock corporation with variable capital 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. 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. de C.V. and its consolidated subsidiaries. See note 1 to our consolidated financial statements included elsewhere in this annual report. At our 2005 annual shareholders' meeting held on April 27, 2006, 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. The change in our corporate name, which means that we will now be called a Publicly Held Company (Sociedad Anonima Bursatil), was made to comply with the

requirements of the new Mexican Securities Law enacted on December 28, 2005, which will become effective on June 28, 2006.

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Generally Accepted Accounting Principles in Mexico ("Mexican GAAP"), which differ in significant respects from U.S. GAAP. We are required, pursuant to Mexican GAAP, 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, 2005. See note 25 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP 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 new stock split, which we expect to occur in July 2006. In connection with the stock split, each of our existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be 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, will distribute one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs will not change as a result of the stock split; each ADS will represent ten (10) new CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders will not change as a result of the stock split. The financial data set forth in this annual report have not been adjusted to give retroactive effect to 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, 2005. 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 Ps10.62 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2005. 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, 2005 was Ps10.63 to U.S.$1.00 and on May 31, 2006 was Ps11.29 to U.S.$1.00.

CO-REGISTRANTS

Our co-registrants are wholly-owned subsidiaries that have provided a corporate guarantee guaranteeing payment of our 9.625% Notes due 2009. These

subsidiaries, which we refer to as our guarantors, are 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. The 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 (the "Exchange Act"), no separate financial statements or other disclosures concerning the guarantors other than the narrative disclosures and financial information set forth in note 25(x) 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, AND WE MAY NOT BE ABLE TO REALIZE THE EXPECTED BENEFITS FROM ANY SUCH FUTURE ACQUISITIONS OR FROM THE RMC ACQUISITION.

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

On March 1, 2005, we completed our acquisition of RMC Group p.l.c., or RMC, a leading international producer and supplier of cement, ready-mix concrete and aggregates, for a total purchase price of approximately U.S.$6.5 billion, which included approximately U.S.$2.2 billion of assumed debt. RMC, which was headquartered in the United Kingdom, had significant operations in the United Kingdom, Germany, France and the United States, as well as operations in other European countries and globally. As of December 31, 2005, we had identified approximately U.S.$360 million of annual savings that we expect to achieve by 2007 through cost-saving synergies, including approximately U.S.$240 million during 2006. 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.

In addition, although we have substantially realized our expected benefits from acquisitions in the past, the acquired companies prior to the RMC acquisition were primarily engaged in cement operations, which have traditionally been the focus of our business. Also, the companies we have acquired in the past have had significant operations in only one country. The integration of RMC's worldwide operations, which consist primarily of ready-mix concrete and aggregates operations, has presented new challenges as it requires us to simultaneously integrate operations in many different countries and focus on ready-mix concrete and aggregates operations on a global scale, in addition to our traditional focus on cement operations. Additional acquisitions may also present formidable integration challenges. See Item 4 "Information on the Company -- Our Business Strategy."

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, 2005, we had outstanding debt equal to Ps101 billion (U.S.$9.5 billion). The aggregate amount of debt we incurred in connection with the RMC acquisition was approximately U.S.$6.5 billion, including our assumption of approximately U.S.$2.2 billion of RMC's debt.

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.

A substantial portion of our outstanding debt is denominated in Dollars; as of March 31, 2006, our Dollar denominated debt represented approximately 75% of our total debt (after giving effect to our currency-related derivatives as of such date). This 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 or other currencies to service our Dollar denominated debt. See Item 5 -- "Operating and Financial Review and Prospects -- Qualitative and Quantitative Market Disclosure -- Interest Rate Risk, Foreign Currency Risk and Equity Risk -- Foreign Currency Risk." A devaluation or depreciation in the value of the Peso, Euro or any of the other currencies of the countries in which we operate, compared to the Dollar, could adversely affect our ability to service our debt. During 2005, Mexico, Spain, the United Kingdom and the Rest of Europe region, our main non-Dollar-denominated operations, together generated approximately 53% of our sales (approximately 19%, 9%, 9% and 16%, respectively), before eliminations resulting from consolidation. In 2005, approximately 25% of our sales were generated in the United States, with the remaining 22% of our sales being generated in several countries, with a number of currencies having material depreciations against the Dollar. During 2005, the Peso appreciated approximately 5% against the Dollar, while the Euro and the Pound depreciated approximately 13% and 11%, 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.

As of March 31, 2006, our Euro denominated debt represented approximately 20% of our total debt (after giving effect to our currency-related derivatives as of such date). However, we believe that our generation of revenues in Euros from our operations in Spain and the Rest of Europe region will be sufficient to service these obligations. As of March 31, 2006, our Yen denominated debt represented approximately 5% of our total debt (after giving effect to our currency-related derivatives as of such date). As of that date, we had no Pound denominated debt outstanding.

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

We have received notices from tax authorities in Mexico and the Philippines of tax claims in respect of several prior tax years for a total amount of approximately U.S.$70 million and U.S.$59 million, respectively,

including interest and penalties through December 31, 2005. We believe that these claims will not have a material adverse effect on our net income.

In addition, during May 2006, we and some of our Mexican subsidiaries were notified by the Mexican tax office of several tax assessments with respect to tax years 1992 and 2002 in a total amount of approximately Ps3,793 million (U.S.$335 million). The tax assessments are based primarily on: (i) disallowed restatement of consolidated tax loss carryforwards in the same period in which they occurred and (ii) investments made in entities incorporated in foreign countries with preferential tax regimes (Regimenes Fiscales Preferentes). We plan to contest these tax claims, and we are in the process of filing an appeal for each of these tax claims before the Mexican federal tax court. If we fail to obtain favorable rulings on appeal, these tax claims may have a material impact on us.

We are also challenging the constitutionality of several amendments to 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, we filed a motion in the Mexican federal court 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. 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."

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 heavy penalties. Based on our production forecasts, we expect to have a consolidated surplus of carbon dioxide allowances for the initial allocation period of 2005 to 2007. However, for the next allocation period of 2008 through 2012, we expect a reduction in the allowances granted by the environmental agencies in substantially all 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 implementing Clean Development Mechanism (CDM) projects that reduce greenhouse gas emissions in emerging markets authorized by the United Nations. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase a significant amount of allowances in the market, the cost of which may have an impact on our operating results. See Item 4 -- "Information on the Company -- Regulatory Matters and Legal Proceedings -- Environmental Matters."

WE ARE SUBJECT TO RESTRICTIONS DUE TO MINORITY INTERESTS IN OUR CONSOLIDATED SUBSIDIARIES.

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

HIGHER ENERGY AND FUEL COSTS MAY HAVE A MATERIAL ADVERSE 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. With the acquisition of RMC in 2005, particularly its operations in Europe and the United States, our operations are more exposed to weather seasonality. Winter weather in our European and North American operations significantly reduces our first quarter sales volumes, and to a lesser extent our fourth quarter sales volumes. Sales volumes in these and similar markets generally increase during the second and third quarters because of normally better weather conditions. However, high levels of rainfall can adversely affect our operations during these periods as well. Such adverse weather conditions can adversely affect our results of operations and profitability if they occur with unusual intensity, during abnormal periods, or last longer than usual in our major markets, especially during peak construction periods.

WE ARE AN INTERNATIONAL COMPANY AND ARE EXPOSED TO RISKS IN THE COUNTRIES IN WHICH WE HAVE SIGNIFICANT OPERATIONS OR INTERESTS.

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

With the acquisition of RMC in 2005, our geographic diversity has significantly increased. We currently have 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, 2005, our U.S. operations represented approximately 18% of our total assets, our Mexican operations represented approximately 18% of our total assets, our United Kingdom operations represented approximately 12% of our total assets, our Spanish operations represented approximately 7% of our total assets, our Rest of Europe operations represented approximately 12% of our total assets, our South America, Central America and the Caribbean operations represented approximately 7% of our total assets, our Africa and the Middle East operations represented approximately 2% of our total assets and our Asia operations represented approximately 3% of our total assets. For the year ended December 31, 2005, before eliminations resulting from consolidation, our U.S. operations represented approximately 25% of our net sales, our Mexican operations represented approximately 19% of our net sales, our United Kingdom operations represented approximately 9% of our net sales, our Spanish operations represented approximately 9% of our net sales, our Rest of Europe operations represented approximately 16% of our net sales, our South America, Central America and the Caribbean operations represented approximately 9% of our net sales, our Africa and the Middle East operations represented approximately 3% of our net sales and our Asia operations represented approximately 2% 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, 2005 on a pro forma basis giving effect to the RMC acquisition as though it had been completed on January 1, 2005, please see Item 4 -- "Information on the Company -- Geographic Breakdown of Pro Forma 2005 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 we have a diversification of revenue sources in Europe, a number of countries, particularly Germany and Italy, have experienced economic stagnation recently, while France and the United Kingdom have experienced slow economic growth. To the extent recovery from these economic conditions does not materialize or otherwise takes place over an extended period of time, our business, financial condition and results of operations may be adversely affected. In addition, the economic stagnation in Germany and Italy and slow economic growth in France and the United Kingdom may negatively impact the economic growth and integration of the ten new countries admitted into the European Union in May 2004, including Poland, the Czech Republic, Hungary, Latvia and Lithuania, in which we acquired operations in the RMC acquisition.

Our operations in South America, Central America and the Caribbean are faced with several risks that are more significant than in other countries. These risks include political instability and economic volatility. For example, in recent years, Venezuela has experienced volatility and depreciation of its currency, high interest rates, political instability, increased inflation, decreased gross domestic product and labor unrest, including a general strike. In response to this situation, and in an effort to shore up the economy and control inflation, Venezuelan authorities have imposed foreign exchange and price controls on specified products, including cement. 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 and the United Arab Emirates, will not be drawn into the conflict or experience instability.

There have been terrorist attacks in the United States, Indonesia, 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.

PT Semen Gresik (Persero) Tbk., or Gresik, an Indonesian cement producer in which we own a 25.5% interest, has experienced ongoing difficulties at PT Semen Padang, or Semen Padang, the subsidiary of Gresik that owns and operates the Padang plant, including the effective loss of operational and financial control of Semen Padang, and until recently, the inability to prepare consolidated financial statements that include Semen Padang's operations and the inability of its independent auditors to provide an unqualified audit opinion on such financial statements. In April 2006, after making several adjustments suggested by its independent auditors, unqualified audited financial statements for 2004 and 2005 were finally presented by Semen Gresik. In December 2003, we filed a request for arbitration against the Republic of Indonesia and the Indonesian government before the International Centre for Settlement of Investment Disputes, or ICSID, based in Washington D.C. seeking, among other things, rescission of the purchase agreement entered into with the Republic of Indonesia in 1998, plus repayment of all costs and expenses, and compensatory damages. In 2004, an Arbitral Tribunal was established by the ICSID to hear the dispute and held its first hearings, at which the Indonesian

government objected to the Arbitral Tribunal's jurisdiction. As of the date of this annual report, the Arbitral Tribunal had not yet rendered its jurisdictional decision. We cannot predict what effect, if any, this action will have on our investment in Gresik, how the Arbitral

Tribunal will rule on the Indonesian government's jurisdictional objections or the merits of the dispute, or the time-frame in which the Arbitral Tribunal will rule. See Item 4 -- "Information on the Company -- Asia -- Our Indonesian Equity Investment" and "-- Regulatory Matters and Legal Proceedings -- Other Legal Proceedings."

On May 3, 2006, we agreed to sell 24.9% of Gresik to Indonesia-based Rajawali Group for approximately U.S.$337 million. The purchaser's obligations under our sales contract are subject to obtaining the approval of the Indonesian government and the fulfillment of other conditions. In the event this sale is consummated, our remaining interest in Gresik will be 0.6%.

On May 17, 2006, we received a letter from the Indonesian government purporting to exercise its right to repurchase, under the 1998 purchase agreement, pursuant to which we acquired our interest in Gresik, the Gresik shares we have agreed to sell to the Rajawali Group. However, we believe that the Indonesian government's purported exercise of this right did not comply with the requirements set forth in the 1998 purchase agreement, and we are in correspondence and in discussions with the Indonesian government concerning this issue. No assurance can be given either that the sale to the Rajawali Group will be consummated, or that the Indonesian government will purchase the Gresik shares, on the terms outlined above, or that a sale transaction on similar or different terms may be consummated with any other purchaser.

YOU MAY BE UNABLE TO ENFORCE JUDGMENTS AGAINST US.

You may be unable to enforce judgments against us. We are a stock corporation with variable capital (sociedad anonima 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, and appreciated against the Dollar by approximately 1% and 5% in 2004 and 2005, respectively. 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
2001	9.17	9.33	9.99	8.95	9.16	9.34	9.97	8.95
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
Monthly (2005-2006)								
November	10.56	--	10.77	10.56	10.58	--	10.77	10.57
December	10.62	--	10.78	10.42	10.63	--	10.77	10.41
January	10.46	--	10.64	10.45	10.44	--	10.64	10.44
February	10.48	--	10.56	10.44	10.45	--	10.53	10.43
March	10.88	--	11.02	10.48	10.90	--	10.95	10.46
April	11.07	--	11.15	10.93	11.09	--	11.16	10.86
May	11.34	--	11.35	10.86	11.29	--	11.31	10.84

(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, 2006, the noon buying rate for Pesos was Ps11.29 to U.S.$1.00 and the CEMEX accounting rate was Ps11.34 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, 2005 have been derived from our audited consolidated financial statements. The financial data set forth below as of December 31, 2005 and 2004 and for each of the three years ended December 31, 2005, 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 2005 annual general meeting, which took place on April 27, 2006.

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

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican GAAP, which differs in significant respects from U.S. GAAP. We are required, pursuant to Mexican GAAP, 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, 2005. See note 25 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP 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 GAAP, 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, 2005:

	Annual Weighted Average Factor	Cumulative Weighted Average Factor to December 31, 2005
2001................	1.0916	1.2287
2002................	1.1049	1.1256
2003................	1.0624	1.0188
2004................	0.9590	0.9590

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 Ps10.62 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2005. 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, 2005 was Ps10.63 to U.S.$1.00 and on May 31, 2006 was Ps11.29 to U.S.$1.00. From December 31, 2005 through May 31, 2006, the Peso depreciated by approximately 6.2% against the Dollar, based on the noon buying rate for Pesos.

	As of and for the year ended December 31,					
	2001	2002	2003	2004	2005	2005
	(in millions of constant Pesos as of December 31, 2005 and Dollars, except ratios and share and per share amounts)					
Income Statement Information:						
Net sales......................................	Ps 78,015	Ps 76,456	Ps 82,045	Ps 87,062	Ps 162,709	U.S.$15,321
Cost of sales(1)...............................	(43,882)	(42,715)	(47,296)	(48,997)	(98,460)	(9,271)
Gross profit...................................	34,133	33,741	34,749	38,065	64,249	6,050
Operating expenses.............................	(15,503)	(18,429)	(18,084)	(18,282)	(37,840)	(3,563)
Operating income...............................	18,630	15,312	16,665	19,783	26,409	2,487
Comprehensive financing income (cost), net(2)..	2,982	(3,848)	(3,063)	1,424	2,600	245
Other income (expense), net....................	(4,697)	(4,550)	(5,230)	(5,169)	(3,372)	(318)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates............	16,915	6,914	8,372	16,038	25,637	2,414
Minority interest..............................	1,728	433	348	224	585	55
Majority interest net income...................	13,273	6,079	7,201	13,965	22,425	2,112
Basic earnings per share(3)(4).................	1.55	0.68	0.76	1.40	2.16	0.20
Diluted earnings per share(3)(4)...............	1.56	0.68	0.74	1.39	2.15	0.20
Dividends per share(3)(5)(6)...................	0.39	0.41	0.39	0.83	0.50	0.04
Number of shares outstanding(3)(7).............	8,758	9,124	9,722	10,186	10,572	10,572
Balance Sheet Information:						
Cash and temporary investments.................	4,828	4,220	3,336	3,657	6,387	601
Net working capital investment(8)..............	10,510	8,174	6,593	5,610	13,463	1,268
Property, machinery and equipment, net.........	100,744	104,734	106,106	102,703	165,055	15,542
Total assets...................................	182,888	186,194	183,409	185,684	284,228	26,764
Short-term debt................................	11,579	16,281	15,219	11,151	12,647	1,191
Long-term debt.................................	48,960	51,109	51,955	52,207	88,006	8,287
Minority interest(9)...........................	22,259	14,101	6,092	4,155	5,613	529
Stockholders' equity (excluding minority interest)(10)............................	69,601	67,122	71,393	83,657	104,344	9,825
Book value per share(3)(7)(11).................	7.95	7.36	7.35	8.21	8.71	0.93
Other Financial Information:						
Operating margin...............................	23.9%	20.0%	20.3%	22.7%	16.2%	16.2%
EBITDA(12).....................................	25,418	22,401	24,141	27,117	37,778	3,557
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends................................	4.39	5.23	5.27	6.82	6.76	6.76
Investment in property, machinery and equipment, net.......................................	5,756	4,954	4,510	4,637	8,341	785
Depreciation and amortization..................	8,932	8,942	9,445	9,159	11,591	1,091
Net resources provided by operating activities(13)............................	26,596	19,440	17,937	23,811	36,300	3,418
Basic earnings per CPO(3)(4)...................	4.65	2.04	2.28	4.20	6.48	0.60

	As of and for the year ended December 31,					
	2001	2002	2003	2004	2005	2005
	(in millions of constant Pesos as of December 31, 2005 and Dollars, except per share amounts)					
US. GAAP (14):						
Income Statement Information:						
Majority net sales.............................	Ps74,936	Ps 75,858	Ps 86,568	Ps 92,553	Ps 159,516	U.S.$15,020
Operating income...............................	11,978	12,261	14,770	17,007	24,706	2,326
Majority net income............................	11,989	6,367	8,984	18,505	22,115	2,082
Basic earnings per share.......................	1.49	0.71	0.95	1.85	2.13	0.20
Diluted earnings per share.....................	1.48	0.71	0.93	1.84	2.12	0.20
Balance Sheet Information:						
Total assets...................................	184,153	191,179	202,230	212,550	293,743	27,659
Total long-term debt...........................	44,381	46,479	48,620	44,949	82,610	7,779
Shares subject to mandatory redemption (15)....	--	--	805	--	--	--
Minority interest..............................	9,046	5,860	5,882	4,672	5,729	539
Other mezzanine items (15).....................	19,169	14,761	--	--	--	--
Total majority stockholders' equity............	55,402	58,289	77,204	95,412	111,381	10,488

(footnotes on next page)

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(1) Cost of sales includes depreciation.

(2) Comprehensive financing income (cost), net, 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, 2005, approximately 96.8% of our outstanding share capital was represented by CPOs. On April 28, 2005, our shareholders approved a two-for-one stock split in our series A shares, series B shares and CPOs, which became effective on July 1, 2005. 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 CPOs. All share and per share amounts set forth in the table above have been adjusted to give retroactive effect to this stock split. On April 27, 2006, our shareholders approved a new two-for-one stock split, which we expect to occur in July 2006. In connection with the new stock split, each of our existing series A shares will be surrendered in exchange for two new

series A shares, and each of our existing series B shares will be surrendered in exchange for two new series B shares. Concurrently with this new 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, will distribute one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs will not change as a result of the new stock split; each ADS will represent ten (10) new CPOs following the new stock split and the CPO trust amendment. Although earnings per share, dividends per share, book value per share, earnings per CPO and the number of shares outstanding for the years ended December 31, 2001 through 2005 were not adjusted to give retroactive effect to the stock split, the following table presents such line items on a pro forma basis giving effect to the stock split.

	As of and for the year ended December 31,					
	2001	2002	2003	2004	2005	2005
	(in constant Pesos as of December 31, 2005 and Dollars, except share amounts)					
Pro forma per share information under Mexican GAAP:						
Basic earnings per share............	Ps 0.78	Ps 0.34	Ps 0.38	Ps 0.70	Ps 1.08	U.S.$ 0.10
Diluted earnings per share...........	0.78	0.34	0.37	0.70	1.08	0.10
Dividends per share..................	0.20	0.21	0.20	0.42	0.25	0.02
Book value per share.................	3.98	3.68	3.68	4.11	4.93	0.47
Basic earnings per CPO.............	2.33	1.02	1.14	2.10	3.24	0.31
Pro forma per share information under U.S. GAAP:						
Basic earnings per share............	0.75	0.36	0.48	0.93	1.07	0.10
Diluted earnings per share...........	0.74	0.36	0.47	0.92	1.06	0.10
Pro forma number of shares:						
Number of shares outstanding (in millions)..................	17,516	18,248	19,444	20,372	21,144	21,144

(4) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 21 to the consolidated financial statements included elsewhere in this annual report. Basic earnings per CPO is determined by multiplying each year's basic earnings per share 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 GAAP.

(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 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 these years, expressed in constant Pesos as of December 31, 2005, were as follows: 2002, Ps1.17 per CPO (or Ps0.39 per share); 2003, Ps1.23 per CPO (or Ps0.41 per share); 2004, Ps1.17 per CPO (or Ps0.39 per share); and 2005, Ps2.49 per CPO (or Ps0.83 per share). As a result of dividend elections made by shareholders, in 2002, Ps262 million in cash was paid and approximately 128 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; in 2003, Ps68 million in cash was paid and approximately 198 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year; in 2004, Ps161 million in cash was paid and approximately 150 million additional CPOs were issued in respect of dividends declared for the 2003 fiscal year; and in 2005, Ps380 million in cash was paid and approximately 133 million additional CPOs were issued in respect of dividends declared for the 2004 fiscal year. All share and per share amounts set forth in this note 6 have been adjusted to give retroactive effect to the stock split described above, which became effective on July 1, 2005. At our 2005 annual shareholders' meeting, which was held on April 27, 2006, our shareholders

approved a dividend for the 2005 fiscal year of the Peso equivalent of U.S.$0.133 per CPO (U.S.$0.0443 per share) or Ps1.49 (Ps0.50 per share), based on the Peso/Dollar exchange rate in effect for May 25, 2006 of Ps11.1935 to U.S.$1.00, as published by the Mexican Central Bank. Holders of our series A shares, series B shares and CPOs will be 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 have 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, unlike our practice in connection with previous dividends when ADS holders were extended this option. As a result of dividend elections made by shareholders, in June 2006, approximately Ps144 million in cash will be paid and approximately 106 million additional CPOs will be issued in respect of dividends declared for the 2005 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, 2001 and 2002 includes a notional amount of U.S.$900 million (Ps9.6 billion) and U.S.$650 million (Ps6.9 billion), respectively, 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 (Ps705 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 GAAP, 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.$76.1 million (Ps876 million) in 2001, U.S.$23.2 million (Ps265 million) in 2002 and U.S.$12.5 million (Ps147 million) in 2003. As of January 1, 2004, as a result of new accounting pronouncements under Mexican GAAP, 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 (Ps64 million), were recorded as part of financial expenses in our income statement.

(10) 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 (Ps1,050 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 (Ps193 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.

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

(12) EBITDA equals operating income before amortization expense and depreciation. Under Mexican GAAP, amortization of goodwill is not included in operating income, but instead is 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, which we consider to be the most comparable measure as determined under Mexican GAAP. We are not required to prepare a statement of cash flows under Mexican GAAP and therefore do not have such Mexican GAAP cash flow measures to present as comparable to EBITDA.

	For the year ended December 31,					
	2001	2002	2003	2004	2005	2005
	(in millions of constant Pesos as of December 31, 2005 and Dollars)					
Reconciliation of EBITDA to operating income EBITDA..........	Ps 25,418	Ps 22,401	Ps 24,141	Ps 27,117	Ps 37,778	U.S.$3,557
Less:						
Depreciation and amortization expense	6,788	7,089	7,476	7,334	11,369	1,070
Operating income..................	18,630	15,312	16,665	19,783	26,409	2,487

(13) 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.

(14) We have restated the information at and for the years ended December 31, 2001, 2002, 2003, and 2004 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 GAAP and applied to the information presented under Mexican GAAP of prior years. See note 25 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to CEMEX.

(15) 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 10 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 a more detailed description of these elements, as they related to us, see notes 15(E), 15(F) and 25(m) to our consolidated financial statements included elsewhere in this annual report.

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 stock corporation with variable capital, or sociedad anonima 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. CEMEX's full legal and commercial name is CEMEX, Sociedad Anonima de Capital Variable. At our 2005 annual shareholders' meeting held on April 27, 2006, 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. The change in our corporate name, which means that we will now be called a Publicly Held Company (Sociedad Anonima Bursatil), was made to comply with the requirements of the new Mexican Securities Law enacted on December 28, 2005, which will become effective on June 28, 2006.

CEMEX is the third largest cement company in the world, based on installed capacity as of December 31, 2005 of approximately 98.2 million tons, including approximately 17 million tons of installed capacity we acquired in our acquisition of RMC in March 2005. We are the largest ready-mix concrete company in the world with annual sales volumes of approximately 70 million cubic meters, and one of the largest aggregates company in the world with annual sales volumes of approximately 160 million tons, in each case based on our annual sales volumes in 2005, including the sales volumes of the operations we acquired from RMC since March 1, 2005. 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 2005, including the trading operations we acquired from RMC since March 1, 2005. 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. On June 2, 2006, we had an equity market capitalization of approximately Ps241 billion (U.S.$21 billion).

We are a global cement manufacturer with operations in North America, Europe, South America, Central America, the Caribbean, Africa, the Middle East and Asia. As of December 31, 2005, we had worldwide assets of approximately Ps284 billion (U.S.$27 billion).

As of December 31, 2005, 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, 2005, 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, 2005
	Installed

	Assets (in billions of constant Pesos)	Number of Cement Plants	Capacity (millions of tons per annum)
North America			
Mexico........................	Ps 72	15	27.2
United States.................	72	12	13.3
Europe			
Spain.........................	28	8	11.0
United Kingdom................	49	3	2.7
Rest of Europe................	48	9	13.0
South America, Central America and the Caribbean........	33	13	15.4
Africa and the Middle East..........	9	1	4.9
Asia...............................	12	4	10.7
Cement and Clinker Trading Assets and Other Operations......	89	--	--

In the above table, "Rest of Europe" includes our subsidiaries in Germany, France, Ireland, Austria, Poland, Croatia, the Czech Republic, Denmark, 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, 2005, in a Lithuanian cement producer that operated one cement plant with an installed capacity of 2.7 million tons as of December 31, 2005. 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, 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, and, for purposes of the columns labeled "Assets" and "Installed Capacity," includes our 25.5% interest, as of December 31, 2005, in Gresik, an Indonesian cement producer. As of December 31, 2005, in addition to the four cement plants owned by our Asian subsidiaries, Gresik operated four cement plants with an installed capacity of 17.3 million tons. In the above table, "Cement and Clinker Trading Assets and Other Operations" includes intercompany accounts receivable of CEMEX (the parent company only) in the amount of approximately Ps21 billion as of December 31, 2005, which are eliminated in consolidation.

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:

- 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 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.

- 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.$281.0 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 increased our equity interest in CEMEX Asia Holdings, Ltd., or CAH, a subsidiary originally created to co-invest with institutional investors in Asian cement operations, from 77.4% to 77.7%. At the same time, we entered into agreements with other CAH investors to purchase their CAH shares in exchange for CPOs through quarterly share exchanges in 2003 and 2004. For accounting purposes, these exchanges were considered effective as of July 2002. With these exchanges, we further increased our equity interest in CAH to 92.3%. In August 2004, we acquired an additional 6.83% interest in CAH for approximately U.S.$70 million, and in December 2005, we acquired the remaining 0.9% interest in CAH for approximately U.S.$8 million, thereby increasing our total equity interest in CAH to 100%.

- In July 2002, we purchased, through a wholly-owned indirect subsidiary, the remaining 30% economic interest that was not previously acquired by CAH in the Philippine cement company Solid Cement Corporation, or Solid, for approximately U.S.$95 million.

- In May 2001, we acquired, through CAH, a 100% economic interest in Saraburi Cement Company Ltd., a cement company based in Thailand with an installed capacity of approximately 700,000 tons, for a total consideration of approximately U.S.$73 million. In July 2002, Saraburi Cement Company changed its legal name to CEMEX (Thailand) Co. Ltd., or CEMEX (Thailand).

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.

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. The proceeds of these sales were used to reduce debt.

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. The proceeds of this sale were used to reduce debt.

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. The proceeds of this sale were used to reduce debt.

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 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. The proceeds of this sale were used to reduce debt.

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 aggregate quarries. In connection with the termination, we received 29 ready-mix concrete plants and six aggregates quarries in Spain, as well as approximately (euro)50 million in cash, and Lafarge Asland acquired a 100% interest in both joint ventures.

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. These companies operate nine ready-mix concrete plants and one aggregates quarry in Poland. We received net cash proceeds of approximately (euro)6 million, after cash and debt adjustments, from this transaction.

Geographic Breakdown of Our 2005 Net Sales

The following chart indicates the geographic breakdown of our net sales, before eliminations resulting from consolidation, for the year ended December 31, 2005:

[PIE CHART GRAPHIC OMITTED]

Region	%
Mexico	19.0%
United States	25.0%
Spain	9.0%
United Kingdom	9.0%
Rest of Europe	16.0%
South America, Central America and the Caribbean	9.0%
Africa and the Middle East	3.0%
Asia	2.0%
Others	8.0%

For a description of a breakdown of total revenues by geographic markets for each of the years ended December 31, 2003, 2004 and 2005, please see Item 5 -- "Operating and Financial Review and Prospects."

Geographic Breakdown of Pro Forma 2005 Net Sales

The pro forma net sales data for the year ended December 31, 2005 set forth below include RMC's net sales data for the two- month period ended February 28, 2005, which are unaudited and have been obtained from RMC's accounting records.

The following chart indicates the geographic breakdown of our net sales on a pro forma basis giving effect to the RMC acquisition as though it had been completed on January 1, 2005 and before eliminations resulting from consolidation, for the year ended December 31, 2005:

[PIE CHART GRAPHIC OMITTED]

Mexico	18.0%
United States	25.0%
Spain	9.0%
United Kingdom	10.0%
Rest of Europe	17.0%
South America, Central America and the Caribbean	8.0%
Africa and the Middle East	3.0%
Asia	2.0%
Others	8.0%

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, 2005, 54 of our 65 operative production plants used the dry process, nine used the wet process and two used both processes. Our production plants that use the wet process are located in Venezuela, Colombia, Nicaragua, the Philippines, the United Kingdom, Germany and Latvia. In the wet process, the raw materials are mixed with water to form slurry which is fed into a kiln. Fuel costs are greater in the wet process than in the dry process because the water that is added to the raw materials to form slurry must be evaporated during the clinker manufacturing process. In the dry process, the addition of water and the formation of slurry are eliminated, and clinker is formed by

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

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

Ready-Mix Concrete Production Process

Ready-mix concrete is a combination of cement, fine and coarse aggregates, and admixtures (which control properties of the concrete including plasticity, pumpability, freeze-thaw resistance, strength and setting time). The concrete hardens due to the chemical reaction of hydration 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 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 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, particularly in emerging market countries, where the shortage of roads and other infrastructure and a low per capita use of cement and other building materials is most likely to result in

significant increases in demand for our products.

By selectively 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 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.

In the case of the RMC acquisition, we expect to achieve significant cost savings in the acquired operations by optimizing the production and distribution of ready-mix concrete and aggregates, reducing costs in the cement manufacturing facilities, partly by implementing CEMEX operating standards at such facilities, reducing raw materials and energy costs by centralizing procurement processes and reducing other operational costs by centralizing technological and managerial processes. We have achieved a portion of these cost savings in 2005, and we expect to gradually achieve the remainder of these cost savings between 2006 and 2007.

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 lower cost combined with our higher 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 have recently begun utilizing our Construrama strategy in our Venezuelan operations and may introduce this branding strategy in other markets, depending on the 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 their customers.

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 cement, 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, 2005. 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.

[GRAPHIC OMITTED]

North America

For the year ended December 31, 2005, our business in North America, which includes our operations in Mexico and the United States, represented approximately 44% of our net sales. As of December 31, 2005, our business in North America represented approximately 41% of our total installed capacity and approximately 36% of our total assets.

Our Mexican Operations

Overview

Our Mexican operations represented approximately 19% of our net sales for the year ended December 31, 2005.

As of December 31, 2005, 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.

As of December 31, 2005, CEMEX Mexico owned 100% of the outstanding capital stock of Empresas Tolteca de Mexico. Empresas Tolteca de Mexico is a holding company for some of our operating companies in Mexico. CEMEX Mexico and Empresas Tolteca de Mexico, together with their subsidiaries, account for substantially all 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 1.4 million tons per year. The construction

of the new kiln, which is designed to increase our total production capacity in the Yaqui cement plant to approximately 3.2 million tons per year, is expected to be completed in 2007. We expect our total capital investment in the construction of this new kiln over the course of two years will be approximately U.S.$210 million, including U.S.$30 million during 2006. We expect that this investment will be fully funded with free cash flow generated during the two-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, 2005, more than 700 independent concessionaries with close to 2,100 stores were integrated into the Construrama program in more than 750 towns and cities throughout Mexico.

The Mexican Cement Industry

According to Instituto Nacional de Estadistica, Geografia e Informatica, total construction output in Mexico grew 3.3% in 2005 compared to 2004. The increase in total construction output in 2005 was primarily driven by the commercial and industrial housing and infrastructure segments, while the retail (self-construction) market grew marginally.

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 2005 accounted for approximately 70% 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

[MAP 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 79 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 73% of our Mexican operations' net sales in 2005. Our domestic cement sales represented approximately 94% of our total Mexican cement sales in 2005. 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 2005, our Mexican operations sold approximately 60% of their cement sales volume through more than 6,000 distributors throughout the country, most of whom work on a regional basis. The five most important distributors in the aggregate accounted for approximately 4% of our Mexican operations' total sales by volume for 2005.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 27% of our Mexican operations' net sales in 2005. 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 4% of our Mexican operations' net sales in 2005. In 2005, approximately 73% of our cement and clinker exports from Mexico were to the United States, 26% to Central America and the Caribbean and 1% 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. During the

transition period, Mexican cement imports into the U.S. will be subject to volume limitations of three million tons per year, which 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 Mexican companies that import cement into the U.S. will be 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 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 2.5% of the total fuel consumption for our Mexican operations in 2005, and we expect to increase this percentage to approximately 3.5% to 4% during 2006.

In 1999, we reached an agreement with ABB Alstom Power and Sithe Energies, Inc. 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. As of December 31, 2005, after 20 months of operation, the power plant has supplied electricity to 10 of our cement plants in Mexico covering approximately 73% of their needs for electricity and has represented a decrease of approximately 28% in our cost of electricity at these plants.

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, 2005, 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 have 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 2005 production levels. As of December 31, 2005, all our production plants in Mexico utilized the dry process.

As of December 31, 2005, we had a network of 71 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 more than 250 ready-mix concrete plants throughout 79 cities in Mexico and more than 1,950 ready-mix concrete delivery trucks.

Capital Investments

We made capital expenditures of approximately U.S.$109 million in 2003, U.S.$90 million in 2004, and U.S.$102 million in 2005 in our Mexican operations. We currently expect to make capital expenditures of approximately U.S.$222 million in our Mexican operations during 2006, including those related to the expansion of the Yaqui cement plant described above.

Our U.S. Operations

Overview

Our U.S. operations represented approximately 25% of our net sales for the year ended December 31, 2005.

As of December 31, 2005, we held 100% of CEMEX, Inc., our operating subsidiary in the United States.

As of December 31, 2005, our U.S. operations included the operations we acquired from RMC in March 2005. As of December 31, 2005, 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, 2005, 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 49 rail or water served active cement distribution terminals in the United States. As of December 31, 2005, we had 235 ready-mix plants located in the Carolinas, Florida, Georgia, Texas, New Mexico, Nevada, Arizona and California and aggregates facilities in the Carolinas, Arizona, California, Florida, Georgia, New Mexico, Nevada and Texas, not including the assets we contributed to Ready Mix USA, LLC, as described below. We believe that by combining the acquired assets of RMC with our installed cement capacity in the United States, we are currently the largest cement and ready-mix supplier in the United States, based on volumes sold in 2005, and an important supplier of aggregates.

In addition, 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.

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., or Votorantim, a cement company in Brazil, for an aggregate purchase price of approximately U.S.$389 million. The distribution terminals sold to Votorantim are located in Green Bay, Manitowoc and Milwaukee, Wisconsin; Chicago, Illinois; Ferrysburg, Michigan; Cleveland and Toledo, Ohio; and Owen Sound, Ontario, Canada. The combined capacity of the two cement plants sold to Votorantim 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.

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.

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.

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.

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. We do not believe the divestiture of these assets will have a material effect on our U.S. operations.

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.$220 million, including U.S.$57 million during 2006. We expect that this investment will be fully funded with free cash flow generated during the three-year construction period.

The Cement Industry in the United States

According to the U.S. Census Bureau, total construction spending in the U.S. grew 8.9% in 2005 compared to 2004. The increase in total construction spending in 2005 was primarily driven by strong demand from the residential

sector, increased demand from the public sector and a recovery in industrial and commercial construction.

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 2005, according to our estimates, public sector spending accounted for approximately 50% 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, domestic capacity utilization has been close to 90% 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 2005 U.S. Geological Survey, approximately 4,000 companies operated approximately 6,500 quarries and pits.

Our United States Cement Operating Network

[MAP GRAPHIC OMITTED]

The map above reflects our cement plants and cement terminals as of December 31, 2005.

Products and Distribution Channels

Cement. Our cement operations represented approximately 43% of our U.S. operations' net sales in 2005. 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 46% of our U.S. operations' net sales in 2005. Our ready-mix concrete operations in the U.S. purchase most of their cement requirements from our U.S. cement operations and approximately 40% 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 2005. At 2005 production levels, it is anticipated that over 71% 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 39% of our U.S. operations' total production costs in 2005. 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 2005, the use of alternative fuels offset the effect on our fuel costs of a significant increase in coal prices. Power costs in 2005 represented approximately 18% 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, 2005, 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 49 cement terminals, eight of which are deep-water terminals. All our cement production facilities in 2005 were wholly-owned except for the Balcones, Texas plant, which was leased as of December 31, 2005, 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, 2005, we had 235 ready-mix concrete plants and 47 aggregates quarries in the U.S., all of which are wholly-owned. As of December 31, 2005, we also have interests in 173 ready-mix concrete plants and 10 aggregates quarries 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, 2005, we distributed fly ash through 20 terminals and 16 third-party-owned utility plants, which operate both as sources of fly ash and distribution terminals. As of that date, we also owned 63 concrete block, paver, pipe and precast facilities, and had interests in 7 concrete block, paver, pipe and precast facilities, which are owned by Ready Mix USA, LLC.

Capital Investments

We made capital expenditures of approximately U.S.$97 million in 2003, U.S.$111 million in 2004, and U.S.$160 million in 2005 in our U.S. operations. We currently expect to make capital expenditures of approximately U.S.$306 million in our U.S. operations during 2006, including those related to the

expansion of the Balcones cement plant described above. We do not expect to be required to contribute any funds in respect of the assets of the companies jointly-owned with Ready Mix USA as capital expenditures during 2006.

Europe

For the year ended December 31, 2005, our business in Europe, which includes our operations in Spain, the United Kingdom and our Rest of Europe segment, as described below, represented approximately 34% of our net sales. As of December 31, 2005, our business in Europe represented approximately 27% of our total installed capacity and approximately 31% of our total assets.

Our Spanish Operations

Overview

Our Spanish operations represented approximately 9% of our net sales for the year ended December 31, 2005.

As of December 31, 2005, 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 a local cement producer in the Canary Islands. 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 connection with the RMC acquisition, we acquired RMC's Spanish operations, which consisted of ready-mix concrete and aggregates operations in Spain through Readymix Asland S.A., a joint-venture in which RMC owned 50% and Lafarge-Asland, a Spanish cement producer, owned 50%. This joint venture operated a network of 122 ready-mix concrete plants and 12 operating aggregates quarries, which are predominantly located around Madrid, Barcelona, Valencia and Alicante. On December 22, 2005, we and Lafarge Asland terminated this joint venture and another 50/50 joint venture with Lafarge-Asland in Portugal, which we acquired in the RMC acquisition and which operated 31 ready-mix concrete plants and five aggregate quarries. Under the terms of the termination agreement, Lafarge Asland received a 100% interest in both joint ventures and we received approximately (euro)50 million in cash, as well as 29 ready-mix concrete plants and six aggregates quarries in Spain (some of these assets were acquired through the acquisition of 100% of Hormigones Ciudad Real, S.A.).

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, Spain. 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. We expect that this investment will be fully funded with free cash flow generated during the construction period.

The Spanish Cement Industry

According to the Asociacion de Fabricantes de Cemento de Espana, or OFICEMEN, the Spanish cement trade organization, in 2005, the construction sector of the Spanish economy grew 6.0%, primarily as a result of the growth of construction in the residential sector of the Spanish economy. According to OFICEMEN, cement consumption in Spain increased 4.8% in 2003, 3.8% in 2004, and 5.1% in 2005.

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. Cement imports decreased 19.7% in 2003, 14.6% in 2004, and 1.4% in 2005. Clinker imports have been significant,

with increases of 26.4% in 2003, 6.3% in 2004 and 18.3% in 2005. 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.

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. Nevertheless, exports of producers in Spain have been reduced in recent years to 1.4 million tons in 2005 to meet strong domestic demand. Our Spanish operations' cement and clinker export volumes decreased 21% in 2003, 23% in 2004, and 40% in 2005.

Competition

According to OFICEMEN, as of December 31, 2005, approximately 60% of installed capacity for production of 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 sizable market presence in areas such as Baleares, Canarias, Levante and Aragon. In other areas, such as the central and Cataluna 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 GRAPHIC OMITTED]

Products and Distribution Channels

Cement. Our cement operations represented approximately 62% of our Spanish operations' net sales in 2005. CEMEX Espana offers various types of cement, targeting specific products to specific markets and users. In 2005, approximately 15% 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 32% of our Spanish operations' net sales in 2005. Our ready-mix concrete operations in Spain in 2005 purchased almost all of their cement requirements from our Spanish cement operations and approximately 49% of their aggregates requirements from our Spanish aggregates operations. In addition, in 2005, we were a significant supplier of cement to the joint venture with Lafarge Asland that we terminated in December 2005. Ready-mix concrete sales for public works represented 87% of our total ready-mix concrete sales and sales for residential and non-residential buildings represented 13% of our total ready-mix concrete sales in 2005.

Aggregates. Our aggregates operations represented approximately 6% of our Spanish operations' net sales in 2005.

Exports. Our Spanish operations export a portion of their cement production. Exports of cement by our Spanish operations represented approximately 1% of our Spanish operations' net sales in 2005. In general, despite increases in domestic demand in recent years, we have been able to export excess capacity through collaboration between CEMEX Espana and our trading network. Export prices, however, are usually lower than domestic market prices, and costs are usually higher for export sales. Of our total exports from Spain in 2005, 86% consisted of white cement and 14% consisted of gray cement. In 2005, 52% of our exports from Spain were to the United States, 29% to Africa and 19% 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. Additionally, the increased capacity in 2002 of the San Vicente plant (approximately 400,000 tons) has allowed us to reduce the clinker transportation costs between plants and the need for imported clinker. In 2005, we burned meal flour, organic waste and tires as fuel, achieving in 2005 a 4.1% substitution rate for petcoke. During 2006, we expect to increase the quantity of those alternative fuels and initiate the burning of plastics.

Description of Properties, Plants and Equipment

As of December 31, 2005, our Spanish operations operated eight cement plants located in Spain, with an installed cement capacity of 11.0 million tons, including 1.4 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, one of which is held through CEISA.

As of December 31, 2005, we owned 111 ready-mix concrete plants and 21 aggregate quarries, including the 29 ready-mix concrete plants and six aggregates quarries we received in the termination of the joint venture we acquired from RMC, as described above.

As of December 31, 2005, we owned nine limestone quarries located in close proximity to our cement plants, which have useful lives ranging from 10 to 30 years, assuming 2005 production levels. Additionally, we have rights to expand those reserves to 50 years of limestone reserves, assuming 2005 production levels.

Capital Investments

We made capital expenditures of approximately U.S.$54 million in 2003, U.S.$55 million in 2004, and U.S.$66 million in 2005 in our Spanish operations. We currently expect to make capital expenditures of approximately U.S.$149 million in our Spanish operations during 2006, including those related to the construction of the new cement mill and dry mortar production plant in the Port of Cartagena described above.

Our U.K. Operations

Overview

Our U.K. operations represented approximately 9% of our net sales for the year ended December 31, 2005.

As of December 31, 2005, 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 Euroconstruct, a leading network for construction, finance and business forecasting in Europe with member institutes in 19 European countries, total construction output in the United Kingdom declined 1% in 2005. The decrease was primarily the result of reductions in public spending in the infrastructure and public housing, sectors. The increase of construction output in the industrial, commercial and private housing sectors were not sufficient to offset the reduction in public spending. According to Cembureau, the

representative organization of the cement industry in Europe, cement consumption in the United Kingdom for 2005 remained flat at 12.2 million tons.

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. The high-volume southeastern market is well-served by our raw-material sources and manufacturing plants.

Our U.K. Operating Network

[MAP GRAPHIC OMITTED]

Products and Distribution Channels

Cement. Our cement operations represented approximately 11% of our U.K. operations' net sales in 2005. About 90% of our sales were bulk cement while the additional 10% were in bags. We imported 0.3 million tons of cement, a reduction of 44% compared to 2004 imports. That was due to an increase in local production in our three cement plants, which performed at historically high efficiency levels. Our bulk cement is mainly sold to our ready-mix concrete customers, our 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.

Ready-Mix Concrete. Our ready-mix concrete operations represented approximately 39% of our U.K. operations' net sales in 2005. Our ready-mix concrete operations in the U.K. in 2005 purchased approximately 50% of their cement requirements from our U.K. cement operations and approximately 60% 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 12% of our U.K. operations' net sales in 2005. In 2005, approximately 40% of our U.K. aggregates were 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.

Exports. During 2005, our U.K. operations exported approximately 2.6 million tons of aggregates from our marine aggregates operations. These exports represented approximately 1% of our U.K. operations' net sales in 2005. The main markets for our aggregates exports are France, Belgium and the Netherlands. Our marine aggregates operations operate seven dredger vessels which extract aggregates from our marine reserves along the U.K. coast.

Production Costs

Cement production costs in our U.K. operations during 2005 improved dramatically as a result of key initiatives implemented during the integration process of the operations to CEMEX standards. We increased the efficiency of the kilns in our three cement plants in the U.K., reaching 87% capacity utilization. Two of the three cement plants operated beyond 90% capacity utilization. In addition, we reduced maintenance costs by 46% and reduced fuel consumption by 9%. We also increased the usage of alternative fuels and introduced pet-coke in two of the three cement plants.

During 2005, we also increased the productivity of our U.K. ready-mix concrete and aggregates operations by closing under-performing operations, and we increased the utilization of our ready-mix concrete trucks, reducing the need to hire costly third party trucks. In addition, we reduced our maintenance costs

in our ready-mix concrete and aggregates operations by 14% as a result of the implementation of preventive maintenance practices across our operations.

Description of Properties, Plants and Equipment

As of December 31, 2005, we operated three cement plants in the United Kingdom, with an installed cement capacity of 2.7 million tons per year. As of that date, we also owned a grinding mill, one land terminal and six marine import terminals and operated 288 ready-mix concrete plants and 103 aggregate quarries in the United Kingdom. In addition, we have operating units dedicated to the asphalt, concrete blocks, concrete block paving, roof tiles, sleepers, flooring and other pre-cast businesses in the United Kingdom.

Capital Investments

We made capital expenditures of approximately U.S.$54 million in 2005 in our U.K. operations. We currently expect to make capital expenditures of approximately U.S.$107 million in our U.K. operations during 2006.

Our Rest of Europe Operations

Our operations in the Rest of Europe, which, as of December 31, 2005, consisted of our operations in Germany, France, Ireland, Austria, Poland, Croatia, the Czech Republic, Denmark, Hungary and Latvia, as well as our minority interest in Lithuania and our other European assets, represented approximately 16% of our net sales for the year ended December 31, 2005.

Our German Operations

Overview

As of December 31, 2005, 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 declined 4.8% in 2005. The decrease was primarily the result of a decrease of 6.4% in the civil engineering sector, which includes infrastructure as well as commercial and industrial construction. According to the German Cement Association, total cement consumption in Germany declined to 26.9 million tons in 2005, a decrease of 7%.

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 GRAPHIC OMITTED]

Description of Properties, Plants and Equipment

As of December 31, 2005, we operated three cement plants in Germany, with an installed cement capacity of 6.0 million tons per year. As of that date, we also operated three cement grinding mills, 177 ready-mix concrete plants, 39 aggregate quarries and one land terminal in Germany.

Capital Investments

We made capital expenditures of approximately U.S.$20 million in 2005 in our German operations, and we currently expect to make capital expenditures of approximately U.S.$44 million in our German operations during 2006.

Our French Operations

Overview

As of December 31, 2005, 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 transport a significant quantity of materials by waterway.

The French Cement Industry

According to Euroconstruct, total construction output in France grew by 3.2% in 2005. The increase was primarily driven by an increase of 9.5% in the residential construction sector. According to Cembureau, total cement consumption in France reached 22.5 million tons in 2005, an increase of 2.6%.

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 and Eurovia. Many of our major competitors benefit from manufacturing their own supply of cement within France, while we must rely on third party cement producers.

Description of Properties, Plants and Equipment

As of December 31, 2005, we operated 233 ready-mix concrete plants in France, one maritime cement terminal located in LeHavre, on the northern coast of France, and 41 aggregates quarries. As of that date, we also operated 15 aggregates quarries through joint ventures.

Capital Investments

We made capital expenditures of approximately U.S.$20 million in 2005 in our French operations, and we currently expect to make capital expenditures of approximately U.S.$40 million in our French operations during 2006.

Our Irish Operations

As of December 31, 2005, 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, aggregates, mortar and concrete products. 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, 2005, we operated 42 ready-mix concrete plants and 23 aggregate quarries in Ireland. 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 Euroconstruct, total construction output in Ireland grew by 3.2% in 2005. The increase was primarily driven by an increase of 11% in the non-residential construction sector. According to our estimates, total cement consumption in the Republic of Ireland and Northern Ireland reached 5.1 million tons in 2005, an increase of 1%.

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

We made capital expenditures of approximately U.S.$9 million in 2005 in our Irish operations, and we currently expect to make capital expenditures of approximately U.S.$20 million in our Irish operations during 2006.

Our Austrian Operations

As of December 31, 2005, we held 100% of CEMEX Austria plc, our operating subsidiary in Austria. We are a leading participant in the concrete, aggregates and pre-cast concrete markets in Austria and also produce ready-mix concrete and admixtures. As of December 31, 2005, we operated 39 ready-mix concrete plants and 26 aggregate quarries in Austria.

According to Euroconstruct, total construction output in Austria grew by 1.5% in 2005. The increase was primarily driven by an increase of 2.4% in non-residential construction in 2005, after a decline of 0.8% in 2004 . According to Euroconstruct , total cement consumption in Austria reached 4.6 million tons in 2005, an increase of 1.5%.

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.$15 million in 2005 in our Austrian operations, and we currently expect to make capital expenditures of approximately U.S.$7 million in our Austrian operations during 2006.

Our Polish Operations

As of December 31, 2005, we held 100% of CEMEX Polska sp. z.o.o., our operating subsidiary in Poland. We are a leading provider of building materials in Poland serving the cement, ready-mix concrete and aggregates markets. As of December 31, 2005, we operated two cement plants in Poland, with a total installed cement capacity of 3.1 million tons per year. As of that date, we also operated two grinding mills, 28 ready-mix concrete plants and three aggregates quarries in Poland, two wholly owned and one in which we have a 30% interest. As of that date, we also operated three cement terminals in Poland.

According to Central Statistical Office in Poland, total construction output in Poland grew by 5.0% in 2005. The increase was primarily driven by an increase of 7.4% in the civil engineering sector according to the Polish

Cement Association. In addition, according to the Polish Cement Association, total cement consumption in Poland reached 12.2 million tons in 2005, an increase of 5.9%.

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

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. These companies operate nine ready-mix concrete plants and one aggregates quarry in Poland. 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.

We made capital expenditures of approximately U.S.$5 million in 2005 in our Polish operations, and we currently expect to make capital expenditures of approximately U.S.$12 million in our Polish operations during 2006.

Our Croatian Operations

As of December 31, 2005, we held 99.24% 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, 2005, according to our estimates. As of December 31, 2005, we operated three cement plants in Croatia, with an installed capacity of 2.6 million tons per year. As of that date, we also operated seven cement terminals, two ready-mix facilities and one aggregates quarry in Croatia.

According to the Croatian Cement Association, total cement consumption in Croatia reached 2.58 million tons in 2005, an increase of 3.4%.

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

We made capital expenditures of approximately U.S.$5 million in 2005 in our Croatian operations, and we currently expect to make capital expenditures of approximately U.S.$8 million in our Croatian operations during 2006.

Our Czech Republic Operations

As of December 31, 2005, 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, 2005, we operated 46 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 grew by 5.5% in 2005. The increase was primarily driven by growth in the residential construction sector of around 7.9% in 2005. According to Euroconstruct , total cement consumption in the Czech Republic reached 4.0 million tons in 2005, an increase of 4.2%.

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

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

Our Danish Operations

As of December 31, 2005, we held 100% of 4K Beton A/S, our operating subsidiary in Denmark. As of December 31, 2005, we operated 18 ready-mix concrete plants in Denmark.

On March 2, 2006, we sold 4K Beton A/S 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. These companies operate nine ready-mix concrete plants and one aggregates quarry in Poland. We received net cash proceeds of approximately (euro)6 million, after cash and debt adjustments, from this transaction.

We made capital expenditures of approximately U.S.$0.2 million in 2005 in our Danish operations.

Our Hungarian Operations

As of December 31, 2005, we held 100% of Danubiousbeton Betonkeszito Kft, our operating subsidiary in Hungary. As of December 31, 2005, we operated 27 ready-mix concrete plants and six aggregate quarries in Hungary.

According to Hungarian Statistical Office, total construction output in

Hungary grew by 16.6% in 2005. The increase was primarily driven by the increase in highway constructions. Total cement consumption in Hungary reached 4.1 million tons in 2005, an increase of 2.5%.

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

We made capital expenditures of approximately U.S.$10 million in 2005 in our Hungarian operations, and we currently expect to make capital expenditures of approximately U.S.$8 million in our Hungarian operations during 2006.

Our Latvian Operations

As of December 31, 2005, 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, 2005, we operated one cement plant in Latvia with an installed cement capacity of 0.4 million tons per year. As of that date, we also operated three ready-mix concrete plants in Latvia.

In April 2006, we implemented 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.$160 million, including U.S.$19 million during 2006. We expect that this investment will be fully funded with consolidated free cash flow generated by CEMEX's worldwide operations during the three-year construction period.

We made capital expenditures of approximately U.S.$3 million in 2005 in our Latvian operations, and we currently expect to make capital expenditures of approximately U.S.$26 million in our Latvian operations during 2006.

Our Lithuanian Equity Investment

As of December 31, 2005, 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 2.7 million tons per year.

Our Italian Operations

As of December 31, 2005, we held 100% of Cementilce S.R.L., our operating subsidiary in Italy. We are building three grinding mills in Italy, one with an installed capacity of approximately 450 thousand tons and two others with installed capacities of 750 thousand tons per year. The smaller mill started operations at the end of the third quarter of 2005, one of the larger mills is expected to start operations in the second quarter of 2006, and the other one 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.$13 million during 2003, approximately U.S.$33 million during 2004, and approximately U.S.$33 million in 2005 in our Italian operations, and we currently expect to make capital investments of approximately U.S.$29 million in our Italian operations during 2006.

Our Other European Operations

As of December 31, 2005, we operated 11 marine cement terminals in Finland, Norway and Sweden through Embra AS, a leading bulk-cement importer in the Nordic region.

South America, Central America and the Caribbean

For the year ended December 31, 2005, our business in South America,

Central America and the Caribbean, which includes our operations in Venezuela, Colombia, Argentina, Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico and Jamaica, as well as other assets in the Caribbean, represented approximately 9% of our net sales. As of December 31, 2005, our business in South America, Central America and the Caribbean represented approximately 16% of our total installed capacity and approximately 7% of our total assets.

Our Venezuelan Operations

Overview

As of December 31, 2005, 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, 2005, 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. As described above, Construrama is a registered brand name for construction material stores which we have utilized as a marketing strategy in our Mexican operations since 2001. 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, 2005, 113 independent concessionaries with 79 stores were integrated into the Construrama program in Venezuela. By the end of 2006, we expect to have approximately 156 stores under the Construrama program in Venezuela.

The Venezuelan Cement Industry

According to the Venezuelan Cement Producer Association, cement consumption in Venezuela grew approximately 22.2% in 2005, 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 2005, average inflation in Venezuela was reduced to 14.4%, the Venezuelan Bolivar depreciated 12% against the Dollar and gross domestic product increased 9.3%. In 2005, a major government housing plan began and is expected to continue throughout 2006.

Competition

As of December 31, 2005, 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 2005, the ready-mix concrete market accounted for only about 11% 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, 2005, 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 2005 with 33 ready-mix 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 GRAPHIC OMITTED]

Distribution Channels

Transport by land is handled partially by CEMEX Venezuela. During 2005, approximately 33% 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 2005, exports from Venezuela represented approximately 21% 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 2005, 76% of our exports from Venezuela were to the United States, and 24% were to the Caribbean.

Description of Properties, Plants and Equipment

As of December 31, 2005, 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, 2005, CEMEX Venezuela owned 33 ready-mix concrete production facilities, one mortar plant and 12 distribution centers. As of that date, CEMEX Venezuela also owned six limestone quarries with reserves sufficient for over 100 years at 2005 production levels. During 2005, CEMEX Venezuela acquired a new limestone quarry in order to supply the Pertigalete plant for the long term.

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 Lara Plant. CEMEX Venezuela has its own electricity generating facilities, which are powered by natural gas and diesel fuel.

As of December 31, 2005, 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.$11 million in 2003, U.S.$14 million in 2004, and U.S.$23 million in 2005 in our Venezuelan operations. We currently expect to make capital expenditures of approximately U.S.$30 million in our Venezuelan operations during 2006.

Our Colombian Operations

Overview

As of December 31, 2005, we owned approximately 99.7% of CEMEX

Colombia, S.A., or CEMEX Colombia, our operating subsidiary in Colombia. As of December 31, 2005, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed capacity of 4.8 million tons, 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 2005, these three metropolitan areas accounted for approximately 50% of Colombia's cement consumption. CEMEX Colombia's Ibague plant, which uses the dry process and is strategically located between Bogota, Cali and Medellin, is Colombia's largest and had an installed capacity of 2.5 million tons as of December 31, 2005. 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 aggregate deposits in the Bogota area.

The Colombian Cement Industry

According to the Colombian Institute of Cement Producers, the installed capacity in Colombia for 2005 was 15.5 million tons. According to such organization, total cement consumption in Colombia reached 7.8 millions tons during 2005, an increase of 36.6%, while cement exports from Colombia remained at 2.1 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 25% of total cement consumption and has been growing since the 1999 crisis. The other construction segments in Colombia, including the public works and commercial sectors, account for the balance of cement consumption in Colombia.

Competition

The Sindicato Antioqueno, or Argos, owns or has interests in eight of Colombia's eighteen 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 Sincelejo. The other principal cement producer is Cementos Boyaca, an affiliate of Holcim.

Our Colombian Operating Network

[MAP GRAPHIC OMITTED]

Description of Properties, Plants and Equipment

As of December 31, 2005, CEMEX Colombia owned five cement plants, one clinker facility and one grinding mill, having a total installed capacity of 4.8 million tons per year. Two of these plants and the clinker facility 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, 2005, CEMEX Colombia owned six land distribution centers, one mortar plant, 26 ready-mix concrete plants, one concrete products plant, and six aggregates operations. As of that date, CEMEX Colombia also owned eight limestone quarries with minimum reserves sufficient for over 60 years at 2005 production levels.

Capital Investments

We made capital expenditures of approximately U.S.$6 million in 2003, U.S.$9 million in 2004 and U.S.$7 million in 2005 in our Colombian operations. We currently expect to make capital investments of approximately U.S.$15 million in our Colombian operations during 2006.

Our Costa Rican Operations

As of December 31, 2005, 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, 2005, 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 one grinding mill in northwest Costa Rica, with a grinding capacity of 670,000 tons, and a second grinding mill in the capital San Jose, with a grinding capacity of 168,000

tons. As of December 31, 2005, CEMEX Costa Rica operated six ready-mix plants, one aggregates quarry, and one land distribution center.

During 2005, exports of cement by our Costa Rican operations represented approximately 21% of our total cement production in Costa Rica. In 2005, 15% of our exports from Costa Rica were to Nicaragua, 45% to El Salvador and 23% to Guatemala, and 17% to other countries in South America and the Caribbean.

Approximately 1.2 million tons of cement were sold in Costa Rica during 2005, 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.$7 million in 2003, U.S.$3 million in 2004 and U.S.$5 million in 2005 in our Costa Rican operations. We currently expect to make capital expenditures of approximately U.S.$6 million in our Costa Rican operations during 2006.

Our Dominican Republic Operations

As of December 31, 2005, 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 a 25 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 clinker production capacity in the Dominican Republic to 2.2 million tons per year, began operations at the end of 2005.

In 2005, Dominican Republic cement consumption reached 3.1 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, 2005, CEMEX Dominicana operated one cement plant in the Dominican Republic, with an installed capacity of 2.6 million tons per year of, and three grinding mills. As of that date, CEMEX Dominicana also operated seven ready-mix concrete plants, seven distribution centers located throughout the country and two marine terminals.

We made capital expenditures of approximately U.S.$13 million in 2003, U.S.$56 million in 2004, and U.S.$87 million in 2005 in our Dominican Republic operations. We currently expect to make capital investments of approximately

U.S.$22 million in our Dominican Republic operations during 2006.

Our Panamanian Operations

As of December 31, 2005, 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, 2005, 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.

Approximately one million cubic meters of ready-mix concrete were sold in Panama during 2005, according to the General Comptroller of the Republic of Panama (Contraloria General de la Republica de Panama). Panamanian cement consumption decreased 1.3% in 2005, according to our estimates. The Panamanian cement

industry includes two cement producers, Cemento Bayano and Cemento Panama, an affiliate of Holcim and Cementos del Caribe.

We made capital expenditures of approximately U.S.$8 million in 2003, U.S.$6 million in 2004, and U.S.$5 million in 2005 in our Panamanian operations. We currently expect to make capital expenditures of approximately U.S.$6 million in our Panamanian operations during 2006.

Our Nicaraguan Operations

As of December 31, 2005, 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 600,000 tons of cement were sold in Nicaragua during 2005. Two market participants compete in the Nicaraguan cement industry: CEMEX Nicaragua and Holcim.

We made capital expenditures of approximately U.S.$5 million in 2003, U.S.$3 million in 2004 and U.S.$7 million in 2005 in our Nicaraguan operations. We currently expect to make capital expenditures of approximately U.S.$5 million in our Nicaraguan operations during 2006.

Our Puerto Rican Operations

As of December 31, 2005, 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, 2005, 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 26 ready-mix concrete plants, including the 15 ready-mix concrete plants CEMEX Puerto Rico acquired with its acquisition of Concretera Mayaguezana in July 2005 for approximately U.S.$26 million.

In 2005, Puerto Rican cement consumption reached 1.8 million tons. The Puerto Rican cement industry in 2005 was comprised of two cement producers, CEMEX Puerto Rico, and San Juan Cement Co., an affiliate of Italcementi.

We made capital expenditures of approximately U.S.$26 million in 2003, U.S.$8 million in 2004, and U.S.$10 million in 2005 in our Puerto Rican operations. We currently expect to make capital investments of approximately U.S.$24 million in our Puerto Rican operations during 2006.

Our Argentine Operations

As of December 31, 2005, we held 100% of Readymix Argentina S.A., our

operating subsidiary in Argentina. As of December 31, 2005, we operated four ready-mix concrete plants in Argentina.

Our Other Operations in the Region

We believe that the Caribbean region holds considerable strategic importance because of its geographic location. As of December 31, 2005, 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, 2005, 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.

In addition, in January 2006, we acquired a grinding mill with a grinding capacity of 400,000 tons per year in Guatemala for approximately U.S.$17.4 million.

Africa and the Middle East

For the year ended December 31, 2005, our business in Africa and the Middle East, which includes our operations in Egypt, the United Arab Emirates and Israel, represented approximately 3% of our net sales. As of December 31, 2005, our business in Africa and the Middle East represented approximately 5% of our total installed capacity and approximately 2% of our total assets.

Our Egyptian Operations

As of December 31, 2005, we had a 95.8% interest in Assiut Cement Company, or Assiut, our operating subsidiary in Egypt. As of December 31, 2005, we operated one cement plant in Egypt, with an installed capacity of approximately 4.9 million tons. This plant is located approximately 200 miles south of Cairo and serves the upper Nile region of Egypt, as well as Cairo and the delta region, Egypt's main cement market. In addition, as of that date we operated three ready-mix concrete plants in Egypt.

According to our estimates, the Egyptian market consumed approximately 28.1 million tons of cement during 2005. Cement consumption increased by 19.6% in 2005, due to an economic recovery in Egypt and the positive effect of Government reforms.

As of December 31, 2005, the Egyptian cement industry had a total of nine cement producers, with an aggregate annual installed cement capacity of approximately 40 million tons. According to the Egyptian Cement Council, during 2005, 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), the four largest cement producers in the world, represented approximately 72% 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.$14 million in 2003, U.S.$9 million in 2004, and U.S.$9 million in 2005 in our Egyptian operations. We currently expect to make capital expenditures of approximately U.S.$15 million in our Egyptian operations during 2006.

Our United Arab Emirates (UAE) Operations

As of December 31, 2005, we held a 49% equity interest in four UAE companies: RMC Topmix LLC and RMC Supermix LLC, two ready-mix holding companies, Gulf Quarries Company, an aggregates company, and Falcon Cement 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, 2005, we operated 13 ready-mix concrete plants in the UAE, serving the markets of Dubai, Abu Dhabi, Ras Al Khaimah and Sharjah. As of that date, we also operated 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 cement production capacity in the region to approximately 1.6 million tons per year, is expected to be completed in 2007. We expect that this investment will be fully funded with free cash flow generated by CEMEX's worldwide operations during the construction period.

We made capital expenditures of approximately U.S.$4 million in 2005 in our UAE operations, and we currently expect to make capital expenditures of approximately U.S.$44 million in our UAE operations during 2006, including those related to the construction of the new grinding facility in Dubai described above.

Our Israeli Operations

As of December 31, 2005, 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, 2005, we operated 59 ready-mix concrete plants, one concrete products plant, and one admixtures plant in Israel.

As of December 31, 2005, we also held 50% of Lime&Stone (L&S) Ltd., a leading aggregates producer in Israel and an important supplier of lime, asphalt and marble. As of December 31, 2005, this joint venture operated 11 aggregate quarries, two asphalt plants, one lime factory and one marble facility.

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

Asia

For the year ended December 31, 2005, our business in Asia, which includes our operations in the Philippines, Thailand and Malaysia, as well as our minority interest in Indonesia and other assets in Asia, represented approximately 2% of our net sales. As of December 31, 2005, our business in Asia represented approximately 11% of our total installed capacity and approximately 3% of our total assets.

Our Philippine Operations

As of December 31, 2005, we held through CAH, 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 11.8 million tons during 2005. Although the Philippines has largely recovered from the 1997 Asian economic recession, Philippine demand for cement decreased by approximately 5% in 2005.

As of December 31, 2005, the Philippine cement industry had a total of 20 cement plants and three cement grinding mills. Annual installed capacity is

26.8 million tons, according to CEMAP. Major global cement producers own approximately 88% of this capacity. Our major competitors in the Philippine cement market are Holcim, which has interests in five local cement plants, and Lafarge, which has interests in eight local cement plants.

Our Philippine operations include three plants with a total capacity of 5.6 million tons per year and three marine distribution terminals. Our cement plants include five wet process production lines and three dry process production lines with an installed cement capacity of 4.1 million tons.

We made capital expenditures of approximately U.S.$2 million in 2003, U.S.$2 million in 2004, and U.S.$4 million in 2005 in our Philippine operations. We currently expect to make capital expenditures of approximately U.S.$14 million in our Philippine operations during 2006.

Our Indonesian Equity Investment

As of December 31, 2005, our proportionate economic interest through CAH in Gresik, Indonesia's largest cement producer, was approximately 25.5%. The Republic of Indonesia has a 51% interest in Gresik. Currently, we hold two seats on both the board of directors and the board of commissioners of Gresik, as well as the right to approve Gresik's business plan jointly with the Indonesian government.

In October 2001, certain individuals purporting to represent the people of the Indonesian province of West Sumatra, in which the Padang plant of Gresik is located, issued a declaration which stated that PT Semen Padang, or Semen Padang, the 99.99%-owned subsidiary of Gresik that owns and operates the Padang plant, was placed under the temporary control of the people of West Sumatra. The declaration ordered the management of Semen Padang to report to the local government of the West Sumatra Province, under the supervision of the People's Representative Assembly of West Sumatra, pending a "spin-off" of the Semen Padang subsidiary. In November 2001, the People's Representative Assembly of West Sumatra issued a decision approving this declaration on the grounds that

the original sale of Semen Padang by the Indonesian government to Gresik in 1995 was invalid, since several necessary approvals were not obtained. We believe the provincial administration lacks legal authority to direct or interfere with the affairs of Semen Padang. The former management of Semen Padang refused to relinquish control until September 2003 when the newly-appointed management was finally permitted to enter the Padang Facility and assume control of Semen Padang. However, we believe that the newly-appointed management was admitted on condition that it encourage a spin-off of Semen Padang, and in October 2003, it explicitly agreed to do so.

Gresik has experienced other ongoing difficulties at Semen Padang, including the effective loss of operational and financial control of Semen Padang, and, until recently, the inability to prepare consolidated financial statements that include Semen Padang's operations and the inability of its independent auditors to provide an unqualified audit opinion on such financial statements. In April 2006, after making several adjustments suggested by its independent auditors, unqualified audited financial statements for 2004 and 2005 were finally presented by Semen Gresik. As a result of these difficulties, as of the date of this annual report, we have not been able to independently verify certain information with respect to Semen Padang's facilities and operations and thus, the overall description of Gresik's facilities and operations below assumes the validity and accuracy of the information provided by Semen Padang's management.

On May 3, 2006, we agreed to sell 24.9% of Gresik to Indonesia-based Rajawali Group for approximately U.S.$337 million. The purchaser's obligations under our sales contract are subject to obtaining the approval of the Indonesian government and the fulfillment of other conditions. In the event this sale is consummated, our remaining interest in Gresik will be 0.6%.

On May 17, 2006, we received a letter from the Indonesian government purporting to exercise its right to repurchase, under the 1998 purchase agreement, pursuant to which we acquired our interest in Gresik, the Gresik shares we have agreed to sell to the Rajawali Group. However, we believe that the Indonesian government's purported exercise of this right did not comply with the requirements set forth in the 1998 purchase agreement, and we are in correspondence and in discussions with the Indonesian government concerning this issue. No assurance can be given either that the sale to the Rajawali Group will be consummated, or that the Indonesian government will purchase the Gresik shares, on the terms outlined above, or that a sale transaction on similar or different terms may be consummated with any other purchaser.

For a description of legal proceedings relating to Gresik, please see "Regulatory Matters and Legal Proceedings -- Other Legal Proceedings."

According to our estimates, Indonesian domestic cement demand increased approximately 1.0% in 2003, 9.8% in 2004, and 4.2% in 2005. As of December 31, 2005, the Indonesian cement industry had 13 cement plants, including the four plants owned by Gresik, with a combined installed capacity of approximately 47.5 million tons. Gresik, with an installed capacity of 17.3 million tons, is Indonesia's largest cement producer.

As of December 31, 2005, Gresik had four cement plants, 25 land distribution centers and 10 marine terminals. Gresik's cement plants include the Padang plant, with one production line that utilizes the wet process and four production lines that utilize the dry process and an installed capacity of 5.6 million tons; the Gresik plant, which has two production lines that utilize the dry process and an installed capacity of 1.3 million tons; the Tuban plant, which has three production lines that utilize the dry process and an installed capacity of 6.9 million tons; and the Tonasa plant, which has three production lines that utilize the dry process and an installed capacity of 3.5 million tons. As of December 31, 2005, Gresik was operating at approximately 95% capacity utilization, including export sales. During 2005, Gresik exported approximately 13% of its total sales volume, mainly through its own efforts and, to a lesser extent, through CEMEX's trading operations. Gresik exports mainly to Sri Lanka and Bangladesh.

Our Thai Operations

As of December 31, 2005, we had a 100% interest in CEMEX (Thailand) Co. Ltd., or CEMEX (Thailand), our operating subsidiary in Thailand. As of December 31, 2005, we owned one cement plant in Thailand, with an installed capacity of approximately 0.7 million tons.

According to our estimates, at December 31, 2005, the cement industry in Thailand had a total of 14 cement plants, with an aggregate annual installed capacity of approximately 55.6 million tons. We estimate that there are five major cement producers in Thailand, four of which represent 96% of installed capacity and 97% 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.$2 million in 2003, U.S.$3 million in 2004, and U.S.$4 million in 2005 in our Thai operations. We currently expect to make capital expenditures of approximately U.S.$5 million in our Thai operations during 2006.

Our Malaysian Operations

As of December 31, 2005, we held 100% of RMC Industries (Malaysia) Sdn Bkd, 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, 2005, we operated 22 ready-mix concrete plants, five asphalt plants and three aggregate 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 in our Malaysian operations, and we currently expect to make capital expenditures of approximately U.S.$2 million in our Malaysian operations during 2006.

Other Asian Investments

Since April 2001, we have been operating a grinding mill with cement milling production capacity of 520,000 tons per year near Dhaka, Bangladesh. 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.

Our Trading Operations

We traded approximately 16 million tons of cement and clinker in 2005. Approximately 51% of the volume we traded in 2005 consisted of exports from our operations in Costa Rica, Croatia, Egypt, Germany, Mexico, Philippines, Poland, Puerto Rico, Spain and Venezuela. Approximately 49% was purchased from third parties in countries such as Belgium, China, Egypt, France, Indonesia, Israel, Japan, Lithuania, South Korea, Taiwan, Thailand and Turkey. In 2005, we expanded our trading activities to 97 countries from 76 countries in 2004. This broadened geographic coverage allows us to serve new markets in Northern Europe, the Middle East and Australia through an enhanced trading network. In 2005, we also 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.

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.

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 13% 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 who export 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, 2003, 2004 and 2005, environmental capital expenditures and remediation expenses were not material. However, our environmental expenditures may increase in the future.

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

Mexico

We were one of the first industrial groups in Mexico to sign an agreement with the 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 are expected to be renewed at the end of 2006; the Certificates for Barrientos, Tepeaca and Guadalajara are valid until 2007; and the Certificates for Monterrey and Ensenada are valid until 2008. The Certificate for the Hildalgo plant has expired since operations were halted in 2002, but operations resumed during May 2006. Now that operations at the Hidalgo plant have resumed, we will request that PROFEPA audit the plant and grant it a Clean Industry Certificate.

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 2005, all our cement plants in Mexico use 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 2.39% of the total fuel used in our 14 operating cement plants in Mexico during 2005 was comprised of alternative substituted fuels.

Between 1999 and 2005, our Mexican operations have invested approximately US $35.3 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. Currently, our 14 operating cement plants in Mexico and an aggregates plant in Monterrey have the ISO 14001 certification for environmental management systems. The audit to obtain the renewal of the ISO 14001 certification took place during first week of April 2006, and we believe the renewal will be obtained soon during the second half of 2006.

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 does not believe that the ultimate resolution of such matters will have a material adverse effect on our financial results.

Europe

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

As required by the directive, each of the Member States established a national allocation plan setting out the allowance allocations for each industrial facility for the initial period of three years, from 2005 to 2007. As of March 31, 2006, the European Commission has approved the national allocation plan of most Member States, including all the European countries in which we have operations, except Poland.

We have received the carbon dioxide allowance allocation from the environmental agencies of the different Member States where we have operations for the 2005 to 2007 period. Based on our production forecasts, 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 expect to have a surplus of allowances averaging approximately 600 thousand tons of carbon dioxide per year for that period. For the next allocation period comprising 2008 through 2012, however, we expect a reduction in the allowances granted by the environmental agencies in substantially all 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 implementing CDM projects in emerging markets authorized by the United Nations. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase a significant amount of allowances in the market, the cost of which may have an impact on our operating results. As of March 31, 2006, the market value of carbon dioxide allowances was approximately (euro)30 per ton.

Anti-Dumping

U.S. Anti-Dumping Rulings--Mexico

Our exports of Mexican gray cement from Mexico to the United States are 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. Anti-Dumping Sunset Reviews

Under the U.S. anti-dumping and countervailing duty laws, the Commerce Department and the ITC are required to conduct "sunset reviews" of outstanding anti-dumping orders, countervailing duty orders and suspension agreements every five years. At the conclusion of these reviews, the Commerce Department is required to terminate the order or suspension agreement unless the agencies have found that termination is likely to lead to continuation or recurrence of dumping, or a subsidy in the case of countervailing duty orders, and material injury.

In July 2000, following a "sunset review," the Commerce Department determined not to revoke the anti-dumping order on imports from Mexico. On October 5, 2000, the ITC found likelihood of injury to the U.S. industry and determined not to revoke this anti-dumping order. On September 19, 2001, CEMEX filed a petition for a "changed circumstances" review. The ITC decided in December 2001 not to initiate such a review. CEMEX appealed the ITC's decision in the "sunset review" and the "changed circumstances" review to NAFTA. On April 7, 2005, a NAFTA panel heard oral arguments and on June 24, 2005, remanded the matter to the ITC with instructions to reconsider its likelihood of injury determination. On September 22, 2005, the ITC reported back to the NAFTA panel, recommending by a three-to-two vote not to revoke the anti-dumping order on imports from Mexico. We believe the ITC's determination on remand did not comply with the guidelines set by the NAFTA panel for such determination, and we presented our arguments before the NAFTA panel on November 9, 2005. However, as a result of the settlement between the U.S. and Mexican governments described below, this matter was settled in March 2006.

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. During the transition period, Mexican cement imports into the U.S. will be subject to volume limitations of three million tons per year, which 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 United States will be 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 Secretaria de Economia of Mexico 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 provides that upon the effective date of the agreement, on April 3, 2006, the Commerce Department will 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 will be shared among the various Mexican and American cement industry participants. We expect to receive approximately U.S.$100 million in refunds under the agreement during 2006.

As of December 31, 2005, CEMEX Corp., the parent company of our U.S. subsidiaries that import Mexican cement into the United States, had accrued liabilities of approximately U.S.$68 million, including accrued interest, for 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 were eliminated in March 2006.

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 are APO, Rizal and Solid, indirect subsidiaries of CEMEX.

In June 2002, the International Trade Commission under the Ministry of Economic Affairs (ITC-MOEA) notified respondent producers that its final injury investigation concluded that the imports from South Korea and the Philippines caused material injury to the domestic industry in Taiwan.

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 commencing from 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 December 31, 2005, we and some of our Mexican subsidiaries have been notified of several tax assessments determined by the Mexican tax office with respect to the tax years from 1992 through 1996 in a total amount of approximately Ps742 million (U.S.$70 million). The tax assessments are based primarily on: (i) recalculations of the inflationary tax deduction, since the tax authorities claim that "Advance Payments to Suppliers" and "Guaranty Deposits" are not by their nature credits, (ii) disallowed restatement of tax loss carryforwards in the same period in which they occurred, (iii) disallowed determination of tax loss carryforwards, and (iv) disallowed amounts of business

asset tax, commonly referred to as BAT, creditable against the controlling entity's income tax liability on the grounds that the creditable amount should be in proportion to the equity interest that the controlling entity has in its relevant controlled entities. We have filed an appeal for each of these tax claims before the Mexican federal tax court, and the appeals are pending resolution.

In addition, during May 2006, we and some of our Mexican subsidiaries were notified by the Mexican tax office of several tax assessments with respect to tax years 1992 and 2002 in a total amount of approximately Ps3,793 million (U.S.$335 million). The tax assessments are based primarily on: (i) disallowed restatement of consolidated tax loss carryforwards in the same period in which they occurred and (ii) investments made in entities incorporated in foreign countries with preferential tax regimes (Regimenes Fiscales Preferentes). We plan to contest these tax claims, and we are in the process of filing an appeal for each of these tax claims before the Mexican federal tax court. 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, interests, 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. If the final ruling is not favorable to us, these amendments may have a material impact on us.

As of December 31, 2005, the Philippine Bureau of Internal Revenue, or BIR, assessed APO and Solid, our operating subsidiaries in Philippines, for deficiencies in the amount of income tax paid in prior tax years amounting to a total of approximately PhP3,119 million (approximately U.S.$59 million as of December 31, 2005, based on an exchange rate of PhP53.09 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on December 31, 2005 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The tax assessments result primarily from: (i) the disallowance of APO's income tax holiday related income from 1998 to 2001; and (ii) deficiencies in national taxes paid by APO for the 1999 tax year and by Solid for the 2000 tax year. In the first case, we have contested the BIR's assessment with the Court of Tax Appeal, or CTA. In the second case, both APO and Solid continue to submit relevant evidence to the BIR to contest these assessments and intend to contest these assessments with the CTA in case the BIR issues a final collection letter. In addition, Solid's 1998 and 2002 through to 2004 tax years, and APO's 2000 through 2004 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. However, an adverse resolution of these assessments could have a material adverse effect on our results of operations in the Philippines.

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 CoP21,114 million (approximately U.S.$8 million as of December 31, 2005, based on an exchange rate of CoP2,284.22 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on December 31, 2005 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 content that these subsidiaries are responsible for alleged damages caused by breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP130,201 million (approximately U.S.$57 million as of December 31, 2005). 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 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 court completed the evidentiary stage, and its decision is pending. We are not able to assess the likelihood of an adverse result in this lawsuit or the potential damages which could be borne by CEMEX Colombia.

In March 2003, a lawsuit was filed in the Indonesian province of West Sumatra in the Padang District Court against (i) Gresik, an Indonesian cement producer in which we own a 25.5% interest through CAH and the

Republic of Indonesia owns a 51% interest, (ii) Semen Padang, a 99.9%-owned subsidiary of Gresik that owns and operates Gresik's Padang cement plant, and (iii) several Indonesian government agencies. The lawsuit, which was filed by a foundation purporting to act in the interest of the people of West Sumatra, challenged the validity of the sale of Semen Padang by the Indonesian government to Gresik in 1995 on the grounds that the Indonesian government did not obtain the necessary approvals for such sale. On May 9, 2003, the Padang District Court issued an interim decision suspending Gresik's rights as a shareholder in Semen Padang on the grounds that ownership of Semen Padang was an issue in dispute. The District Court further announced its final decision in favor of the foundation on March 31, 2004. Gresik appealed the decision to the High Court of West Sumatra which subsequently ruled in favor of Gresik and annulled the March 31, 2004 decision of the District Court. According to the High Court, the foundation did not have legal standing to file the claim based on the Indonesian laws on environment, consumer protection and forestry. The case is currently at the annulment stage pending final decision by the Supreme Court.

In addition to the case outlined in the preceding paragraph, there are

two other formal legal proceedings relating to the change of management at Semen Padang as resolved during its Extraordinary General Meeting of Shareholders (EGMS) on May 12, 2003. In one case, filed by the Employees' Cooperative of Semen Padang, the District Court of Padang on January 29, 2004 ruled that the replacement of management at Semen Padang based on the EGMS was legally valid. An appeal of that decision by the former presidents of the board of directors and board of commissioners of Semen Padang was then filed with the High Court of West Sumatra, which appeal was rejected on June 2, 2005 on the grounds that the former presidents lacked standing to act for and on behalf of the boards. The case is now pending final decision at the annulment stage by the Supreme Court. In the other proceeding, certain members of the former management of PT Semen Padang have filed a request for consideration with the Supreme Court with regard to its decision in March 2003 to permit the holding of the EGMS of PT Semen Padang which led to the replacement of the former management. This request is still pending with the Supreme Court.

After the failure of several attempts to reach a negotiated or mediated solution to these problems involving Gresik, on December 10, 2003, CEMEX Asia Holdings, Ltd., or CAH, our subsidiary through which we hold our interest in Gresik, filed a request for arbitration against the Republic of Indonesia and the Indonesian government before the International Centre for Settlement of Investment Disputes, or ICSID, based in Washington D.C. CAH is seeking, among other things, rescission of the purchase agreement entered into with the Republic of Indonesia in 1998, plus repayment of all costs and expenses, and compensatory damages. The ICSID accepted and registered CAH's request for arbitration and issued a formal notice of registration on January 27, 2004. On May 10, 2004, an Arbitral Tribunal was established to hear the dispute. The Indonesian government objected to the Arbitral Tribunal's jurisdiction over the claims asserted in CAH's request for arbitration, and on July 28-29, 2005, the Arbitral Tribunal conducted an oral hearing to resolve these jurisdictional objections. As of the date of this annual report, the Arbitral Tribunal had not yet rendered its jurisdictional decision. We cannot predict what effect, if any, this action will have on our investment in Gresik, how the Arbitral Tribunal will rule on the Indonesian government's jurisdictional objections or the merits of the dispute, or the time-frame in which the Arbitral Tribunal will rule. For a more detailed description of our investment in Gresik and the ongoing difficulties with Semen Padang, please see "Asia -- Our Indonesian Equity Investment" above.

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. The District Court in Dusseldorf has scheduled a preliminary hearing for December 6, 2006. As of December 31, 2005, we had accrued liabilities relating this matter for a total amount of approximately (euro)34 million (U.S.$40 million).

As of the date of this annual report, we are involved in various legal proceedings involving product warranty claims, environmental claims, indemnification claims relating to acquisitions and similar types of claims 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.

As of December 31, 2005, CEMEX, Inc. had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$50 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, in regard to 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. 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.

Recent Developments

Acquisition of Guatemalan Operations

In January 2006, we acquired a grinding mill with a grinding capacity of 400,000 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.

Divestiture of Danish Operations; Acquisition of Additional Polish Operations

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. These companies operate nine ready-mix concrete plants and one aggregates quarry in Poland. We received net cash proceeds of approximately (euro)6 million, after cash and debt adjustments, from this transaction.

Termination of Lease Agreement and Purchase of Balcones Plant.

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.

Agreement to Sale Stake in PT Semen Gresik

On May 3, 2006, we agreed to sell 24.9% of Gresik to Indonesia-based Rajawali Group for approximately U.S.$337 million. The purchaser's obligations under our sales contract are subject to obtaining the approval of the Indonesian government and the fulfillment of other conditions. In the event this sale is consummated, our remaining interest in Gresik will be 0.6%.

On May 17, 2006, we received a letter from the Indonesian government purporting to exercise its right to repurchase, under the 1998 purchase agreement, pursuant to which we acquired our interest in Gresik, the Gresik shares we have agreed to sell to the Rajawali Group. However, we believe that the Indonesian government's purported exercise of this right did not comply with the requirements set forth in the 1998 purchase agreement, and we are in correspondence and in discussions with the Indonesian government concerning this issue. No assurance can be given either that the sale to the Rajawali Group will be consummated, or that the Indonesian government will purchase the Gresik shares, on the terms outlined above, or that a sale transaction on similar or different terms may be consummated with any other purchaser.

2006 Capital Expansion Program

In February 2006, we announced a U.S.$500 million worldwide capital expansion program for 2006 to invest in the expansion of our operations in select countries where we believe such expansion is necessary to meet growing demand. We expect that this program will fund the initial phases of the expansion of our Balcones cement plant in New Braunfels, Texas, the expansion of our Yaqui cement plant in Sonora, Mexico, the construction of a new cement mill and dry mortar production plant in the Port of Cartagena, Spain, the expansion of our cement plant in Latvia and the construction of a new grinding facility for cement and slag in Dubai, United Arab Emirates, as described above, as well as investments in our operations in other countries, including the United Kingdom and France. We expect that this program will be fully funded with free cash flow generated during the year.

Recent Mexican Tax Assessments

During May 2006, we and some of our Mexican subsidiaries were notified by the Mexican tax office of several tax assessments with respect to tax years 1992 and 2002 in a total amount of approximately Ps3,793 million (U.S.$335 million). The tax assessments are based primarily on: (i) disallowed restatement of consolidated tax loss carryforwards in the same period in which they occurred and (ii) investments made in entities incorporated in foreign countries with preferential tax regimes (Regimenes Fiscales Preferentes). We plan to contest these tax claims, and we are in the process of filing an appeal for each of these tax claims before the Mexican federal tax court. If we fail to obtain favorable rulings on appeal, these tax claims may have a material impact on us.

Other Recent Developments

For a description of recent developments relating to our indebtedness, please see Item 5 -- "Operating and Financial Review and Prospects -- Liquidity and Capital Resources -- Recent Developments."

Item 4A - Unresolved Staff Comments

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;

- national disasters and other unforeseen events; and

- the other risks and uncertainties described under Item 3 "-- Key Information -- Risk Factors" and elsewhere in this annual report.

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

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

Overview

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

Mexico experienced annual inflation rates of 3.9% in 2003, 5.4% in 2004, and 3.0% in 2005. Mexican GAAP 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, 2005. 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, 2003, 2004 and 2005 by principal geographic segment expressed as an approximate percentage of our total consolidated group before eliminations resulting from consolidation. 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. 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	Elimina-tions	Consoli-dated
	(in millions of constant Mexican Pesos as of December 31, 2005, except percentages)											
Net Sales For the Period Ended:												
December 31, 2003	34%	22%	16%	N/A	N/A	15%	2%	2%	9%	Ps 89,504	Ps(7,459)	Ps 82,045
December 31, 2004	33%	22%	16%	N/A	N/A	15%	2%	2%	10%	94,985	(7,923)	87,062
December 31, 2005	19%	25%	9%	9%	16%	9%	3%	2%	8%	175,655	(12,946)	162,709
Operating Income For the Period Ended:												
December 31, 2003	70%	14%	18%	N/A	N/A	20%	2%	--	(24)%	16,665	--	16,665
December 31, 2004	60%	16%	18%	N/A	N/A	21%	3%	1%	(19)%	19,783	--	19,783
December 31, 2005	41%	27%	14%	2%	7%	9%	4%	2%	(6)%	26,409	--	26,409
Total Assets at:												
December 31, 2003	22%	18%	14%	N/A	N/A	11%	2%	3%	30%	261,274	(77,865)	183,409
December 31, 2004	23%	16%	12%	N/A	N/A	11%	2%	3%	33%	263,703	(78,019)	185,684
December 31, 2005	18%	18%	7%	12%	12%	7%	2%	3%	21%	411,812	(127,584)	284,228

Critical Accounting Policies

We have identified below the accounting policies we have applied under Mexican GAAP 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 GAAP, 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 GAAP, 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 U.S. 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 U.S. Dollars, will show a decrease in value, in terms of Dollars, by the difference between the rate of depreciation against the U.S. 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) forecasted transactions, (ii) 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 values in the income statement for the period in which they occur, unless such instruments have been designated as accounting hedges of debt or equity instruments. 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 hedging relation are recognized. Transaction costs are deferred and amortized in earnings over the life of the instrument or immediately upon settlement. See notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report.

Pursuant to the accounting principles established by Mexican GAAP, 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 may 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 items 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 or whenever events or circumstances arise that we believe trigger a requirement to review such carrying values. This determination requires substantial judgment and is highly complex when considering the myriad of 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

Beginning in 2003, we recognize unavoidable obligations, legal or assumed, to restore the site or the environment when removing operating assets at the end of their useful lives. These obligations represent the net present value of expected 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 results 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.

In our case, asset retirement obligations are related mainly to future costs of demolition, cleaning and reforestation, derived from commitments, both legal or assumed, so that at the end of the operation, the sites where raw material is extracted, the maritime terminals and other production sites, are left in acceptable conditions. We record provisions for situations that have been identified and quantified, which requires significant judgment 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. In October 2005, in connection with our non-dilutive equity offering, we settled substantially all our obligations related to transactions in our own stock. See notes 2, 16E and 17A 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, 2003, 2004, and 2005 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 six aggregates quarries in Spain. Our consolidated financial statements for the year ended December 31, 2005 include our 50% interest in the results of operations

relating to these joint venture assets through the proportionate consolidation method for the period from March 1, 2005 through December 22, 2005 only.

- On August 29, 2005, we sold RMC's operations in the Tucson, Arizona area, consisting of several ready-mix 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 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 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.

o 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.

o 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.

o 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 GAAP, which means that our consolidated financial statements only include RMC from the date of the acquisition. Our 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. Our consolidated financial statements for each of the years ended

December 31, 2003 and 2004 do not include RMC's results of operations. As a result, the financial information for the year ended December 31, 2005 is not comparable to the prior periods.

o 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. The single cement plant, which had an annual production capacity of 560,000 tons, was sold on March 31, 2005 as part of the U.S. asset sale described elsewhere in this annual report.

o In July 2002, we entered into agreements with other CAH investors to purchase their CAH shares in exchange for CPOs through quarterly share exchanges in 2003 and 2004. In 2003, 84,763 CAH shares were exchanged for 1,683,822 CPOs, with an approximate value of U.S.$7.8 million. In 2004, 1,398,602 CAH shares were exchanged for 27,850,713 CPOs with an approximate value of U.S.$172 million. For accounting purposes, these exchanges were considered effective as of July 2002. With these exchanges, we increased our equity interest in CAH to 92.3%. In August 2004, we acquired an additional 6.8% equity interest in CAH (695,065 CAH shares) for approximately U.S.$70 million, and in December 2005, we acquired the remaining 0.9% interest in CAH (93,241 CAH shares) for approximately U.S.$8 million, thereby increasing our total

equity interest in CAH to 100%.

Selected Consolidated Income Statement Data

The following table sets forth selected consolidated income statement data for CEMEX for each of the three years ended December 31, 2003, 2004, and 2005 expressed as a percentage of net sales.

	Year Ended December 31,		
	2003	2004	2005
Net sales	100.0	100.0	100.0
Cost of sales	(57.6)	(56.3)	(60.5)
Gross profit	42.4	43.7	39.5
Operating expenses:			
Administrative	(11.1)	(10.2)	(9.4)
Selling	(11.0)	(10.8)	(13.9)
Total operating expenses	(22.1)	(21.0)	(23.3)
Operating income	20.3	22.7	16.2
Net comprehensive financing income (cost):			
Financial expense	(5.3)	(4.6)	(3.4)
Financial income	0.2	0.3	0.3
Foreign exchange gain (loss), net	(2.4)	(0.3)	(0.5)
Gain (loss) on valuation of marketable securities and other investments	(0.8)	1.5	2.5
Monetary position gain	4.6	4.7	2.8
Net comprehensive financing income (cost)	(3.7)	1.6	1.7
Other expenses, net	(6.4)	(5.9)	(2.1)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates	10.2	18.4	15.8
Income tax and business assets tax, net	(1.3)	(2.3)	(2.2)
Employees' statutory profit sharing	(0.2)	(0.4)	--
Total income taxes, business assets tax and employees' statutory profit sharing	(1.5)	(2.7)	(2.2)
Income before equity in income of affiliates	8.7	15.7	13.6
Equity in income of affiliates	0.5	0.6	0.6
Consolidated net income	9.2	16.3	14.2
Minority interest net income	0.4	0.3	0.4
Majority interest net income	8.8	16.0	13.8

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) Rest of South/Central America and the Caribbean 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) Rest of Africa and the Middle East 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) Rest of Asia 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 Ps87,062 million in 2004 to Ps162,709 million in 2005, and our operating income increased approximately 33% from Ps19,783 million in 2004 to Ps26,409 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					
Geographic Segment	Variations in Local Currency(1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Constant Mexican Pesos	For the Year Ended December 31, 2004	2005
				(In millions of constant Mexican Pesos as of December 31, 2005)	
North America					
Mexico............................	+0.7%	+7.4%	+8.1%	31,196	33,732
United States (2).................	+105.4%	+0.5%	+105.9%	21,097	43,441
Europe					
Spain (3).........................	+10.3%	-1.1%	+9.2%	14,741	16,098
United Kingdom (4)................	N/A	N/A	N/A	N/A	16,299
Rest of Europe (5)................	N/A	N/A	N/A	N/A	28,837
South/Central America and the Caribbean					
Venezuela.........................	+15.8%	+1.8%	+17.6%	3,742	4,399
Colombia..........................	-16.7%	+18.4%	+1.7%	2,620	2,664
Rest of South / Central America and the Caribbean (6)...........	+11.7%	-13.9%	-2.2%	7,357	7,195

Africa and Middle East					
Egypt............................	+27.1%	+11.3%	+38.4%	2,028	2,806
Rest of Africa and the Middle East (7)...........................	N/A	N/A	N/A	N/A	2,981
Asia					
Philippines.......................	+18.3%	+7.8%	+26.1%	1,617	2,039
Rest of Asia (8)..................	N/A	N/A	N/A	N/A	1,019
Others (9)........................	+33.1%	+0.5%	+33.6%	10,587	14,145
			+84.9%	94,985	175,655
Eliminations from consolidation....				(7,923)	(12,946)
Consolidated net sales............			+86.9%	87,062	162,709

Operating Income

Geographic Segment	Variations in Local Currency(1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Constant Mexican Pesos	For the Year Ended December 31, 2004	2005
				(In millions of constant Mexican Pesos as of December 31, 2005)	
North America					
Mexico............................	-14.6%	+6.3%	-8.3%	11,707	10,734
United States (2).................	+156.7%	+0.7%	+157.4%	2,776	7,145
Europe					
Spain (3).........................	+16.8%	-10.2%	+6.6%	3,582	3,819
United Kingdom (4)................	N/A	N/A	N/A	N/A	567
Rest of Europe (5)................	N/A	N/A	N/A	N/A	1,795
South/Central America and the Caribbean (6)					
Venezuela.........................	+20.7%	+1.8%	+22.5%	1,169	1,432
Colombia..........................	-73.5%	+3.8%	-69.7%	1,194	362
Rest of South/Central America and the Caribbean (7)..............	-53.7%	-5.6%	-59.3%	1,685	685
Africa and Middle East (8)					
Egypt............................	+56.6%	+13.9%	+70.5%	613	1,045
Rest of Africa and the Middle East (9)............................	N/A	N/A	N/A	N/A	100
Asia (10)					
Philippines.......................	+41.7%	+9.5%	+51.2%	289	437
Rest of Asia (11).................	N/A	N/A	N/A	N/A	(18)
Others (12).......................	+48.6%	-1.0%	+47.6%	(3,232)	(1,694)
Consolidated operating income......			+33.5%	s 19,783	26,409

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, 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 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) Rest of South/Central America and the Caribbean 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) Rest of Africa and the Middle East 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) Rest of Asia 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 Ps87,062 million in 2004 to Ps162,709 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% 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. 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 34% 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 Ps48,997 million in 2004 to Ps98,460 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 Ps38,065 million in 2004 to Ps64,249 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 Ps18,282 million in 2004 to Ps37,840 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 Ps19,783 million in 2004 to Ps26,409 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 Ps11,707 million in 2004 to Ps10,734 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 Ps2,776 million in 2004 to Ps7,145 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 Ps3,582 million in 2004 to Ps3,819 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 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. 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 Ps4,048 million in 2004 to Ps2,479 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 Ps613 million in 2004 to Ps1,145 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 Ps289 million in 2004 to Ps419 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 48% from a loss of Ps3,232 million in 2004 to a loss of Ps1,694 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 Income (Expense)

Pursuant to Mexican GAAP, 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 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,	
	2004	2005
	(in millions of constant Pesos)	
Net comprehensive financing income (expense):		
Financial expense	Ps (3,977)	Ps (5,588)
Financial income	250	417
Results from valuation and liquidation of financial instruments	1,280	4,101
Foreign exchange loss, net	(252)	(837)
Monetary position gain	4,123	4,507
Net comprehensive financing income (expense)..	Ps 1,424	Ps 2,600

Our net comprehensive financing income increased approximately 82% from Ps1,424 million in 2004 to Ps2,600 million in 2005 (Ps3,146 million, excluding the effect of the consolidation of RMC). The components of the change are shown above. Our financial expense was Ps5,588 million for 2005, an increase of approximately 41% from Ps3,977 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 Ps250 million in 2004 to Ps417 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 Ps1,280 million in 2004 to a gain of Ps4,101 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 Ps252 million in 2004 to a loss of Ps837 million in 2005, mainly due to the depreciation of the Euro against the Dollar. Our monetary position gain (generated by the recognition of inflation effects over monetary assets and liabilities) increased from Ps4,123 million during 2004 to Ps4,507 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 have 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 Ps4,101 million in 2005 in the item "Results from valuation and liquidation of financial instruments," of which a net valuation gain of approximately Ps482 million is 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 Ps2,831 million is attributable to changes in the fair value of our foreign currency derivatives, a valuation gain of approximately Ps33 million is attributable to changes in the fair value of our marketable securities and a valuation gain of approximately Ps755 million is 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 are 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 is 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 Ps1,411 million), and changes in the estimated fair value of our cross currency swap contracts relating to our debt portfolio (representing a gain of approximately Ps1,422 million). The estimated fair value gain 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 35% from Ps5,169 million in 2004 to Ps3,372 million in 2005 in constant Peso terms, primarily as a result of new accounting pronouncements under Mexican GAAP, 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 Ps976 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 (Ps207 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 (Ps112 million). Excluding the effect of the consolidation of RMC's operations, our other expenses, net decreased approximately 50% during the same period.

Income Taxes, Business Assets Tax 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 consists of income taxes and business assets tax, increased from Ps1,960 million in 2004 to Ps3,564 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.

Employees' statutory profit sharing improved from an expense of Ps317 million during 2004 to an income of Ps9 million during 2005 due to 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 Ps14,189 million in 2004 to Ps23,010 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 Ps13,965 million in 2004 to Ps22,425 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.

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003

Overview

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the year ended December 31, 2004 compared to the year ended December 31, 2003 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)	
	Cement	Ready-Mix	Cement	Cement	Ready-Mix
North America					
Mexico	+2%	+16%	+37%	-3%	-1%
United States	+9%	+8%	N/A	+5%	+11%
Europe					
Spain	+3%	+2%	-23%	+3%	+5%
UK	N/A	N/A	N/A	N/A	N/A
Rest of Europe	N/A	N/A	N/A	N/A	N/A
South/Central America and the Caribbean					
Venezuela	+20%	+13%	+26%	-12%	-2%
Colombia	+8%	+13%	N/A	-8%	+8%
Rest of South/Central America and the Caribbean (2)	Flat	-1%	N/A	+7%	+5%
Africa and Middle East					
Egypt	-6%	+86%	+173%	+32%	+13%
Rest of Africa and Middle East	N/A	N/A	N/A	N/A	N/A
Asia					
Philippines	-2%	-95%	-49%	+35%	-14%
Rest of Asia (3)	N/A	N/A	N/A	N/A	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) Rest of South/Central America and the Caribbean includes our operations in Costa Rica, Panama, the Dominican Republic, Nicaragua, Puerto Rico and our trading activities in the Caribbean.

(3) Rest of Asia includes our operations in Thailand, Bangladesh and other assets in the Asian region.

On a consolidated basis, our cement sales volumes increased approximately 2%, from 64.7 million tons in 2003 to 65.8 million tons in 2004, and our ready-mix concrete sales volumes increased approximately 10%, from 21.7 million cubic meters in 2003 to 23.9 million cubic meters in 2004. Our net sales increased approximately 6%

from Ps82,045 million in 2003 to Ps87,062 million in 2004, and our operating income increased approximately 19% from Ps16,665 million in 2003 to Ps19,783 million in 2004.

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, 2003 and 2004. 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					
		Approximate Currency Fluctuations,		For the Year Ended December 31,	
Geographic Segment	Variations in Local Currency(1)	Net of Inflation Effects	Variations in Constant Mexican Pesos	2003	2004
				(In millions of constant Mexican Pesos as of December 31, 2005)	
North America					
Mexico..............................	+4.5%	-0.9%	+3.6%	30,102	31,196
United States	+14.0%	-7.6%	+6.4%	19,836	21,097
Europe					
Spain	+5.6%	+0.4%	+6.0%	13,910	14,741
United Kingdom......................	N/A	N/A	N/A	N/A	N/A
Rest of Europe	N/A	N/A	N/A	N/A	N/A
South/Central America and the Caribbean					
Venezuela...........................	+10.6%	-8.1%	+2.5%	3,652	3,742
Colombia............................	+11.7%	-8.1%	+3.6%	2,530	2,620
Rest of South/Central America and the Caribbean (2)...............	+4.7%	+3.6%	+8.3%	6,794	7,357
Africa and Middle East					
Egypt...............................	+42.3%	-10.8%	+31.5%	1,542	2,028
Rest of Africa and Middle East	N/A	N/A	N/A	N/A	N/A
Asia					
Philippines.........................	+19.8%	-14.5%	+5.3%	1,536	1,617
Rest of Asia (3)....................	N/A	N/A	N/A	N/A	N/A
Others (4)..........................	+18.8%	-8.5%	+10.3%	9,602	10,587
			+6.1%	89,504	94,985
Eliminations from consolidation....				(7,459)	(7,923)
Consolidated net sales.............				82,045	87,062

Operating Income					
Geographic Segment	Variations in Local Currency(1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Constant Mexican Pesos	For the Year Ended December 31, 2003	2004
				(In millions of constant Mexican Pesos as of December 31, 2005)	
North America					
Mexico.............................	+7.3%	-6.3%	+1.0%	11,593	11,707
United States	+27.0%	-8.6%	+18.4%	2,344	2,776
Europe					
Spain	+17.5%	+0.4%	+17.9%	3,037	3,582
United Kingdom	N/A	N/A	N/A	N/A	N/A
Rest of Europe.....................	N/A	N/A	N/A	N/A	N/A
South/Central America and the Caribbean					
Venezuela..........................	+23.4%	-27.4%	-4.0%	1,218	1,169
Colombia...........................	+14.2%	-0.7%	+13.5%	1,052	1,194
Rest of South/Central America and the Caribbean (2)...............	+32.8%	+7.4%	+40.2%	1,202	1,685
Africa and Middle East					
Egypt..............................	+93.7%	-13.9%	+79.8%	341	613
Rest of Africa and Middle East	N/A	N/A	N/A	N/A	N/A
Asia					
Philippines........................	+318.7%	-19.4%	+299.3%	(145)	289
Rest of Asia (3)..................	N/A	N/A	N/A	N/A	N/A
Others (4).........................	+12.6%	+6.1%	+18.7%	(3,977)	(3,232)
Consolidated operating income......				16,665	19,783

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) Rest of South/Central America and the Caribbean includes our operations in Costa Rica, Panama, the Dominican Republic, Nicaragua, Puerto Rico and our trading activities in the Caribbean.
(3) Rest of Asia includes our operations in Thailand, Bangladesh and other assets in the Asian region.
(4) Our Others segment includes our worldwide trade maritime operations, our information solutions company and other minor subsidiaries.

Net Sales

Our net sales increase of 6% during 2004 was primarily attributable to higher sales volumes in most of our markets, which were partially offset by a decrease in domestic cement sales volumes in Africa and the Middle East and Asia and lower domestic cement prices in Mexico and South America, Central America and the Caribbean. Of our consolidated net sales in 2003 and 2004, approximately 73% and 71%, respectively, were derived from sales of cement, approximately 22% and 24%, respectively, from sales of ready-mix concrete and approximately 5% and 5%, respectively, from sales of other construction materials and services.

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 gray cement sales volumes increased approximately 2% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 16% during the same period. The increases in sales volumes resulted primarily from increased demand in the public sector, particularly from infrastructure projects and low- and middle-income housing, as compared to flat self-construction sector volumes during the year. Our Mexican operations' cement export volumes, which represented 7% of our Mexican cement sales volumes in 2004, increased approximately 37% in 2004 compared to 2003, due mainly to an increase in public sector spending abroad. Of our Mexican operations' cement export volumes during 2004, 79% was shipped to the United States, 20% to Central America and the Caribbean and 1% to South America. The average cement price in Mexico decreased approximately 3% in constant Peso terms in 2004 compared to 2003, and the average ready-mix concrete price decreased approximately 1% in constant Peso terms over the same period (these prices increased 2% and 4%, respectively, in nominal Peso terms). For the year ended December 31, 2004, sales of ready-mix concrete in Mexico represented approximately 25% of our Mexican operations' net sales.

As a result of the increases in cement and ready-mix concrete sales volumes and the increase in cement export volumes, partially offset by decreases in average cement and ready-mix prices, net sales in Mexico, in constant Peso terms, increased approximately 4% in 2004 compared to 2003.

United States

Our United States operations' cement sales volumes, which include cement purchased from our other operations, increased approximately 9% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 8% over the same period. The increases in sales volumes are primarily attributable to strong demand from the residential sector due to a low interest rate environment and from the cement-intensive public works sector, as well as favorable weather conditions during December 2004. The industrial and commercial sectors, which declined in 2003, made a strong recovery and grew in 2004. The average sales price of cement increased approximately 5% in Dollar terms during 2004 compared to 2003, and the average price of ready-mix concrete increased approximately 11% during the same period. For the year ended December 31, 2004, sales of ready-mix concrete in the U.S. represented approximately 27% 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 average cement and ready-mix prices, net sales in the United States, in U.S. Dollar terms, increased approximately 14% in 2004 compared to 2003.

Spain

Our Spanish operations' domestic cement sales volumes increased approximately 3% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 2% during the same period. The increases in sales volumes were primarily driven by strong residential construction activity due to a favorable mortgage environment and by increased spending in public works due to Spain's infrastructure program, as well as favorable weather conditions during November and December. Our Spanish operations' cement export volumes, which represented 2% of our Spanish cement sales volumes in 2004, decreased approximately 23% in 2004 compared to 2003 primarily due to increased domestic demand. Of our Spanish operations' total cement export volumes during 2004, 71% was shipped to the United States, 15% to Europe and 14% to Africa. The average sales price of cement increased approximately 3% in Euro terms during 2004 compared to 2003, and the average price of ready-mix concrete increased approximately 5% in Euro terms over the same period. For the year ended December 31, 2004, sales of ready-mix concrete in Spain represented approximately 25% of our Spanish operations' net sales.

As a result of the increases in cement and ready-mix concrete sales volumes and the increases in average cement and ready-mix prices, net sales in Spain, in Euro terms, increased approximately 6% in 2004 compared to 2003,

despite the decline in cement export volumes.

South America, Central America and the Caribbean

As of December 31, 2004, our operations in South America, Central America and the Caribbean consisted of our operations in Venezuela and Colombia and our Central American and Caribbean operations, which include our operations in Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico, 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 8% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 7% over the same period. The increases in sales volumes were primarily attributable to the increased sales volumes in our Venezuelan and Colombian operations described below. Our South America, Central American and Caribbean operations' average domestic sales price of cement increased approximately 6% in Dollar terms in 2004 compared to 2003 due to increased demand in the region, which was partially offset by competitive pressures in the Colombian market and government price controls over bagged cement in Venezuela, while the average sales price of ready-mix concrete increased approximately 13% in Dollar terms over the same period. For the year ended December 31, 2004, sales of ready-mix concrete in South America, Central America and the Caribbean represented approximately 17% 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 20% in 2004 compared to 2003, while ready-mix concrete sales volumes also increased approximately 13% during the same period. The increases in sales volumes and ready-mix concrete sales volumes were mainly driven by the self-construction and commercial sectors, while government spending remained stable. Construction in the private sector increased due to increased confidence in the economy. Our Venezuelan operations' cement export volumes, which represented 56% of our Venezuelan cement sales volumes in 2004, increased approximately 26% in 2004 compared to 2003. The increase in cement export volumes was due to increases in sales to the United States, Guadalupe, Haiti, Martinique and Panama. Of our Venezuelan operations' total cement export volumes during 2004, 75% was shipped to the United States and 25% to the Caribbean and South America.

Our Colombian operations' domestic cement sales volumes increased approximately 8% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 13% during the same period. The increases in sales volumes were primarily a result of increased demand from the commercial sector and, to a lesser extent, from the residential sector.

Africa and the Middle East

As of December 31, 2004, our operations in Africa and the Middle East consisted of our operations in Egypt. Our Africa and the Middle East operations' domestic cement sales volumes decreased approximately 6% in 2004 compared to 2003, primarily as a result of the decrease in cement volume resulting from a slowdown in infrastructure spending by the Egyptian government. However, the lower domestic volumes were partially offset by a more than 173% increase in cement export volumes compared to 2003. Our Africa and the Middle East operations' average domestic sales price of cement increased approximately 32% in Egyptian pound terms and approximately 28% in U.S. dollar terms in 2004 compared to 2003, primarily due to better overall market conditions in Egypt. Our Africa and the Middle East operations' cement export volumes represented approximately 30% of our Africa and the Middle East

operations' total cement sales volumes in 2004. During 2004, 23% of our Africa and the Middle East operations' cement export volumes were shipped to Africa while 77% were shipped to Europe. Our Africa and the Middle East operations' ready-mix concrete sales volumes increased 86% in 2004 compared to 2003, primarily due to increases in market share achieved by our ready-mix operations in the local Egyptian market. For the year ended December 31, 2004, sales of ready-mix concrete in Africa and the Middle East represented approximately 5% of our Africa and the Middle East operations' net sales.

As a result of the increases in the average domestic sales prices of cement, ready-mix concrete sales volumes and cement export volumes, net sales in our Africa and the Middle East operations, in constant Peso terms, increased approximately 32% in 2004 compared to 2003, despite the decrease in domestic cement sales volumes.

Asia

As of December 31, 2004, our operations in Asia consisted of our operations in the Philippines, Thailand and Bangladesh. Our Asian operations' cement sales volumes decreased approximately 9% in 2004 compared to 2003, primarily as a result of decreased demand in the Philippines public works sector due to reductions in government spending on infrastructure, while the average sales price of cement in the region increased approximately 21%, in Dollar terms, during the same period. Our Asian operations' ready-mix concrete sales volumes decreased approximately 95% in 2004 compared to 2003 primarily due to a decrease in public sector spending in the Philippines. For the year ended December 31, 2004, sales of ready-mix concrete in Asia represented less than 1% of our Asian operations' net sales.

As a result of the increase in the average cement sales prices, net sales in our Asian operations, in constant Peso terms, increased approximately 5% in 2004 compared to 2003, despite the decreases in domestic cement and ready-mix concrete sales volumes.

Others

Our Others segment includes our worldwide cement and clinker trading operations, our information solutions company and other minor subsidiaries. Net sales in our Others segment increased approximately 19% in 2004 compared to 2003 in constant Peso terms, primarily as a result of a 35% increase in our trading operations' net sales in 2004 compared to 2003 due to increased trading activity. For the year ended December 31, 2004, our trading operations' net sales represented approximately 67% of our Others segment's net sales.

Cost of Sales

Our cost of sales, including depreciation, increased 4% from Ps47,296 million in 2003 to Ps48,997 million in 2004 in constant Peso terms, primarily as a result of the increase in our net sales, primarily attributable to higher average prices in most of our markets, which more than offset higher worldwide energy costs. As a percentage of sales, cost of sales decreased 1.3% from 57.6% in 2003 to 56.3% in 2004.

Gross Profit

Our gross profit increased by 10% from Ps34,748 million in 2003 to Ps38,065 million in 2004 in constant Peso terms. Our gross margin increased from 42% in 2003 to 44% in 2004, as a result of higher average prices in most of our markets. The increase in our gross profit was primarily attributable to the 6% increase in our net sales in 2004 compared to 2003 and the increase of only 4% in our cost of sales in 2004 compared to 2003.

Operating Expenses

Our operating expenses increased 1% from Ps18,083 million in 2003 to

Ps18,282 million in 2004 in constant Peso terms, primarily as a result of increased transportation costs due to higher worldwide energy costs, partially offset by our continuing cost-reduction efforts, including reductions in corporate overhead and travel expenses. As a percentage of sales, our operating expenses decreased from 22% in 2003 to 21% in 2004.

Operating Income

For the reasons mentioned above, our operating income increased 19% from Ps16,665 million in 2003 to Ps19,783 million in 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 increased approximately 1% from Ps11,593 million in 2003 to Ps11,707 million in 2004 in constant Peso terms. The increase in operating income was primarily due to increases in domestic cement and ready-mix concrete sales volumes and cement export volumes. These increases were partially offset by decreases in the average prices of domestic cement and ready-mix concrete and higher energy costs.

United States

Our U.S. operations' operating income increased approximately 18% from Ps2,344 million in 2003 to Ps2,776 million in 2004 in constant Peso terms. The increase in operating income resulted primarily from increases in domestic cement and ready-mix concrete sales volumes and average prices. These increases were partially offset by higher energy and material costs and the depreciation of the Dollar against the Peso.

Spain

Our Spanish operations' operating income increased approximately 18% from Ps3,037 million in 2003 to Ps3,582 million in 2004 in constant Peso terms. The increase in operating income resulted primarily from increases in domestic cement and ready-mix concrete sales volumes and average prices and the appreciation of the Euro against the Peso and the Dollar. These increases and the currency appreciation were partially offset by a decline in cement export volumes and higher energy costs.

South America, Central America and the Caribbean

Our South America, Central America and the Caribbean operations' operating income increased approximately 17% from Ps3,472 million in 2003 to Ps4,048 million in 2004 in constant Peso terms. The increase in operating income was primarily attributable to increases in domestic cement and ready-mix concrete sales volumes in Venezuela and Colombia. These increases were partially offset by the decreases in the average domestic sales prices of cement in Venezuela and Colombia, the decline in Venezuelan cement export volumes and higher energy costs.

Africa and the Middle East

Our Africa and the Middle East operations' operating income increased approximately 80% from Ps341 million in 2003 to Ps613 million in 2004 in constant Peso terms. The increase in operating income resulted primarily from increases in the average domestic sales price of cement, cement export volumes and ready-mix concrete sales volumes in Egypt. These increases were partially offset by a decline in domestic cement sales volumes in Egypt and higher energy costs.

Asia

Our Asian operations' operating income (loss) improved approximately

299% from a loss of Ps145 million in 2003 to income of Ps289 million in 2004 in constant Peso terms. The improvement in operating income (loss) was primarily attributable to increases in the average domestic sales price of cement in the Philippines. These increases were partially offset by a decline in domestic cement sales volumes in the Philippines and higher energy costs.

Others

Operating income (loss) in our Others segment improved approximately 19% from a loss of Ps3,977 million in 2003 to a loss of Ps3,232 million in 2004 in constant Peso terms. The improvement in operating loss was primarily attributable to an 11.3% increase in our trading operations' operating income in 2004 compared to 2003 due to increased trading activity, and a 39% improvement in our information solutions company's operating loss in 2004 compared to 2003.

Comprehensive Financing Income (Expense)

Pursuant to Mexican GAAP, 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 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,	
	2003	2004
	(in millions of constant Pesos)	
Net comprehensive financing income (expense):		
Financial expense	Ps (4,359)	Ps (3,977)
Financial income	191	250
Results from valuation and liquidation of financial instruments	(682)	1,280
Foreign exchange loss, net	(1,965)	(252)
Monetary position gain	3,752	4,123
Net comprehensive financing income (expense)	Ps (3,063)	Ps 1,424

Our net comprehensive financing result improved from an expense of Ps3,063 million in 2003 to an income of Ps1,424 million in 2004. The components of the change are shown above. Our financial expense was Ps4,359 million for 2003 compared to Ps3,977 million for 2004, a decrease of 9%. The decrease was primarily attributable to lower average levels of debt outstanding during 2004, since the majority of the borrowings related to the RMC acquisition were incurred in the first quarter of 2005. Our financial income increased 31% from Ps191 million in 2003 to Ps250 million in 2004 primarily as a result of an

increase in interest rates. Our results from valuation and liquidation of financial instruments improved from a loss of Ps682 million in 2003 to a gain of Ps1,280 million in 2004, primarily attributable to valuation improvements from our derivative financial instruments portfolio (discussed below) during 2004. Our net foreign exchange results improved from a loss of Ps1,965 million in 2003 to a loss of Ps252 million in 2004. The foreign exchange loss in 2004 was primarily attributable to the appreciation of the Japanese Yen against the Dollar, which was partially offset by the appreciation of the Peso against the Dollar, as compared to the foreign exchange loss in 2003, which was primarily attributable to the depreciation of the Peso against the Dollar and the appreciation of the Japanese Yen against the Dollar. See notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report. Our monetary position gain (generated by the recognition of inflation effects over monetary assets and liabilities) increased from a gain of Ps3,752 million during 2003 to a gain of Ps4,123 million during 2004, mainly as a result of an increase in the weighted average inflation index used in the determination of the monetary position result in 2004 compared to 2003.

Derivative Financial Instruments

For the years ended December 31, 2003 and 2004, our derivative financial instruments that have a potential impact on our comprehensive financing result consisted of equity forward contracts entered into to hedge potential

exercises under our executive stock option programs (see notes 16 and 17 to our consolidated financial statements included elsewhere in this annual report), 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, interest rate swap options (swaptions), and interest rate derivatives related to energy projects. Of the gain of Ps1,280 million in 2004 recognized in the item results from valuation and liquidation of financial instruments, a net valuation loss of approximately Ps561 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, and an approximate valuation gain of Ps124 million was attributable to changes in the fair value of our marketable securities. These losses were offset by an approximate gain of Ps645 million resulting from changes in the fair value of our interest rate derivatives, and an approximate gain of Ps1,072 million resulting from changes in the fair value of our foreign currency derivatives. These valuation effects accounted for substantially all the gain recorded in 2004 under the line item results from valuation and liquidation of financial instruments presented above. We experienced valuation improvements in most of these financial derivatives in 2004 compared to 2003. See "-- Qualitative and Quantitative Market Disclosure -- Our Derivative Financial Instruments" and "-- Qualitative and Quantitative Market Disclosure -- Interest Rate Risk, Foreign Currency Risk and Equity Risk." See also notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report. The estimated net gain mentioned above, determined by the excess between the fair value gain of our equity forward contracts that hedge the potential exercise of our executive stock option programs over the costs associated with the intrinsic value of our executives' options, was primarily attributable to slight differences in the strike price established in the forward contracts as compared to those of the options. The fair value gain of our equity forward contracts and the costs associated with the stock options both were attributable to the increase, during 2004, in the market price of our listed securities (ADSs and CPOs) as compared to 2003. The estimated fair value gain of our foreign currency derivatives was primarily attributable to the contracts that were designated as accounting hedges of the foreign exchange risk associated with the firm commitment agreed to on November 17, 2004. On this date, RMC's shareholders committed to sell their RMC 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 (Ps1,411 million), were recognized in stockholders' equity. See note 17B to our consolidated financial statements included elsewhere in this annual report.

Other Expenses, Net

Our other expenses, net for 2004 were Ps5,169 million compared to Ps5,230 million in 2003, a decrease of 1%. The decrease was primarily attributable to the recognition of gains on the sale of fixed assets during 2004 of approximately Ps617 million compared with Ps147 million in 2003. See notes 7, 10 and 11 to our consolidated financial statements included elsewhere in this annual report.

Income Taxes, Business Assets Tax and Employees' Statutory Profit Sharing

Our effective tax rate was 12.2% in 2004 compared to 12.3% in 2003. Our tax expense, which primarily consists of income taxes and business assets tax, increased 91% from Ps1,026 million in 2003 to Ps1,960 million in 2004. The increase was attributable to higher taxable income in 2004 as compared to 2003. Our average statutory income tax rate was approximately 33% in 2004 and approximately 34% in 2003.

Employees' statutory profit sharing increased from Ps195 million during 2003 to Ps317 million during 2004 due to higher taxable income for profit sharing purposes in Mexico. See note 18B to our consolidated financial statements included elsewhere in this annual report.

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 2004 increased 88%, from Ps7,549 million in 2003 to Ps14,189 million in 2004. The percentage of our consolidated net income allocable to minority interests decreased from 4.6% in 2003 to 1.6% in 2004, as a result of the 6.83% (695,065 shares) of CAH equity we acquired for approximately U.S.$70 million. Majority interest net income increased by 94%, from Ps7,201 million in 2003 to Ps13,965 million in 2004, mainly as a result of our increase in net sales, our valuation gains on derivative financial instruments, the decrease in our foreign exchange loss and a lower portion of consolidated net income allocable to minority interests, partially offset by higher income taxes. As a percentage of net sales, majority interest net income increased from 8.8% in 2003 to 16.0% in 2004.

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 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 Ps17.9 billion in 2003, Ps23.8 billion in 2004, and Ps36.3 billion in 2005. See our Statement of

Changes in the Financial Position included elsewhere in this annual report.

Our Indebtedness

As of December 31, 2005, we had approximately U.S.$9.5 billion (Ps101 billion) of total debt, of which approximately 13% was short-term and 87% was long-term. Approximately 6% of our long-term debt at December 31, 2005, or U.S.$0.6 billion (Ps6 billion), is to be paid in 2006, unless extended. As of December 31, 2005, after giving effect to our cross currency swap arrangements discussed elsewhere in this annual report, 72% of our consolidated debt was Dollar-denominated, 21% was Euro-denominated, 5% was Yen-denominated, 2% was Pound-denominated, and immaterial amounts were denominated in other currencies. The weighted average interest rates paid by us in 2005 in our main currencies were 5.2% on our Dollar-denominated debt, 2.9% on our Euro-denominated debt, 1.1% on our Yen-denominated debt and 5.5% on our Pound-denominated debt.

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 and Empresas Tolteca de Mexico, two of our principal Mexican subsidiaries, have provided guarantees of our indebtedness in the amount of approximately U.S.$3.8 billion (Ps40 billion), as of December 31, 2005. 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 25(x) 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. 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, 2005, 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, 2005, 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, 2005, we had senior debt in subsidiaries of approximately U.S.$6,040 million (equivalent to approximately 61.5% 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, 2005, New Sunward Holdings had outstanding debt of approximately (euro) 574 million (U.S.$680 million) (equivalent to approximately 6.9% of our consolidated net assets).

In light of these restrictions, as of December 31, 2005, 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, 2005, after the completion of our acquisition of RMC and the refinancing of the acquisition credit facilities, we had approximately U.S.$9.5 billion of outstanding indebtedness, including indebtedness assumed from RMC. The following is a description of the material indebtedness assumed from RMC and which was repaid following the acquisition.

- On October 18, 2002, RMC entered into a (pound)1 billion Term and Revolving Credit Agreement relating to a multi-currency five-year (pound)600 million revolving credit facility and a multi-currency five-year (pound)400 million term loan facility. On March 16, 2005, CEMEX Espana and RMC entered into an amended and restated agreement relating to these facilities. Simultaneous with the execution of the amended and restated agreement, the total amount of the facilities was reduced to (pound)604,354,196; the revolving credit facility was reduced to (pound)425,558,038 and the term loan facility was reduced to (pound)178,796,154. This facility was fully prepaid and cancelled on November 7, 2005.

- 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. As described below under "--Recent Developments," in May 2006, these notes were fully prepaid.

On April 5, 2005, we entered into a U.S.$1 billion 180-day term credit agreement guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The proceeds of this credit facility were used to fund the repayment of amounts outstanding under a U.S.$1.25 billion multi-currency term loan facility of New Sunward Holding B.V., dated September 24, 2004, entered into to finance the RMC acquisition. This credit facility was fully prepaid on June 7, 2005.

On May 17, 2005, we completed a cash tender offer, pursuant to which we purchased a portion of the outstanding notes originally issued by RMC in private placements. The total amount paid in the cash tender offer was approximately

U.S.$315 million, which was repaid through a private placement by a wholly-owned subsidiary of CEMEX Espana during June 2005 of new five- and ten-year notes in an aggregate principal amount of U.S.$325 million.

On May 31, 2005, we entered into a five-year U.S.$1.2 billion revolving credit facility guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The proceeds of this credit facility were used to repay amounts outstanding under the U.S.$1 billion multi-currency 180-day term credit agreement we entered into on April 5, 2005, to repay other existing indebtedness and for general corporate purposes.

On June 6, 2005, we amended our U.S.$800 million revolving credit facility dated June 23, 2004. The amended facility is a U.S.$700 million revolving credit facility guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico and matures in 2009.

On June 27, 2005, New Sunward Holding B.V. entered into a two-year U.S.$350 million term loan facility and a four-year U.S.$350 million multi-currency revolving credit facility, guaranteed by CEMEX, CEMEX Mexico and Empresas Tolteca de Mexico. The proceeds of these facilities were used to repay existing indebtedness not related to the RMC acquisition.

On July 7, 2005, CEMEX Espana amended the second and third tranches of a U.S.$3.8 billion multi-currency term loan facility, dated September 24, 2004, totaling U.S.$2.3 billion. The amended facility consists of a two-year U.S.$575 million term loan, a five-year U.S.$575 million term loan and a U.S.$1.15 billion amortizing loan with an average maturity of 3.5 years.

With this transaction we completed the refinancing process of the debt incurred in connection with the RMC acquisition.

Our Prior Preferred Equity Arrangements

In November 2000, we formed a Dutch subsidiary which issued preferred equity for an amount of U.S.$1.5 billion (Ps16.0 billion) to provide funds for our acquisition of CEMEX, Inc., formerly Southdown, Inc. This preferred equity has since been redeemed. The preferred equity granted its holders 10% of the subsidiary's voting rights, as well as the right to receive a preferred dividend. Under the terms of the preferred equity financing arrangements, Sunward Acquisitions N.V., or Sunward Acquisitions, our indirect Dutch subsidiary, contributed its 85.2% interest in CEMEX Espana to New Sunward Holding B.V., or New Sunward Holding, in exchange for all its ordinary shares. A special purpose entity, which was neither owned nor controlled by us, borrowed U.S.$1.5 billion from a syndicate of banks and New Sunward Holding issued preferred equity to the special purpose entity in exchange for the U.S.$1.5 billion, which was used to subscribe for further shares in CEMEX Espana. During 2001, we redeemed a portion of the then-outstanding preferred equity in the amount of U.S.$600 million, and at year-end 2001, the balance outstanding was U.S.$900 million. In February 2002, we refinanced this preferred equity transaction, pursuant to which we redeemed U.S.$250 million of the outstanding preferred equity and extended the termination dates on the remaining U.S.$650 million. In October 2003, we redeemed before maturity all the U.S.$650 million (Ps7,444 million) of preferred equity outstanding.

For accounting purposes under Mexican GAAP, the preferred equity was recorded as a minority interest on our balance sheet until its liquidation. Dividends paid on the preferred equity were recorded as a minority interest on our income statement. For the year ended December 31, 2003 preferred equity dividends amounted to approximately U.S.$12.5 million.

In October 2004, we liquidated the remaining 9.66% Putable Capital Securities for approximately U.S.$66 million (Ps705 million). These capital securities were issued in 1998 by one of our Spanish subsidiaries in an aggregate liquidation amount of U.S.$250 million, with an annual dividend rate of 9.66%. In April 2002, through a tender offer, U.S.$184 million of the

capital securities were redeemed. The amount paid to holders in excess of the nominal amount of the capital securities pursuant to the early redemption of approximately U.S$20 million (Ps229 million) was recognized against stockholders' equity. The balance outstanding as of December 31, 2003 was U.S.$66 million (Ps756 million). Until January 1, 2004, for accounting purposes under Mexican GAAP, 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. For the year ended December 31, 2003, capital securities dividends amounted to approximately U.S.$6.4 million. As of January 1, 2004, as a result of new accounting pronouncements under Mexican GAAP, this transaction was recorded as debt in our balance sheet and dividends paid on the capital securities during 2004, which amounted to approximately U.S.$6 million (Ps75 million), were recorded as part of financial expenses in our income statement.

Our Prior Equity Arrangements

In December 1995, we entered into a financing transaction pursuant to which one of our Mexican subsidiaries transferred shares of stock of one of its cement companies to a trust, and a third party purchased a beneficial interest in the trust for approximately U.S.$124 million in exchange for notes issued by the trust. We had the right to reacquire these assets on various dates until 2007. During the course of the transaction, we were committed to make annual repurchases of the shares underlying the trust, as well as annual fee payments, which represented the cost of retaining the repurchase option. In December 2003, we acquired the remaining assets for approximately U.S.$76 million.

From inception of the transaction until repurchase of the assets, the assets related to this transaction were considered as owned by third parties; therefore, for accounting purposes under Mexican GAAP, this transaction was included as minority interest in our balance sheet. For the year ended December 31, 2003, the expense generated by retaining the option to re-acquire the assets amounted to approximately U.S.$15 million and was included as financial expense in our income statement.

In December 1999, by means of a public offer on the Mexican Stock Exchange, or MSE, and the New York Stock Exchange, or NYSE, we issued to our shareholders, members of our board of directors and other executives 105 million appreciation warrants ("warrants") maturing on December 13, 2002, at a subscription price in pesos of Ps3.2808 per appreciation warrant. A portion of the appreciation warrants was subscribed as American Depositary Warrants, or ADWs, each ADW representing five warrants.

In November 2001, we launched a voluntary public exchange offer of new warrants and new ADWs maturing on December 21, 2004, for our existing warrants and our existing ADWs on a one-for-one basis. Of the total 105 million warrants originally issued, 103,790,945, or 98.9%, were tendered in exchange for the new warrants. Both the old warrants and the new warrants were designed to allow the holder to benefit from future increases in the market price of our CPOs, with any appreciation value to be received in the form of our CPOs or ADSs, as applicable. The old warrants expired on December 13, 2002 in accordance with their terms without any payments to the holders. Until September 2003, the CPOs and ADSs required to cover potential exercises of warrants were held through equity forward contracts with financial institutions. These forward contracts were settled in October 2003 through simultaneous secondary equity offerings on the MSE and the NYSE made by us and the banks holding the shares. See note 17A to our consolidated financial statements included elsewhere in this annual report and "-- Our Equity Derivative Forward Arrangements."

In November and December 2003, we announced a simultaneous public offer in the MSE and the NYSE that was concluded during January 2004 by means of which we repurchased for cash 90,018,042 warrants, or 86.7%, of the then outstanding warrants and warrants represented by ADWs, which included approximately 34.9 million warrants owned by or controlled by us and our subsidiaries. The price at which the warrants were purchased was Ps8.10 per warrant (Ps40.50 per ADW). In addition, in December 2004, the remaining outstanding 13,772,903 warrants were automatically exercised upon expiration of the warrants in accordance with their terms. Considering the results of the purchase of warrants in January 2004, the

exercise in December 2004 and the direct expenses related to these transactions, approximately Ps1,010 million was paid. This amount was recognized against

stockholders' equity within additional paid-in-capital. See note 15F to our consolidated financial statements included elsewhere in this annual report and "-- Our Equity Derivative Forward Arrangements."

Our Prior Equity Derivative 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. Changes in the estimated fair value of these contracts were recognized in the income statement as a component of the costs generated by the option programs. As of December 31, 2004, the estimated fair value of these contracts was a gain of approximately U.S.$45 million (Ps479 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. 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.

In addition, as of December 31, 2004, we had forward contracts covering a total of 1,364,061 ADSs with different maturities until January 2006 and an aggregate notional amount of U.S.$45 million. Until December 31, 2004, these contracts were treated as equity instruments; therefore, changes in their fair value were recognized in stockholders' equity when settled. Starting in 2005, changes in the fair value of these contracts were recognized in earnings. As of December 31, 2004, the estimated fair value of these contracts was a gain of U.S.$6.0 million (Ps64 million). During 2004, contracts representing 2,509,524 CPOs that were held to meet our obligations to deliver shares under the warrants program were settled, resulting in a gain of U.S.$3 million (Ps28 million) which was recognized in stockholders' equity. See note 16E to our consolidated financial statements included elsewhere in this annual report. These forward contracts were settled for cash in October 2005 together with the forward contracts described in the preceding paragraph in connection with a non-dilutive equity offering of all the shares underlying the forward contracts. See note 17A to our consolidated financial statements included elsewhere in this annual report

Our Receivables Financing Arrangements

We have established sales of trade accounts receivable programs with financial institutions, referred to as securitization programs. These programs were negotiated by our subsidiaries in Mexico during 2002, our subsidiary in the United States during 2001 and our subsidiary in Spain during 2000. 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 these securitization programs as of December 31, 2004 and 2005 were Ps6,822 million (U.S.$642 million) and Ps7,334 million (U.S.$691 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 Ps109 million (U.S.$10 million) in 2003, Ps121 million (U.S.$11 million) in 2004 and Ps210 million (U.S.$20 million) in 2005. 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 annual shareholders' meeting held on April 28, 2005, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.$565 million) to be implemented between April 2005 and April 2006. See note 15A to our consolidated financial statements included elsewhere in this annual report. This program expired in April 2006 and no CPOs were repurchased under this program.

In connection with our 2005 annual shareholders' meeting held on April 27, 2006, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.$540 million) to be implemented between April 2006 and April 2007.

Recent Developments

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, as described above. 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.

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 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 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 4 years.

In 2004 and 2005, 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.$35 million and U.S.$38 million, respectively. In addition, in 2004 and 2005, we capitalized approximately U.S.$10 million and U.S.$17 million, respectively, related to internal use software development. See note 11 to our consolidated financial statements included elsewhere in this annual report.

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 2005 we achieved two very important milestones. First, we posted our strongest financial results ever. This achievement comes primarily from the consolidation of the RMC operations for the ten-month period ending December 31, 2005 and the related synergies, as well as from higher domestic volumes and prices in most of the markets in our portfolio.

Our second major milestone of the year was the undertaking and completion of the acquisition of the RMC group on March 1, 2005. This has been not only the largest but also our most complex acquisition to date, involving personnel from all of our operations in a multi-country and multi-disciplinary effort. The integration of this acquisition and the continuous improvement efforts is an ongoing process. As of December 31, 2005, we had identified approximately U.S.$360 million of annual savings that we expect to achieve by 2007 through cost-saving synergies, including approximately U.S.$240 million during 2006. As of December 31, 2005, more than 80% of the post-merger integration initiatives required to achieve the expected synergies have been put in place.

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 62% of our net sales in 2005.

United States

In the United States, all segments of demand experienced strong growth throughout 2005. Spending in the public sector spending grew significantly during 2005, especially spending on streets and highways. We expect that streets and highways spending will continue to be a primary driver of demand in this sector in 2006 with the recently approved, U.S.$287 billion six-year surface-transportation program known as SAFETEA-LU, coupled with the generally improving economic environment and fiscal condition of the states. Consequently, we expect volumes in the public-works and street-and-highway sectors to increase

in 2006.

The residential sector growth during 2005 was driven mainly by attractive financial terms, better employment, positive household formation, tight inventories, and continued migration flows stemming from northern baby boomers. However, due to higher home prices and higher mortgage rates we are cautiously expecting a moderate decline in this sector for 2006.

We expect that the industrial-and-commercial sector will continue its growth trend during 2006 due to continued economic expansion.

Overall, we expect cement volumes in the U.S. to grow in line with, or slightly in excess of, U.S. gross domestic product (GDP) growth and we expect ready-mix concrete volumes to grow at a pace slightly below U.S. GDP growth during 2006. We believe the probability of realizing most of our announced price increases in the United States is being enhanced by the continuing favorable supply demand dynamics.

Mexico

In Mexico we expect GDP growth, driven in part by increased government spending, increases in mortgages and to a lesser extent, a strong self construction sector as a result of relatively stable real wages and employment. For 2006, foreign direct investment and remittances from workers abroad should remain at the same levels as 2005 and contribute to strong economic activity.

We expect that demand in the public sector in 2006 will be driven by government spending on streets and highways, public buildings, hurricane reconstruction efforts and other infrastructure projects. We also expect demand in this sector to be supported by strong government finances as a result of continued fiscal discipline, and supported by higher prices for Mexican oil exports. In addition, in February 2006, the government began making

distributions from the oil surplus fund from 2005, which was approximately U.S.$1 billion. As a result, we expect volumes in the public sector to increase in 2006.

In the residential sector, we expect that cement demand in 2006 will be driven by low- and middle-income housing growth as mortgage awards sponsored by Infonavit and other institutions continue to increase at an accelerated pace and mortgages granted by commercial banks are expected to double in 2006. We expect a slight increase in volumes in this sector in 2006.

We expect volumes in the self-construction sector to increase moderately in 2006, as a result of relatively stable real wages and employment. We believe this sector is growing at a slower pace than GDP 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-intensive projects will translate into an increase in our ready-mix concrete volumes in 2006.

Although we are optimistic about the trend in cement consumption, given the potential uncertainties resulting from our electoral cycle, we are cautiously estimating moderate growth in cement volumes for 2006.

Spain

In Spain, all segments of demand remained strong during 2005, driven by a robust construction sector. For 2006, we expect moderate GDP growth in Spain.

In 2005, the residential sector had its strongest year ever, with housing starts exceeding the 700 thousand mark. For 2006, we expect volumes in

the residential sector to decline slightly, although housing starts are expected to remain at high levels with robust cement consumption.

We expect volumes in the public-works sector to remain flat in 2006. At the national level, we expect this sector to improve after a transitional period in which some projects were put on hold as the new government settled in. On the other hand, we expect local municipalities to moderate their public-works activity throughout the year. Construction activity is also expected to be positively impacted by the electoral cycle, as several local elections will take place in 2007. We also expect demand in the public-works sector will be supported by the Spanish government's new infrastructure plan, which is expected to run through 2020 and which represents an annual increase of U.S.$4 billion, or more than 25% per annum, over the previous one.

We expect the industrial-and-commercial sector will remain stable throughout 2006.

Overall, we expect moderate volume growth in Spain for 2006.

United Kingdom

In the United Kingdom, cement volumes fell by approximately 2% in 2005. The decrease in cement consumption was due mainly to a continued deceleration of the economy, as GDP growth for 2005 is expected to have been less than 2%, lower than the original forecast of between 3% and 3.5%. This resulted in a contraction of the construction output of approximately 1%, the first annual decline in the United Kingdom since 1994.

We expect GDP in the United Kingdom to grow slightly in 2006, with moderate growth in construction spending.

We expect a continuation of the same trend we saw in the latter half of 2005, with activity levels slowly improving. We believe the anticipated return to growth in the public sector and the industrial-and-commercial sector will partially offset the subdued activity in the repair, maintenance, and improvement sector and the residential sector. We expect the weak trend to turn around during the second half of 2006.

We expect that the residential sector will not be very active in 2006 due to higher interest rates and housing prices. Improvement in the public-works sector will depend upon the government returning to its previously announced investments in infrastructure, highway, and other public building projects.

Overall, we expect volumes in the United Kingdom in 2006 to remain roughly flat compared with those of last year.

Summary of Material Contractual Obligations and Commercial Commitments

As of December 31, 2005, our subsidiaries had future commitments for the purchase of raw materials for an approximate amount of U.S.$169 million.

In March 1998, we entered into a 20-year contract with PEMEX providing that PEMEX's refinery in Cadereyta would supply us with 900,000 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 850,000 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. 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 1,200,000 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 to Alstom and Sithe 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. As of December 31, 2005, after twenty months of operations, the power plant has supplied electricity to 10 of our cement plants in Mexico covering approximately 73% of their needs for electricity and has represented a decrease of approximately 28% 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, 2005:

	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...........	8,745	534	2,794	4,501	916
Capital lease obligations.........................	106	30	41	31	4
Total debt (1)..............................	8,851	564	2,835	4,532	920
Operating leases (2).............................	634	178	251	113	92
Interest payments on our indebtedness (3).........	1,968	564	817	409	178
Estimated cash flows under interest rate derivatives (4)..............................	330	106	114	79	31
Planned funding of pension plans and other post-retirement benefits (5)..................	1,466	136	272	285	773

(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, 2005, we had lines of credit totaling approximately U.S.$9.9 billion, of which the available portion amounted to approximately U.S.$2.9 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.

(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 22D to our consolidated financial statements included elsewhere in this annual report. Our operating leases as of December 31, 2005 included the lease of the Balcones cement plant in New Braunfels, Texas which was scheduled to expire on September 9, 2009. On March 20, 2006, we agreed to terminate this lease prior to expiration and purchased the Balcones cement plant for approximately U.S.$61 million.

(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, 2005.

(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, 2005.

(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 U.S. dollars at the exchange rates as of December 31, 2005, and includes our estimate of the number of new retirees during such future years.

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, 2004		At December 31, 2005		
Derivative Instruments	Notional amount	Estimated fair value	Notional amount	Estimated fair value	Maturity Date
Equity forward contracts......	1,157	66	-	-	-
Foreign exchange forward contracts.....................	4,898	63	3,200	173	Jan 06- Jul 07
Interest rates swaps..........	1,950	(174)	2,725	52	Jun 09- Apr 10
Cross currency swaps..........	1,118	209	2,290	212	Jun 06- Jun 11
Derivatives related to energy.	168	(6)	159	(4)	May 2017

Our Equity Derivative Forward Contracts

A substantial portion of our equity derivative forward contracts held as of December 31, 2004, with an aggregate notional amount of U.S.$1,112 million, were entered into to hedge the potential exercises of options under our U.S. dollar denominated executive programs (see notes 16 and 17 to our consolidated financial statements included elsewhere in this annual report). Changes in the estimated fair value of these forwards were recognized in the income statement as a component of the costs generated by the stock option programs. The estimated fair value of these forward contracts represented a gain of approximately U.S.$45 million as of December 31, 2004. In October 2005, in connection with a non-dilutive equity offering of all the ADSs underlying those forward contracts, we agreed with the forward banks to settle those forward contracts for cash. 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.

In addition, as of December 31, 2004, we held equity forward contracts with an aggregate notional amount of U.S.$45 million. Until December 31, 2004, these contracts were treated as equity instruments; therefore, changes in their fair value were recognized in stockholders' equity upon settlement. As of December 31, 2004, the estimated fair value of these contracts was a gain of approximately U.S.$6.0 million (Ps64 million). As of January 1, 2005, changes in the fair value of these forward contracts were recognized in the income statement in the same manner as our other forward contracts described in the preceding paragraph. These forward contracts were settled for cash in October 2005 together with the forward contracts described in the preceding paragraph in connection with a non-dilutive equity offering of all the shares underlying the forward contracts.

Our Foreign Exchange Forward Contracts

A portion of our foreign exchange forward contracts held as of December 31, 2004 and 2005, with notional amounts of U.S.$957 million and U.S.$3,137 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 (Ps1,411 million), was recognized in stockholders' equity in 2004, and was reclassified to earnings on 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 (Ps1,094 million) and was recognized in earnings in 2004. See note 17 to our consolidated financial statements included elsewhere in this annual report.

Our Interest Rate Swaps

As of December 31, 2004 and 2005, we held interest rate swaps for notional amounts of U.S.$1,950 million and U.S.$2,725 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, several of our interest rate swap contracts, with an aggregate notional amount of U.S.$1,500 million, 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, 2004 and 2005, 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 12B 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, 2004 and 2005, we recognized net assets of U.S.$209 million (Ps2,227 million) and U.S.$212 million (Ps2,250 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.$301 million (Ps3,212 million) as of December 31, 2004 relates to prepayments made of Yen- and Dollar-denominated obligations under our cross currency swaps, thereby decreasing the carrying amounts of the related debt (we did not make any prepayments of Yen and Dollar-denominated obligations during 2005), and

- A loss of approximately U.S.$92 million (Ps985 million) as of December 31, 2004 and a gain of approximately U.S.$212 million (Ps2,251 million) as of December 31, 2005 represented the contracts' estimated fair value, before prepayment effects (with respect to 2004 only), and includes:

    - Losses of approximately U.S.$132 million (Ps1,408 million) as of December 31, 2004 and gains of approximately U.S.$135 million (Ps1,434 million) as of December 31, 2005, which are directly related to variations in exchange rates between the inception of the contracts and the balance sheet date, and which were offset for presentation purposes during 2004 only as part of the related debt carrying amount,

    - Gains of approximately U.S.$11 million (Ps116 million) as of December 31, 2004 and approximately U.S.$15 million (Ps159 million) as of December 31, 2005, 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.$29 million

(Ps307 million) as of December 31, 2004 and approximately U.S.$69 million (Ps733 million) as of December 31, 2005, which were recognized within other short-term and long-term assets and liabilities, as applicable. See note 12B to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2004, the effect on our balance sheet, arising from the accounting assets and liabilities offset, was that the book value of the financial liabilities directly related to the cross currency swap contracts was presented as if such financial liabilities had been effectively negotiated in the exchange currency instead of in the originally contracted currency. As of December 31, 2005, as a result of new accounting pronouncements under Mexican GAAP, 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 and 2005, the changes in the estimated fair value of our cross currency swap contracts, excluding prepayment effects in 2004, resulted in a loss of approximately U.S.$192 million (Ps2,246 million) and a gain of approximately U.S.$304 million (Ps3,228 million), respectively, which were recognized within the comprehensive financing result.

Our Derivatives Related to Energy Projects

As of December 31, 2004 and 2005, we had an interest rate swap maturing in May 2017, for a notional amount of U.S.$159 million and U.S.$150 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 LIBOR 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.$168 million and U.S.$159 million as of December 31, 2004 and 2005, 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 LIBOR rates. Through the sale of this option, we received a premium of approximately U.S.$22 million (Ps251.9 million) in 2001. As of December 31, 2004 and 2005, the combined estimated fair value of the swap and floor contracts, amounting to approximate losses of U.S.$6 million (Ps67 million) and U.S.$4 million (Ps44 million), respectively, were recorded in the comprehensive financing result for each period. As of December 31, 2004 and 2005, 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 17C to our consolidated financial statements included elsewhere in this annual report.

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, 2005. 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 12 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, 2005. 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, 2005 and is summarized as follows:

Expected maturity dates as of December 31, 2005

Debt	2006	2007	2008	2009	2010	After 2011	Total	Fair Value
	(Millions of Dollars equivalents of debt denominated in foreign currencies)							
Variable rate.................	510	1,148	599	1,051	1,618	47	4,973	4,830
Average interest rate.........	5.24%	5.20%	5.15%	5.25%	5.25%	5.13%		
Fixed rate....................	54	194	895	1,387	476	872	3,878	3,918
Average interest rate.........	5.09%	4.99%	4.97%	5.06%	5.71%	5.34%		

As of December 31, 2005, 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, 2005, 56% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 43 basis points, after giving effect to our interest rate swaps and cross currency swaps. As of December 31, 2005, we also held interest rate swaps for a notional amount of U.S.$2,725 million and with a fair value gain of approximately U.S.$52 million during 2005. 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, 2005 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.$28 million (Ps300 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, 2005, approximately 19% of our net sales, before eliminations resulting from consolidation, were generated in Mexico, 25% in the United States, 9% in Spain, 9% in the United Kingdom, 16% in our Rest of Europe segment, 9% in South America, Central America and the Caribbean, 3% 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, 2005, our debt amounted to Ps101 billion, of which approximately 51% was Dollar-denominated, 21% was Euro-denominated, 21% was Peso-denominated, 5% was Yen-denominated and 2% 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." 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, 2005, the estimated fair value of these instruments was a gain of approximately U.S.$212 million (Ps2,251 million). The potential change in the fair value of these contracts as of December 31, 2005 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.$189 million (Ps2,007 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, 2005 was a gain of approximately U.S.$173 million (Ps1,837 million). The potential change in the fair value of these derivatives as of December 31, 2005 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.$422 million (Ps4,482 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 2003, 2004, and 2005.

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 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.

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 facility has an annual production capacity of 560,000 tons. This cement plant was sold on March 31, 2005 in connection with our sale of U.S. assets in the Great Lakes region, as described below.

In June 2003, CEMEX Dominicana, S.A. (formely known as Cementos Nacionales, S.A.) 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 clinker production capacity in the Dominican Republic to 2.2 million tons per year, began operations at the end of 2005.

In July 2002, we entered into agreements with other CAH investors to purchase their CAH shares in exchange for CPOs through quarterly share exchanges in 2003 and 2004. In 2003, 84,763 CAH shares were exchanged for 1,683,822 CPOs,

with an approximate value of U.S.$7.8 million. In 2004, 1,398,602 CAH shares were exchanged for 27,850,713 CPOs with an approximate value of U.S.$172 million. For accounting purposes, these exchanges were considered effective as of July 2002. With these exchanges, we increased our equity interest in CAH to 92.3%. In August 2004, we acquired an additional 6.8% equity interest in CAH (695,065 CAH shares) for approximately U.S.$70 million, and in December 2005, we acquired the remaining 0.9% interest in CAH (93,241 CAH shares) for approximately U.S.$8 million, thereby increasing our total equity interest in CAH to 100%.

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 affiliates, was approximately Ps4,510 million (U.S.$425 million) in 2003, Ps4,637 million (U.S.$437 million) in 2004, and Ps8,341 million (U.S.$785 million) in 2005. 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.

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.

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 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 aggregate quarries. In connection with the termination, we received 29 ready-mix concrete plants and six aggregates quarries in Spain, as well as (euro)50 million in cash, and Lafarge Asland acquired a 100% interest in both joint ventures.

See note 9A 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 GAAP, which differ in some significant respects from U.S. GAAP. The Mexican GAAP 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 25 to our consolidated financial statements presented elsewhere in this annual report includes (i) a reconciling item for the reversal of the effect of applying the CEMEX weighted average inflation factor instead of the Mexican inflation-only factor for the restatement to constant pesos for the years ended December 31, 2002 and 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 GAAP 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 GAAP 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 GAAP 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, 2003, 2004, and 2005 amounted to Ps8,984 million, Ps18,505 million and Ps22,115 million, respectively, compared to majority net income under Mexican GAAP for the years ended December 31, 2003, 2004, and 2005 of approximately Ps7,201 million, Ps13,965 million and Ps22,425 million, respectively. See note 25 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP 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 December 2004, the Financial Accounting Standards Board (FASB) issued SFAS 123R, Share-Based Payment, a revision of Statement 123, "Accounting for Stock Issued to Employees", which establishes standards for

the accounting of all share-based payment transactions, with a primary focus on schemes in which an entity obtains employee services in share-based payment

transactions, also clarifies and expands guidance in several areas, including measuring fair value, classifying an award as equity or as a liability, and attributing compensation cost to reporting periods. SFAS 123R requires enitities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and eliminates the alternative to use APB Opinion 25's intrinsic value method of accounting, permitted by Statement 123 as originally issued (see note 25(r) to our financial statements included elsewhere in this annual report), under which, upon compliance with certain rules, issuing stock options to employees resulted in recognition of no compensation cost. The cost under SFAS 123R should be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). The grant-date fair value of employee share awards will be estimated using option-pricing models, unless observable market prices for the same or similar instruments are available.

The cost under SFAS 123R for equity awards should be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). In addition, for liability awards, the cost should be determined by the changes in the estimated fair value of the awards at each reporting date. The grant-date fair value, and the fair value at the reporting date, for employee equity and liability awards, respectively, will be estimated using option-pricing models, unless observable market prices for the same or similar instruments are available.

SFAS 123R is effective for CEMEX as of January 1, 2006 and applies to all awards classified as equity awards granted after the effective date and to awards modified, repurchased, or cancelled after that date, as well as to all outstanding liability awards. The cumulative effect of initially applying this statement, if any, will be recognized as of the effective date. As of the effective date, entities that used the fair-value-based method for either recognition or disclosure under Statement 123 (see note 25(r) to our financial statements included elsewhere in this annual report) will apply SFAS 123R using a modified version of prospective application. Under this transition method of adoption, compensation cost is recognized for the portion of outstanding awards for which the requisite service has not yet been rendered, based on the grant-date fair value of those awards calculated under Statement 123 for either recognition or pro forma disclosures. For periods before the effective date, entities may elect to apply a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods by Statement 123.

In connection with the adoption of SFAS 123R in 2006, considering all outstanding liability awards, SFAS 123R may have a material impact on our net income under U.S. GAAP (see pro forma historical information in footnote 25(r) to our financial statements included elsewhere in this annual report). As of the effective date of SFAS 123R, we did not have any unvested equity awards; therefore, we do not to expect to recognize any cost in respect of these awards.

In December 2004, the FASB issued SFAS 151, Inventory Costs, which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Under this statement, such items will be recognized as current-period charges. In addition, this statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This statement is effective for us for inventory costs incurred on or after January 1, 2006. We do not expect any material impact on our financial statements from the adoption of this statement.

In December 2004, the FASB issued SFAS 153, Exchanges of Nonmonetary Assets, which eliminates an exception in APB 29 for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The exception provides that those exchanges should be measured based on the recorded amount of the nonmonetary assets relinquished, rather than on the fair values of the exchanged assets. A nonmonetary exchange has commercial substance

if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement is effective for us for nonmonetary asset exchanges occurring on or after January 1, 2006. We do not expect any material impact on our financial statements from the adoption of this statement.

In May 2005, the FASB issued SFAS 154, Accounting Changes and Error Corrections, which establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle

in the absence of explicit transition requirements specific to a newly adopted accounting principle. This statement is effective for us for all accounting changes and any error corrections occurring after January 1, 2006. Except for the effect from accounting changes related to the adoption of SFAS 123R described above, we do not expect any material impact on our financial statements from the adoption of this statement.

In September 2005, the FASB's Emerging Issues Task Force (EITF) issued EITF Issue No. 04-13, Accounting for Purchases and Sales of Inventory with the Same Counterparty, which provides guidance as to when purchases and sales of inventory with the same counterparty should be accounted for as a single exchange transaction. EITF 04-13 also provides guidance as to when a nonmonetary exchange of inventory should be accounted for at fair value. EITF 04-13 will be applied to new arrangements entered into, and modifications or renewals of existing arrangements occurring after January 1, 2007. We do not expect the application of EITF 04-13 to have a material impact on our financial statements.

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, 2005. 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. de C.V., Empresas ICA, S.A. de C.V., Alfa, S.A. de C.V., Grupo Financiero Banamex, S.A. de C.V., Vitro, S.A. and Grupo Televisa, S.A. Mr. Zambrano is chairman of the board of directors of Consejo de Ensenanza e Investigacion Superior, A.C., which manages ITESM. 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 addition, he is member of the board of directors of Museo de Arte Contemporaneo de Monterrey A.C. (MARCO), Conservacion Internacional, and the Americas Society, Inc. 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. 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.

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 Materiales Industriales de Chihuahua, S.A. de C.V., Calhidra y Mortero de Chihuahua, S.A. de C.V., Grupo Cementos de Chihuahua, S.A. de C.V., Construcentro de Chihuahua, S.A. de C.V., Control Administrativo Mexicano, S.A. de C.V., Compania Industrial de Parras, S.A. de C.V., Fabrica La Estrella, S.A. de C.V., Prendas Textiles, S.A. de C.V., Telas de Parras, S.A. de C.V., Canacem, Confederacion Patronal de la Republica Mexicana, Centro Patronal de Nuevo Leon, and Instituto Mexicano del Cemento y del Concreto. 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.

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 European 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, including the United Kingdom, France, Germany, the Rest of Europe (other than Spain and Italy), and Israel. He is a graduate in business administration and holds a master's degree in administration from ITESM. Previously, he worked for Grupo Industrial Alfa, S.A. de C.V. from 1976 to 1989.
Jose Luis Saenz de Miera, President of the Iberia, Middle East, Africa and Asia Region	Joined CEMEX Espana in 1993 as general manager of administration and finance, and in 1994 he was appointed president of CEMEX Espana. Mr. Saenz de Miera has served as president of the Europe, Africa and Asia region from October 1998 to February 2005. Since March 1, 2005, Mr. Saenz de Miera has been responsible for the Iberian Peninsula, Italy, Africa, and Asia, including the United Arab Emirates and Malaysia. He studied economic sciences in Universidad Complutense de Madrid and is a certified public accountant from Instituto de Censores Jurados de Cuentas in Spain. Previously, he was employed from 1973 to 1993 at KPMG Peat Marwick, since 1982 as partner and between 1988 and 1993 as deputy senior partner. Mr. Saenz de Miera is a citizen of Spain.
Juan Romero, President of CEMEX South America and the Caribbean	Joined CEMEX in 1992 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 and Mexico. Mr. Romero graduated from Universidad de Comillas in Spain, where he studied Law and Economics and Enterprise Sciences. Previously, Mr. Romero worked for Cementos Sanson and Cementos Portland Morata de Jalon. Mr. Romero is a citizen of Spain.
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 2005 annual shareholders' meeting held on April 27, 2006, 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 general director 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 also 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, S.A. de C.V. Zona Norte, director of Carza, S.A. de C.V. and Parque Plaza Sesamo, S.A. de C.V., and a member of the board of directors of Hospital San Jose 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 and president of our audit committee since 2002. 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., Compania de Vidrio Industrial, S.A. de C.V., Comision de Cooperacion Ecologica Fronteriza (COCEF) and Banco de Desarrollo America del Norte (BDAN) 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 chief executive officer and chairman of the board of directors of Empresas ICA Sociedad Controladora, S.A. de C.V., and a member of the board of directors of Telefonos de Mexico, S.A. de C.V., Grupo Financiero Banamex, S.A. de C.V., Grupo Carso, 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 and, Fundacion ICA. He is a founding associate of Fundacion Letras Mexicanas and is currently president of Patronato UNAM.
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. 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. He is chairman of the board and chief executive officer of Savia, S.A. de C.V. and member of the board of Nacional de Drogas, S.A. de C.V., Grupo Maseca, S.A. de C.V., and Grupo Comercial Chedraui, S.A. de

C.V. He is an external advisor of the World Bank Board for Latin America and the Caribbean, and a member of the board of The Donald Danforth Plant Science Center and Synthetic Genomics.

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, 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 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 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., and Grupo Herdez, S.A. de C.V., and member of the board of directors of Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V., Grupo Aeroportuario del Pacifico, S.A. de C.V., Grupo Cuervo, S.A. de C.V., Laboratorio Sanfer-

Hormona, and Alexander Forbes Mexico. Mr. Rincon Gallardo is a member of Pro-Dignidad, A.C., 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.

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., Consorcio Industrial de Exportacion, S.A. de C.V., and an alternate member of the board of directors of Vitro, S.A. He is the father of Tomas Brittingham Longoria, a member of our board of directors.
Tomas Milmo Santos	Has been an alternate member of our board of directors since 2001. 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 Coparmex, 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.
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. de C.V. He is a brother of Armando J. Garcia Segovia and a first cousin of Rodolfo Garcia Muriel, both members of our board of directors.

Board Practices

In compliance with amendments to Mexican securities laws enacted in 2001, our shareholders approved, at a general extraordinary meeting of shareholders held on April 25, 2002, a proposal to amend various articles of CEMEX's by-laws, or estatutos sociales, in order to improve our standards of corporate governance and transparency, among other matters. The amendments require that at least 25% of our directors qualify as independent directors; that our board of directors, at its first meeting after the adoption of the amendments, establish an audit committee; and that shareholders representing at least 10% of our shares have the right to designate an examiner and an alternate examiner.

We have not entered into any service contracts with our directors that provide for benefits upon termination of employment.

The Audit Committee

The audit committee is responsible for reviewing related party transactions and is required to submit an annual report of its activities to our board of directors. The audit committee is also responsible for the appointment, compensation and oversight of our external auditors. The audit committee has also adopted procedures for handling complaints regarding accounting and auditing matters, including anonymous and confidential methods for

addressing concerns raised by employees. Under our by-laws, the majority of the members of the audit committee, including its president, are required to be independent directors. Effective July 3, 2006, under our by-laws and the Mexican securities laws, all the members of the audit committee, including its president, will be required to be independent directors.

Set forth below are the names of the members of our current audit committee. The terms of the members of our audit committee are indefinite, and they 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."
Lorenzo Milmo Zambrano	See "--Board of Directors."
Alfonso Romo Garza	See "--Board of Directors."
Tomas Brittingham Longoria	See "--Board of Directors."

Effective July 3, 2006 the members of our audit committee will be as set forth below.

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."

The reason for the change in the composition of our Audit Committee is to be in compliance with the new Mexican Securities Law that was enacted on December 28, 2005 and will become effective on June 28, 2006. Also effective as of July 3, 2006, we will have a Corporate Practices Committee that will be comprised of the same board members as the Audit Committee.

Compensation of Our Directors and Members of Our Senior Management

For the year ended December 31, 2005, 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 Ps209.0 million. Approximately Ps38.7 million of this amount was paid pursuant to the Restricted Stock Incentive Plan, or RSIP, described below under "-- Restricted Stock Incentive Plan (RSIP)." During 2005, as part of their compensation, the members of our board of directors, alternate members of our board of directors and senior managers, as a group, were allocated a total of approximately 2.6 million CPOs; under the terms of the RSIP, 25% of those shares vested in 2005, and will remain restricted for one year.

Certain key executives participate in a bonus plan that distributes to such executives a bonus pool based on our operating performance. This bonus is calculated and paid annually, 50% in cash and 50% in restricted CPOs under an RSIP.

In addition, approximately Ps11.4 million was set aside or accrued to provide pension, retirement or similar benefits.

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, 2005, after giving effect to the exchange program implemented in November 2001 described below, and the exercise of options that has occurred through that date, options to acquire 2,711,174 CPOs remain outstanding under this program, with a weighted average exercise price of approximately Ps15 per CPO. As of December 31, 2005, the outstanding options under this program had a weighted average remaining tenure of approximately 3 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 2004, starting with the 2004 voluntary exchange program described below, we further amended our ESOP. The amendments provide, among other things, that the options will be automatically exercised at a predetermined price of U.S.$7.50 per CPO if, at any time during the life of the options, the CPO closing market price reaches or exceeds that predetermined price. Any gains realized through exercise of the options, whether automatic or voluntary, will be invested in restricted CPOs. The restricted CPOs received upon exercise of the options will be held in a trust on behalf of each employee. The restrictions will gradually lapse, at which time the CPOs will become freely transferable and the employee may withdraw them from the trust. On January 17, 2005, the closing CPO market price reached U.S.$7.50, and, as a result, all existing options were automatically exercised.

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 U.S. 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 vest 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, 2005, considering the options granted since 2001, and the exercise of options that has occurred through that date, options to acquire 1,663,806 ADSs remain outstanding under this program. These options have a weighted average exercise price of approximately U.S.$ 2.40 per CPO or U.S.$ 23.98 per ADS as each ADS currently represents 10 CPOs.

Stock options activity during 2004 and 2005, the balance of options outstanding as of December 31, 2004 and 2005 and other general information regarding our stock option programs, is presented in note 16 to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2005, 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 CPOs or CPO equivalents
CPOs (Pesos)	2,711,174	2006 - 2011	Ps10.39 - Ps18.27
CPOs (Dollars) (may be instantly cash-settled)	5,779,005	2011 - 2013	U.S.$ 2.18 - U.S.$3.00
CPOs (Dollars) (Unlimited upside; receive restricted CPOs)	34,820,329	2012	U.S.$ 3.79
CEMEX, Inc. ESOP	16,638,060	2011 - 2015	U.S.$ 1.94 -

U.S.$ 3.82

As of December 31, 2005, 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 CPOs or CPO equivalents
CPOs (Dollars) (Unlimited upside; receive restricted CPOs)	12,807,371	2012	U.S.$3.79

As of December 31, 2005, 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 CPOs or CPO equivalents
CPOs (Pesos)	2,711,174	2006-2011	Ps10.39 - 18.27
CPOs (Dollars) (may be instantly cash-settled)	5,779,005	2011-2013	U.S.$2.18 - 3.00
CPOs (Dollars) (Unlimited upside; receive restricted CPOs)	22,012,958	2012	U.S.$3.79
CEMEX, Inc. ESOP	16,638,060	2011-2015	U.S.$1.94 - 3.82

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 have an escalating strike price in U.S. Dollars and are 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, 2005, 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, 1,554,150 options to acquire 3,695,458 CPOs remained outstanding under this program, with an exercise price of approximately U.S.$5.22 per CPO. As of December 31, 2005, the outstanding options under this program had a remaining tenure of approximately 5.8 years.

The February 2004 Voluntary Exchange Program

In February 2004, we implemented a voluntary exchange program to offer ESOP and voluntary employee stock option plan, or VESOP, pursuant to

which participants received 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. 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 reaches 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. 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, which was scheduled to grow annually at a 10% rate.

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, 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 will be paid in restricted CPOs. The restrictions will be removed gradually within a period of between two and four years, depending on the exercise date.

The new options may 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 do 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 and U.S. GAAP, as of December 31, 2005, we accounted for the options granted under the February 2004 voluntary exchange program by means of the fair value method through earnings. See notes 3W and 16 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, 2005 there were 5,000 options to acquire 11,889 CPOs, with an exercise price of U.S.$3.05 and a remaining life of approximately 2 years, outstanding from options sold to executives under a VESOP in April 2002.

As of December 31, 2005, 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. An amount in cash sufficient to purchase twenty five percent (25%) of the allocated number of CPOs will be distributed annually to a trust to purchase CPOs in the market on behalf of each employee. 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 2005, approximately 2.5 million CPOs were purchased by the trust on behalf of eligible employees pursuant to the Restricted Stock Incentive Plan, of which approximately 650 thousand were purchased for members of our senior management and board of directors.

Employees

As of December 31, 2005, we had approximately 52,674 employees worldwide, which represented an increase of 97% from year-end 2004. This increase was mainly attributable to the RMC acquisition during 2005.

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:

	2003	2004	2005
North America			
Mexico......................................	11,155	11,689	13,044
United States...............................	4,709	5,010	9,657
Europe			
Spain.......................................	2,963	2,851	2,838
United Kingdom..............................			6,237
Rest of Europe..............................	117	135	10,714
South America, Central America and the Caribbean...	5,099	5,108	6,309
Africa and the Middle East..........................	873	929	2,364
Asia...	1,049	957	1,511

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 2005, more than 270 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 2006 through 2012.

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.

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, all 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, approximately 5% 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.

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

Share Ownership

As of March 31, 2006, our senior management and directors and their immediate families owned, collectively, approximately 3.9% 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 13, 2006, as of December 31, 2005, Southeastern Asset Management, Inc., an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, beneficially owned 36,279,092 ADSs and 26,061,948 CPOs, representing a total 388,852,868 CPOs or approximately 10.1% of our outstanding capital stock. Southeastern Asset Management, Inc. does not have voting rights different from our other shareholders.

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, 2006, our outstanding capital stock consisted of 7,676,623,102 Series A shares and 3,838,311,551 Series B shares, in each case including shares held by our subsidiaries.

As of March 31, 2006, a total of 7,429,174,874 Series A shares and 3,714,587,437 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, 2006, through our subsidiaries, we owned approximately 313.5 million CPOs, representing approximately 8.4% of our outstanding CPOs and 8.2% 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 23.8 million CPOs, representing approximately 0.6% of our outstanding CPOs and 0.6% of our outstanding voting stock, were held in a derivative instrument hedging expected cash flows of stock options exercises in the short and medium term.

Our by-laws, or estatutos sociales, provide that our board of directors must authorize in advance any transfer of voting shares of our capital stock that would result in any person, or group acting in concert, becoming a holder of 2% or more of our voting shares.

Mexican securities regulations provide that our majority-owned subsidiaries may neither directly or indirectly invest in our CPOs nor other securities representing our capital stock. The Mexican securities authority could require any disposition of the CPOs or of other securities representing our capital stock so owned and/or impose fines on us if it were to determine that the ownership of our CPOs or of other securities representing our capital stock by our subsidiaries, in most cases, negatively affects the interests of our shareholders. Notwithstanding the foregoing, the exercise of all rights pertaining to our CPOs or to other securities representing our capital stock in accordance with the instructions of our subsidiaries does not violate any provisions of our bylaws or the bylaws of our subsidiaries. The holders of these CPOs or of other securities representing our capital stock are entitled to exercise the same rights relating to their CPOs or their other securities representing our capital stock, including all voting rights, as any other holder of the same series.

As of March 31, 2006, we had 429 ADS holders of record in the United States, holding approximately 62% of our outstanding CPOs.

On April 27, 2006, our shareholders approved a new stock split, which we expect to occur in July 2006. In connection with the stock split, each of our existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be 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, will distribute one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs will not change as a result of the stock split; each ADS will represent ten (10) new CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders will not change as a result of the stock split. The financial data set forth in this annual report have not been adjusted to give retroactive 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 2005, the largest aggregate amount of loans we had outstanding to our directors and members of senior management was Ps11,549,703. As of March 31, 2006, these loans had been fully repaid.

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, 2005, 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 fiscal year, 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, 2005:

	Dividends Per Share	
	Constant Pesos	Dollars
2001	0.37	0.03
2002	0.39	0.04
2003	0.41	0.04
2004	0.39	0.04
2005	0.83	0.08

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, 2005, were as follows: 2001, Ps1.11 per CPO (or Ps0.37 per share); 2002, Ps1.17 per CPO (or Ps0.39 per share); 2003, Ps1.23 per CPO (or Ps0.41 per share); 2004, Ps1.17 per CPO (or Ps0.39 per share); and 2005, Ps2.49 per CPO (or Ps0.83 per share). As a result of dividend elections made by shareholders, in 2002, Ps262 million in cash was paid and 128 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; in 2003, Ps68 million in cash was paid and 198 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year; in 2004, Ps161 million in cash was paid and 150 million additional CPOs were issued in respect of dividends declared for the 2003 fiscal

year; and in 2005, Ps380 million in cash was paid and 133 million additional CPOs were issued in respect of dividends declared for the 2004 fiscal year.

At our 2005 annual shareholders' meeting, which was held on April 27, 2006, our shareholders approved a dividend for the 2005 fiscal year of the Peso equivalent of U.S.$0.133 per CPO (U.S.$0.0443 per share) or Ps1.49 (Ps0.50 per share), based on the Peso/Dollar exchange rate in effect for May 25, 2006 of Ps11.1935 to U.S.$1.00, as published by the Mexican Central Bank. Holders of our series A shares, series B shares and CPOs will be 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 have instructed the ADS depositary not to extend the option to elect to receive cash in lieu of the stock dividend to the holders of ADSs, unlike our practice in connection with previous dividends when ADS holders were extended this option. In order to have sufficient shares to issue to those shareholders who receive the dividend in stock, our shareholders approved an increase in the variable part of our capital stock through the capitalization of retained earnings in an amount up to Ps6,718 milion, through the issuance of up to 480 million series A shares and 240 million series B shares, to be represented by new CPOs. Our shareholders delegated to our board of directors the determination

of the final amount of the capital increase. As a result of dividend elections made by shareholders, in June 2006, approximately Ps144 million in cash will be paid and approximately 106 million additional CPOs will be issued in respect of dividends declared for the 2005 fiscal year. The final amount of the increase in the variable part of our capital stock, as determined by our board of directors, was approximately Ps1,764 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 does not give effect to the two-for-one stock split in our CPOs and ADSs approved by our shareholders on April 27, 2006, which we expect will be effected in July 2006.

Calendar Period	CPOs(1)		ADSs	
Yearly	High	Low	High	Low
2001	Ps 25.83	Ps 17.25	U.S.$28.30	U.S.$17.63
2002	30.91	19.55	33.00	19.25
2003	29.75	17.83	26.64	16.31
2004	41.00	29.15	36.56	25.97
2005	66.50	37.75	61.98	34.13
Quarterly				
2004				
First quarter	33.25	29.15	29.96	26.20
Second quarter	35.25	30.20	31.35	25.97
Third quarter	35.63	31.11	31.31	26.95
Fourth quarter	41.00	31.20	36.56	27.14
2005				
First quarter	46.75	39.00	42.52	34.55
Second quarter	47.01	37.75	43.72	34.13
Third quarter	57.30	44.90	53.80	41.87
Fourth quarter	66.50	51.20	61.98	46.78
2006				
First quarter	72.04	59.30	67.09	56.01
Monthly				
2005-2006				
November	61.39	55.80	57.75	51.68
December	66.50	59.84	61.98	56.81
January	70.23	63.10	67.09	59.90
February	69.40	59.30	66.38	56.01
March	72.04	62.50	66.46	58.24
April	76.55	71.00	68.95	65.03
May	78.70	63.86	72.07	56.25

Source: Based on data of the Mexican Stock Exchange and the NYSE.
(1) As of December 31, 2005, approximately 96.8% of our outstanding share capital was represented by CPOs.

On May 31, 2006, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps64.53 per CPO, and the last reported closing price for ADSs on the NYSE was U.S.$56.97 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 the 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 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 the 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.

Each of our fixed and variable capital accounts is comprised of A shares and B shares. Under Mexican law and our by-laws, any holder of shares representing variable capital is entitled to have those shares redeemed at that holder's option for a price equal to the lower of:

- 95% of the market value of those shares 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 on which the exercise of the redemption option is effective, for a period not to exceed six months; and

- the book value of those shares at the end of the fiscal year immediately prior to the effective date of the redemption option exercise by that shareholder as set forth in our annual financial statements approved at the ordinary meeting of shareholders.

If the period used in calculating the quoted share price as described above consists of less than 30 trading days, the number of days when shares were actually traded will be used. If shares have not been traded during this period, the redemption price will be the book value of those shares as described above. If a shareholder exercises its redemption option during the first three quarters of a fiscal year, that exercise is effective at the end of that fiscal year, but

if a shareholder exercises its redemption option during the fourth quarter, that exercise is effective at the end of the next succeeding fiscal year. The redemption price is payable as of the day following the annual ordinary meeting of shareholders at which the relevant annual financial statements were approved.

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, we effected a further stock split. 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, 2005, approximately 96.8% 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 represents ten new CPOs following the stock split and the CPO trust amendment.

As of December 31, 2005, our capital stock consisted of 12,154,784,604 issued shares. As of December 31, 2005, series A shares represented 64% of our capital stock, or 8,103,189,736 shares, of which 7,676,571,754 shares were subscribed and paid, 213,087,000 shares were treasury shares and 213,530,982 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, 2005, series B shares represented 36% of our capital stock, or 4,051,594,868 shares, of which 3,838,285,877 shares were subscribed and paid, 106,543,500 shares were treasury shares and 106,765,491 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, 2005, 6,534,000,000 shares corresponded to the fixed portion of our capital stock and 5,620,784,604 shares corresponded to the variable portion of our capital stock.

At the 2005 annual shareholders' meeting held on April 27, 2006, in connection with their approval of a dividend for the 2005 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 Ps6,718 million, through the issuance of up to 480 million series A shares and 240 million series B shares, to be represented by new CPOs. The final amount of the increase in the variable part of our capital stock, as determined by our board of directors, was approximately Ps1,764 million. See Item 8 -- "Financial Information -- Dividends" above. In addition, at the 2005 annual shareholders' meeting, our shareholders approved the cancellation of 213,087,000 series A treasury shares and 106,543,500 series B treasury shares.

At the 2005 annual shareholders' meeting, our shareholders also approved a new stock split, which we expect to occur in July 2006. In connection with this new two-for-one stock split, each of our existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be 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, will distribute one additional ADS for each ADS outstanding as of the record date for the stock split. The ratio of CPOs to ADSs will not change as a result of the stock split; each ADS will represent ten (10) new CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders will not change as a result of the stock split. The financial data set forth in this annual report have not been adjusted to give retroactive effect to this new stock split.

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 were as follows:

- The restriction that prohibits our subsidiaries from acquiring shares in companies that own our shares was amended to remove a condition that our subsidiaries have knowledge of such ownership.

- The limitation on our variable capital was removed. Formerly, our variable capital was limited to ten times our minimum fixed capital, which is currently set at Ps39.5 million.

- 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.

- Amendments were made to the calculation of the redemption price for our variable capital shares, which is described above.

- Approval by the board of directors is now required for

transactions by us or any of our subsidiaries involving: (i) transactions not in the ordinary course of business with third parties related to us or to any of our subsidiaries, (ii) purchases or sales of assets having a value equal to or exceeding 10% or more of our total consolidated assets, (iii) the granting of security interests in an amount exceeding 30% of our total consolidated assets, and (iv) any other transaction that exceeds 1% of our total consolidated assets.

- 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, minority shareholder rights and corporate governance.

Under the new Mexican securities law, we are 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 will become effective on July 3, 2006. The most significant of these amendments are 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 will now be 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 figure 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 by our external auditor.

- The imposition of new 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 of the responsibilities of the audit committee.

- The chief executive officer is now the person in charge of managing the company. before, this was the duty of the board of directors. The board of directors will now supervise the chief executive officer.

- Shareholders are given the right to enter into certain agreements with other shareholders.

These amendments to our by-laws are subject to the new law becoming effective on June 28, 2006. Therefore, the following summary does not give effect to these amendments.

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 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, except in the case of shares previously acquired by us or if the shareholders waive their preemptive rights, in the context of a public offer, as set forth in the Mexican securities law. 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. With the prior approval of the Mexican securities authority, an extraordinary shareholders' meeting may approve the issuance of our stock in connection with a public offering, without the application of the preemptive rights described above. At that meeting, holders of our stock must waive preemptive rights by the affirmative vote of 50% of the capital stock, and the resolution duly adopted in this manner will be effective for all shareholders. If holders of at least 25% of our capital stock vote against the resolution, the issuance without the application of preemptive rights may not be effected. The Mexican securities authority may only approve the issuance if we maintain policies that protect the rights of minority shareholders. Any shareholder voting against the relevant resolution will have the right to have its shares placed in the public offering together with our shares and at the same market price.

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. If our board of directors denies that authorization, it must designate an alternative buyer for those shares, at a price equal to the price quoted on the Mexican Stock Exchange. Any acquisition of shares of our capital stock representing 20% 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 that class of capital stock being purchased. In the event the requirements described above 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 and we will not record such persons as holders of such shares in our shareholder ledger.

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 whenever their shareholdings exceed 5%, 10%, 15% and 20% of the outstanding shares of a particular class of our capital stock. We are required to maintain a shareholder ledger that records the names, nationality and domicile 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.

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.

Five business days prior to the commencement of the offering, our board of directors must make a determination with respect to the fairness of the offer, taking into account the interests of the minority shareholders and disclose its opinion, which must refer to the justifications of the offer price; if the board of directors is precluded from making such determination as a result of a conflict of interest, the resolution of the board of directors must be based upon a fairness opinion issued by an expert selected by the audit committee in which emphasis must be placed on minority rights.

Following the expiration of this offer, if the majority shareholders do not acquire 100% of the paid-in share 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 investment units in Mexico that reflect inflation variations. If these conditions are met, we must create a trust as described above and provide electronic notice to the Mexican Stock Exchange. For purposes of these provisions, majority shareholders are shareholders that own a majority of our shares, have voting power sufficient to control decisions at general shareholders' meetings, or that 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 statutory auditors;

- shareholders representing at least 10% of the then outstanding shares of our capital stock by requesting our board of directors or the statutory auditors to call a meeting;

- any shareholder 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

- a Mexican court in the event our board of directors or the

statutory auditors do not comply with the valid request of the shareholders 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 the profits for the preceding year. At the annual general shareholders' meeting, any shareholder or group of shareholders representing 10% or more of our outstanding voting stock has the right to appoint one regular and one alternate director in addition to the directors elected by the majority and the right to appoint a statutory auditor. The alternate director appointed by the minority holders may only substitute for the director appointed by that minority.

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.

The above-mentioned matters may only be dealt with at extraordinary shareholders' meetings.

In order to vote at a meeting of shareholders, shareholders must appear on the list that Indeval, the Mexican securities depositary, and the Indeval participants holding shares on behalf of the shareholders, prepare prior to the

meeting or must deposit prior to that meeting 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 22 of our by-laws (which specifies the list of persons who are not eligible to be appointed as a director or a statutory auditor) the affirmative vote of at least 75% of the voting stock is needed. Our by-laws also require the approval of 75% of the voting shares of our capital stock to amend provisions in our by-laws relating to the prior approval of the board of directors for share transfers and the requirements for recording share transfers in our corporate ledger.

The quorum for a first ordinary meeting of shareholders is 50% of our outstanding and fully paid shares, and for the second ordinary meeting of shareholders 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 shareholders' meeting the quorum is 50% of our outstanding and fully paid shares.

Rights of Minority Shareholders

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 adequately 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 15% 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.

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 our shareholders decide at a general shareholders' meeting that we should do so, 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 would be 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 without submitting bids during the first and the last 30 minutes of each trading session and 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 that 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 voting on that transaction. Any director who violates this prohibition will be liable for damages. Additionally, our directors and statutory auditors may not represent shareholders in the 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 that has voted against it may withdraw from CEMEX and receive the amount calculated as specified by Mexican law attributable to its shares, provided that it exercises that right within 15 days following the adjournment of the meeting at which the change was approved. For further details on the calculation of the withdrawal right, see "- General."

Dividends

At the annual ordinary general meeting of shareholders, our board of directors submits our financial statements together with a report on them by our board of directors and the statutory auditors, to our shareholders for approval.

The holders of our shares, 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 and fully paid 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 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.$103,000,000 aggregate principal amount of 4.77% Senior Notes due 2010, U.S.$96,000,000 aggregate principal amount of 5.36% Senior Notes due 2013 and U.S.$201,000,000 aggregate principal amount of 5.51% Senior Notes due 2015.

On October 15, 2003, New Sunward Holding B.V. entered into a U.S.$1.15 billion multi-tranche Term Loan Agreement. The indebtedness incurred under the agreement was guaranteed by CEMEX, CEMEX Mexico and Empresas Tolteca de Mexico and was composed of three different tranches. The first tranche was a two-year Euro denominated loan in the amount of (euro)256,365,000. The second tranche was a three-year Dollar denominated loan in the amount of U.S.$550,000,000. The third tranche was a three-year Yen denominated loan in the amount of (Y)32,688,000,000. The terms of the second and third tranches can be extended for an additional period of six months, subject to certain conditions. The proceeds were used to repurchase U.S.$650 million of preferred equity and to refinance other outstanding debt. On July 7, 2004 the three-year Dollar denominated loan in the amount of U.S.$550,000,000 was completely prepaid. On July 12, 2004, the three-year Yen denominated loan in the amount of (Y)32,688,000,000 was reduced to (Y)16,288,000,000. On June 30, 2005, all outstanding amounts under this multi-tranche Term Loan Agreement were prepaid.

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)250,000,000 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)100,000,000) was extended for an additional year and on March 31, 2006, all outstanding amounts under the revolving credit facility were paid and the revolving credit facility expired.

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, (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 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; 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 September 24, 2004, New Sunward Holding B.V., entered into a U.S.$1.25 billion multi-currency term loan that was guaranteed by CEMEX, CEMEX Mexico and Empresas Tolteca de Mexico and consisted of two tranches. The first tranche was a multi-currency one-year U.S.$500 million term loan denominated in Dollars, Euros or Pounds (or a combination thereof) with an optional six-month extension. The second tranche was a multi-currency three-year U.S.$750 million term loan denominated in Dollars, Euros, or Pounds (or a combination thereof). The proceeds of the facility were used to finance the RMC acquisition. This facility was fully repaid on April 13, 2005.

On September 24, 2004, CEMEX Espana entered into a U.S.$3.8 billion multi-currency term loan that consisted of three tranches. The first tranche was a multi-currency one-year U.S.$1.5 billion back-up term loan denominated in Dollars, Euros or Pounds (or a combination thereof) with an optional twelve month extension. The second tranche was a multi-currency three-year U.S.$1.15 billion term loan denominated in Dollars, Euros or Pounds (or a combination thereof). The third tranche was a multi-currency five-year U.S.$1.15 billion term loan denominated in Dollars, Euros or Pounds (or a combination thereof). Proceeds from the first tranche of the CEMEX Espana facility were used to refinance RMC debt. All other proceeds were used to finance the RMC acquisition. On February 25, 2005 the facilities agreement was amended and on June 21, 2005, the first tranche was cancelled. On July 4, 2005, the facilities agreement was amended and restated. The amended and restated facility is a U.S. $2.3 billion multi-currency revolving facilities agreement. The first tranche is a multi-currency U.S. $575 million revolving loan maturing on September 2007. The second tranche is a multi-currency U.S. $1.15 billion revolving loan maturing on September 2009. The third tranche is a multi-currency five-year U.S. $575 million revolving facility with two optional one-year extensions. All borrowings under the amended and restated facilities agreement can be denominated in Dollars, Euros, or Pounds (or a combination thereof). This indebtedness is guaranteed by Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex American Holdings B.V., Cemex Shipping B.V., Cemex Egyptian Investments B.V. and Cemex Asia B.V. (which became a guarantor on December 16, 2005).

On September 27, 2004, CEMEX UK Limited and RMC entered into an Implementation Agreement, pursuant to which the parties agreed to implement a scheme of arrangement under U.K. law for the acquisition of RMC by CEMEX UK Limited. The agreement contained assurances and confirmations between the parties regarding the implementation of the scheme of arrangement on a timely

basis and the conduct of RMC's business in the ordinary course. On the same date, CEMEX UK Limited 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 the applicable regulators, the scheme of arrangement became effective and CEMEX UK Limited purchased the remaining 81.2% of RMC's outstanding shares completing our acquisition of RMC.

On February 4, 2005, CEMEX, Inc. and Votorantim Participacoes S.A., or Votorantim, entered into an Asset Purchase Agreement (which was amended by Amendment No. 1 thereto entered into by the parties on March 31, 2005), pursuant to which CEMEX, Inc. sold its Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim for an aggregate purchase price of approximately U.S.$389 million. The distribution terminals sold to Votorantim are located in Green Bay, Manitowoc and Milwaukee, Wisconsin; Chicago, Illinois; Ferrysburg, Michigan; Cleveland and Toledo, Ohio; and Owen Sound, Ontario, Canada.

On March 16, 2005, CEMEX Espana and RMC entered into an Amended and Restated (pound)1,000,000,000 Term and Revolving Credit Agreement, which was originally entered into by RMC on October 18, 2002, relating to a multi-currency five-year (pound)600,000,000 revolving credit facility and a multi-currency five-year (pound)400,000,000 term loan facility. The amendments to the original agreement included a waiver of the provision requiring mandatory

prepayment in the event of a change of control, the inclusion of CEMEX Espana, Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V., Cemex Egyptian Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V, as guarantors, amendments to the financial covenants applicable to CEMEX Espana on a consolidated basis and the extension of the termination date of the revolving credit facility to six years from the date of the amended and restated agreement. Simultaneous with the execution of the amended and restated agreement, the total amount of the facilities was reduced to (pound)604,354,196; the revolving credit facility was reduced to (pound)425,558,038 and the term loan facility was reduced to (pound)178,796,154. This Term and Revolving Credit Agreement was fully prepaid and cancelled on November 7, 2005.

On April 5, 2005, we entered into a U.S.$1,000,000,000 180-day term 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 New Sunward Holding B.V., dated September 24, 2004. This credit agreement was fully prepaid on June 6, 2005.

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. de C.V. dated April 5, 2005.

On June 27, 2005, New Sunward Holding B.V. entered into a U.S.$700,000,000 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 proceeds from this Term and Revolving Facilities Agreement was used to repay of all amounts due and payable under the U.S.$1,150,000,000 term loan agreement dated October 15, 2003 and to pay other debt of New Sunward Holding B.V.

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., 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.$133,000,000 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. The proceeds of the private placement were used to repay existing facilities and for general corporate purposes. On December 16, 2005, Cemex Asia B.V. became a guarantor to the Notes issued in connection with this Note Purchase Agreement. On December 31, 2005, Cemex Manila Investments B.V. was merged with and into Cemex Asia B.V. The surviving company was Cemex Asia B.V.

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 plants and four concrete block facilities located in the Atlanta, Georgia metropolitan area to Ready Mix USA, LLC for approximately U.S.$125 million.

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. The term U.S. Shareholder shall have the same meaning ascribed below under the section "-- U.S. Federal Income Tax Considerations."

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.

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 of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated under the Code, and administrative rulings, and judicial interpretations of the Code, all as in effect on the date of this annual report and all of which are subject to change, possibly retroactively. This summary is limited to U.S. Shareholders (as defined below) who hold our ADSs or CPOs, as the case may be, as capital assets. This summary does not discuss all aspects of U.S. federal income taxation which may be important to an investor in light of its individual circumstances, for example, an investor subject to special tax rules (e.g., banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, expatriates, tax-exempt investors, persons who own 10% or more of our voting stock, or holders whose functional currency is not the Dollar or U.S. Shareholders who hold a CPO or an ADS as a position in a "straddle," as part of a "synthetic security" or "hedge," as part of a "conversion transaction" or other integrated investment, or as other than a capital asset). In addition, this summary does not address any aspect of state, local or foreign taxation.

For purposes of this summary, a "U.S. Shareholder" means a beneficial owner of CPOs or ADSs, who is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;

- a corporation or other entity taxable as a corporation that is created or organized in the United States or under the laws of the United States or any 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 U.S. 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 Section of the Securities and Exchange Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., 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

CEMEX, S.A. de C.V.

Disclosure Controls and Procedures. The Chief Executive Officer and Executive Vice President of Planning and Finance of CEMEX, S.A. de C.V. ("CEMEX") have evaluated the effectiveness of CEMEX's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2005. Based on such evaluation, such officers have concluded that CEMEX's disclosure controls and procedures are effective as of December 31, 2005.

Internal Control Over Financial Reporting. There were no changes in CEMEX's internal control over financial reporting (as such term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during fiscal 2005 that have materially affected, or are reasonably likely to materially affect, CEMEX's internal control over financial reporting.

CEMEX Mexico, S.A. de C.V.

Disclosure Controls and Procedures. The Chief Executive Officer and Executive Vice President of Planning and Finance of CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") have evaluated the effectiveness of CEMEX Mexico's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2005. Based on such evaluation, such officers have concluded that CEMEX Mexico's disclosure controls and procedures are effective as of December 31, 2005.

Internal Control Over Financial Reporting. There were no changes in CEMEX Mexico's internal control over financial reporting (as such term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during fiscal 2005 that have materially affected, or are reasonably likely to materially affect, CEMEX Mexico's internal control over financial reporting.

Empresas Tolteca de Mexico, S.A. de C.V.

Disclosure Controls and Procedures. The Chief Executive Officer and Executive Vice President of Planning and Finance of Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca") have evaluated the effectiveness of Empresas Tolteca's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2005. Based on such evaluation, such officers have concluded that Empresas Tolteca's disclosure controls and procedures are effective as of December 31, 2005.

Internal Control Over Financial Reporting. There were no changes in Empresas Tolteca's internal control over financial reporting (as such term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during fiscal 2005 that have materially affected, or are reasonably likely to materially affect, Empresas Tolteca's 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 request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

CEMEX, S.A. 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 Ps126.7 million in fiscal year 2005 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 2004, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps46.3 million for these services.

Audit-Related Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps5.1 million in fiscal year 2005 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2004, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps4.6 million for audit-related services. These fees relate mainly to technical accounting support and guidance provided by KPMG in connection with the implementation of newly issued accounting standards.

Tax Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps28.9 million in fiscal year 2005 for tax compliance, tax advice and tax planning. KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps33.5 million for tax-related services in fiscal year 2004.

All Other Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps1.2 million in fiscal year 2005 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2004, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us Ps13.6 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 2005, 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 annual shareholders' meeting held on April 28, 2005, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.$565 million) to be implemented between April 2005 and April 2006. Although this program was in place, during 2005 neither we nor any of our subsidiaries purchased any of our shares. This program expired in April 2006 and no shares were repurchased under this program.

In connection with our 2005 annual shareholders' meeting held on April 27, 2006, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.$545 million) to be implemented between April 2006 and April 2007. As of the date of this annual report, no shares were repurchased under this program.

PART III

Item 17 - Financial Statements

Not applicable.

Item 18 - Financial Statements

See pages F-1 through F-74, incorporated herein by reference.

Item 19 - Exhibits

1.1 Amended and Restated By-laws of CEMEX, S.A. de C.V. (a)
2.1 Form of Trust Agreement between CEMEX, S.A. 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. 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. 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 2.4) evidencing American Depositary Shares. (b)
2.6 Form of Certificate for shares of Series A Common Stock of CEMEX, S.A. de C.V. (b)

2.7 Form of Certificate for shares of Series B Common Stock of CEMEX, S.A. de C.V. (b)

4.1 Note Purchase Agreement dated June 23, 2003, by and among 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 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)

4.2 $1,150,000,000 Term Loan Agreement, dated October 15, 2003, by and among New Sunward Holding B.V. as borrower, CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V. as guarantors, and the several lenders named therein. (d)

4.3 Term and Revolving Facilities Agreement, dated as of March 30, 2004, by and among CEMEX Espana, as borrower, 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, 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, for an aggregate amount of (euro)250,000,000 and (Y)19,308,000,000. (d)

4.4 (euro)250,000,000, (Y)19,308,000,000 Term and Revolving Facilities Agreement, dated March 30, 2004, for CEMEX ESPANA, S.A., as Borrower, CEMEX Caracas Investments B.V., CEMEX Caracas II Investments B.V., CEMEX Egyptian Investments B.V., CEMEX Manila Investments B.V. and Sandworth Plaza Holding B.V., as Guarantors, arranged by Banco Bilbao Vizcaya Argentaria, S.A. and Societe Generale, S.A., with Banco Bilbao Vizcaya Argentaria, S.A. acting as Agent. (d)

4.5 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)

4.6 U.S.$800,000,000 Credit Agreement, dated as of June 23, 2004, among CEMEX, S.A. 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. (e)

4.7 U.S.$1,250,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for New Sunward Holding B.V., as Borrower, CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca De Mexico, S.A. de C.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International, with Citibank International PLC acting as Agent. (e)

4.8 U.S.$3,800,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for CEMEX Espana, S.A., as Borrower, CEMEX Espana, S.A., CEMEX Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Egyptian Investments B.V., CEMEX Manila Investments B.V., CEMEX American Holdings B.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International with Citibank International PLC acting as Agent. (e)

4.9 Implementation Agreement, dated September 27, 2004, by and between CEMEX UK Limited and RMC Group p.l.c. (e) 4.10 Scheme of Arrangement, dated October 25, 2004, pursuant to which CEMEX UK Limited acquired the outstanding shares of RMC Group p.l.c. (e)

4.11 Asset Purchase Agreement by and between CEMEX, Inc. and Votorantim Participacoes S.A., dated as of February 4, 2005. (e)

4.11.1 Amendment No. 1 to Asset Purchase Agreement, dated as of March 31, 2005, by and between CEMEX, Inc. and Votorantim Participacoes S.A. (e)

4.12 (pound)1,000,000,000 Amended and Restated Term and Revolving Credit Agreement, dated March 16, 2005, by and among RMC Group Limited, CEMEX

Espana, S.A., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Egyptian Investments B.V., Cemex Manila Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V., as Original Guarantors, RMC Group Limited, as Original Borrower, Banc of America Securities Limited, BNP Paribas, HSBC Investment Bank plc, the Royal Bank of Scotland plc, West LB AG, London Branch, as Mandated Lead Arrangers and the Royal Bank of Scotland plc, as Agent. (e)

4.13 U.S.$1,000,000,000 Term Credit Agreement, dated as of April 5, 2005, among CEMEX, S.A. 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, Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner, Barclays Bank PLC, Citibank, N.A., and Citibank, N.A., Nassau, Bahamas Branch as Lenders. (e)

4.14 U.S.$1,200,000,000 Term Credit Agreement, dated as of May 31, 2005, among CEMEX, S.A. 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)

4.15 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. 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)

4.16 Note Purchase Agreement, dated as of June 13, 2005, among CEMEX Espana Finance LLC, as issuer, CEMEX Espana, Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V., Cemex Egyptian Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V., as guarantors, 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)

4.17 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)

4.17.1 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)

4.18 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)

4.18.1 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)

4.19 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)

4.20 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)

4.21 Asset Purchase Agreement, dated as of September 1, 2005, between Ready Mix USA, LLC and RMC Mid-Atlantic, LLC. (f)

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

12.1 Certification of the Principal Executive Officer of CEMEX, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)

12.2 Certification of the Principal Financial Officer of CEMEX, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)

12.3 Certification of the Principal Executive Officer of CEMEX Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)

12.4 Certification of the Principal Financial Officer of CEMEX Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)

12.5 Certification of the Principal Executive Officer of Empresas Tolteca de Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)

12.6 Certification of the Principal Financial Officer of Empresas Tolteca de Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)

13.1 Certification of the Principal Executive and Financial Officers of CEMEX, S.A. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (f)

13.2 Certification of Principal Executive and Financial Officers of CEMEX Mexico, S.A. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (f)

13.3 Certification of Principal Executive and Financial Officers of Empresas Tolteca de Mexico, S.A. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (f)

14.1 Consent of KPMG Cardenas Dosal, S.C. to the incorporation by reference into the effective registration statements of CEMEX, S.A. de C.V. under the Securities Act of 1933 of their report with respect to the consolidated financial statements of CEMEX, S.A. de C.V., which appears in this Annual Report on Form 20-F. (f)

(a) Incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement on Form F-3 of CEMEX, S.A. 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. 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. 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. 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. de C.V. filed with the Securities and Exchange Commission on May 27, 2005.

(f) Filed herewith.

SIGNATURES

CEMEX, S.A. 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. de C.V.

By: /s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title: Chief Executive Officer

Date: June 7, 2006

SIGNATURES

CEMEX Mexico, S.A. 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 Mexico, S.A. de C.V.

By: /s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title Chief Executive Officer

Date: June 7, 2006

SIGNATURES

Empresas Tolteca de Mexico, S.A. 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.

Empresas Tolteca de Mexico, S.A. de C.V.

By: /s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title: Chief Executive Officer

Date: June 7, 2006

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
CEMEX, S.A. de C.V.:

We have audited the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2004 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, 2003, 2004 and 2005. These 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatements and are prepared in accordance with accounting principles generally accepted in Mexico. 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, based upon our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CEMEX, S.A. de C.V. and subsidiaries at December 31, 2004 and 2005, and the consolidated 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, 2003, 2004 and 2005, in accordance with accounting principles generally accepted in Mexico.

Accounting principles generally accepted in Mexico 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, 2003, 2004 and 2005, and stockholders' equity as of December 31, 2004 and 2005, to the extent summarized in note 25 to the consolidated financial statements.

KPMG Cardenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L., Mexico
January 27, 2006, except for note 25,
which is as of May 25, 2006

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

Consolidated Balance Sheets
(Millions of constant Mexican pesos as of December 31, 2005 and Dollars)

Assets	Note		Years ended December 31, 2004	2005		(unaudited) 2005 (Note 3A)
Current Assets						
Cash and investments	4	Ps	3,657	6,387	U.S.$	601
Trade accounts receivable less allowance for doubtful accounts	5		4,572	16,914		1,593
Other accounts receivable	6		4,857	8,236		776
Inventories	7		6,758	11,015		1,037
Other current assets	8		1,006	1,697		160
Total current assets			20,850	44,249		4,167
Investments and Noncurrent Receivables	9					
Investments in affiliated companies			15,973	8,923		840
Other noncurrent accounts receivable			3,732	7,635		719
Total investments and noncurrent receivables			19,705	16,558		1,559
Properties, Machinery and Equipment	10					
Land and buildings			52,932	88,560		8,339
Machinery and equipment			149,010	181,340		17,076
Accumulated depreciation			(102,668)	(110,126)		(10,370)
Construction in progress			3,429	5,281		497
Net properties, machinery and equipment			102,703	165,055		15,542
Intangible Assets and Deferred Charges	11		42,426	58,366		5,496
Total Assets		Ps	185,684	284,228	U.S.$	26,764
Liabilities and Stockholders' Equity						
Current Liabilities						
Bank loans	12	Ps	4,826	6,001	U.S.$	565
Notes payable	12		307	651		61
Current maturities of long-term debt	12		6,018	5,995		565
Trade accounts payable			5,720	14,466		1,362
Other accounts payable and accrued expenses	13		8,902	16,575		1,561
Total current liabilities			25,773	43,688		4,114
Long-Term Debt	12					
Bank loans			29,060	60,474		5,694
Notes payable			29,165	33,527		3,157
Current maturities of long-term debt			(6,018)	(5,995)		(564)
Total long-term debt			52,207	88,006		8,287
Other Noncurrent Liabilities						
Pension and other postretirement benefits	14		630	6,390		602
Deferred income taxes	18B		12,302	25,889		2,438
Other noncurrent liabilities	13		6,960	10,298		969
Total other noncurrent liabilities			19,892	42,577		4,009
Total Liabilities			97,872	174,271		16,410
Stockholders' Equity	15					
Majority interest:						
Common stock-historical cost basis			62	64		6
Common stock-accumulated inflation adjustments			3,735	3,735		351
Additional paid-in capital			42,580	47,133		4,438
Deficit in equity restatement			(73,900)	(75,329)		(7,093)
Cumulative initial deferred income tax effects	3S		(5,850)	(5,850)		(551)
Retained earnings			103,065	112,166		10,562
Net income			13,965	22,425		2,112
Total majority interest			83,657	104,344		9,825
Minority interest			4,155	5,613		529
Total stockholders' equity			87,812	109,957		10,354
Total Liabilities and Stockholders' Equity		Ps	185,684	284,228	U.S.$	26,764

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Income
(Millions of constant Mexican pesos as of December 31, 2005, except for earnings per share)

	Note		2003	2004	2005		(unaudited) 2005 (Note 3A)
Net sales		Ps	82,045	87,062	162,709	U.S.$	15,321
Cost of sales			(47,296)	(48,997)	(98,460)		(9,271)
Gross profit			34,749	38,065	64,249		6,050
Operating expenses:							
Administrative			(9,094)	(8,847)	(15,276)		(1,438)
Selling			(8,990)	(9,435)	(22,564)		(2,125)
Total operating expenses			(18,084)	(18,282)	(37,840)		(3,563)
Operating Income			16,665	19,783	26,409		2,487
Comprehensive financing result:							
Financial expense			(4,359)	(3,977)	(5,588)		(526)
Financial income			191	250	417		39
Results from valuation and liquidation of financial instruments			(682)	1,280	4,101		386
Foreign exchange result, net			(1,965)	(252)	(837)		(79)
Monetary position results			3,752	4,123	4,507		425
Net comprehensive financing result			(3,063)	1,424	2,600		245
Other expense, net	3V		(5,230)	(5,169)	(3,372)		(318)
Income before income taxes, employees' statutory profit sharing and equity in income of affiliates			8,372	16,038	25,637		2,414
Income tax and business assets tax, net	18		(1,026)	(1,960)	(3,564)		(336)
Employees' statutory profit sharing	18		(195)	(317)	9		1
Total income tax, business assets tax and employees' statutory profit sharing			(1,221)	(2,277)	(3,555)		(335)
Income before equity in income of affiliates			7,151	13,761	22,082		2,079
Equity in income of affiliates			398	428	928		88
Consolidated net income			7,549	14,189	23,010		2,167
Minority interest net income			348	224	585		55
Majority interest net income		Ps	7,201	13,965	22,425	U.S.$	2,112
Basic earnings per share	3A and 21	Ps	0.76	1.40	2.16	U.S.$	0.20
Diluted earnings per share	3A and 21	Ps	0.74	1.39	2.15	U.S.$	0.20

Years ended December 31: 2003, 2004, 2005.

See accompanying notes to consolidated financial statements.

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

Statements of Changes in Stockholders' Equity
(Millions of constant Mexican pesos as of December 31, 2005)

	Note		Common Stock	Additional paid-in capital	Deficit in equity restatement	Cumulative initial deferred income tax effects
Balances at December 31, 2002		Ps	3,790	34,837	(69,700)	(5,850)
Dividends (Ps0.41 pesos per share)	15A		4	4,013	-	-
Issuance of common stock	16		-	47	-	-
Share repurchase program	15A		-	420	-	-
Restatement of investments and other transactions relating to minority interest	.		-	-	-	-
Investment by subsidiaries	9		-	-	(2,952)	-
Comprehensive net income (loss)	15G		-	-	(424)	-
Balances at December 31, 2003			3,794	39,317	(73,076)	(5,850)
Dividends (Ps0.39 pesos per share)	15A		3	4,279	-	-
Issuance of common stock	16		-	69	-	-
Liquidation of optional instruments	15F		-	(1,085)	-	-
Restatement of investments and other transactions relating to minority interest			-	-	-	-
Investment by subsdiaries	9		-	-	(3,372)	-
Comprehensive net income (loss)	15G		-	-	2,548	-
Balances at December 31, 2004			3,797	42,580	(73,900)	(5,850)
Dividends (Ps0.83 pesos per share)	15A		2	4,535	-	-
Issuance of common stock	16		-	18	-	-
Restatement of investments and other transactions relating to minority interest			-	-	-	-
Investment by subsidiaries	9		-	-	(7,866)	-
Comprehensive net income (loss)	15G		-	-	6,437	-

Balances at December 31, 2005	Ps	3,799	47,133	(75,329)	(5,850)
Balances at December 31, 2005 (unaudited)	US$	358	4,438	(7,093)	(551)

[TABLE CONTINUED]

	Retained earnings	Total majority interest	Minority interest	Total stockholders' equity
Balances at December 31, 2002	104,044	67,121	14,102	81,223
Dividends (Ps0.41 pesos per share)	(4,038)	(21)	-	(21)
Issuance of common stock	-	47	-	47
Share repurchase program	-	420	-	420
Restatement of investments and other transactions relating to minority interest	-	-	(8,358)	(8,358)
Investment by subsidiaries	-	(2,952)	-	(2,952)
Comprehensive net income (loss)	7,201	6,777	348	7,125
Balances at December 31, 2003	107,207	71,392	6,092	77,484
Dividends (Ps0.39 pesos per share)	(4,142)	140	-	140
Issuance of common stock	-	69	-	69
Liquidation of optional instruments	-	(1,085)	-	(1,085)
Restatement of investments and other transactions relating to minority interest	-	-	(2,161)	(2,161)
Investment by subsdiaries	-	(3,372)	-	(3,372)
Comprehensive net income (loss)	13,965	16,513	224	16,737
Balances at December 31, 2004	117,030	83,657	4,155	87,812
Dividends (Ps0.83 pesos per share)	(4,864)	(327)	-	(327)
Issuance of common stock	-	18	-	18
Restatement of investments and other transactions relating to minority interest	-	-	874	874
Investment by subsidiaries	-	(7,866)	-	(7,866)
Comprehensive net income (loss)	22,425	28,862	584	29,446
Balances at December 31, 2005	134,591	104,344	5,613	109,957
Balances at December 31, 2005 (unaudited)	12,673	9,825	529	10,354

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Financial Position
(Millions of constant Mexican pesos as of December 31, 2005)

		Years ended December 31,			(unaudited)
		2003	2004	2005	2005 (Note 3A)
Operating activities					
Majority interest net income	Ps	7,201	13,965	22,425	U.S. $2,112
Adjustments to reconcile to resources provided by operating activities:					
Depreciation of properties, machinery and equipment		6,584	6,407	9,986	940
Amortization of deferred charges and credits, net		2,861	2,752	1,605	151
Impairment of properties and intangible assets		1,206	1,505	166	16
Pensions, and other postretirement benefits		471	451	2,001	188
Deferred income taxes charged to results		(447)	1,209	814	76
Equity in income of affiliates		(398)	(428)	(928)	(87)
Minority interest		348	224	585	55
Resources provided by operating activities		17,826	26,085	36,654	3,451
Changes in working capital, excluding acquisition effects:					
Trade accounts receivable, net		(644)	706	(462)	(43)
Other accounts receivables and other assets		259	(319)	(1,372)	(129)
Inventories		1,562	(145)	1,576	148
Trade accounts payable		815	150	1,825	172
Other accounts payable and accrued expenses		(1,881)	(2,666)	(1,921)	(181)
Net change in working capital		111	(2,274)	(354)	(33)
Net resources provided by operating activities		17,937	23,811	36,300	3,418
Financing activities					
Proceeds from bank loans (repayments), net		(3,116)	2,898	8,766	825
Notes payable, net, excluding foreign exchange effect		1,237	(6,800)	6,051	570
Investment by subsidiaries		(23)	-	-	-
Liquidation of optional instruments		-	(1,085)	-	-
Dividends paid		(4,038)	(4,142)	(4,864)	(458)
Issuance of common stock from stock dividend elections		4,017	4,282	4,537	427
Issuance of common stock under stock option programs		47	69	18	2
Repurchase of preferred stock by subsidiaries		(7,482)	(759)	-	-
Disposal of shares under repurchase program		420	-	-	-
Other financing activities, net		3,589	(1,750)	(5,571)	(524)
Resources provided by (used in) financing activities		(5,349)	(7,287)	8,937	842
Investing activities					
Properties, machinery and equipment, net		(4,510)	(4,637)	(8,341)	(785)
Acquisition of subsidiaries and affiliates		(934)	(179)	(215)	(21)

Investment in RMC Group p.l.c.	-	(8,397)	(47,080)	(4,433)
Disposal of assets	160	680	6,084	573
Minority interest	(876)	(1,402)	(155)	(15)
Deferred charges	(579)	1,488	10,278	968
Other investments and monetary foreign currency effect	(6,732)	(3,757)	(3,078)	(290)
Resources used in investing activities	(13,471)	(16,204)	(42,507)	(4,003)
Increase (decrease) in cash and investments	(883)	320	2,730	257
Cash and investments at beginning of year	4,220	3,337	3,657	344
Cash and investments at end of year	Ps 3,337	3,657	6,387	U.S.$ 601

See accompanying notes to consolidated financial statements.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Notes to the Financial Statements
As of December 31, 2003, 2004 and 2005
(Millions of constant Mexican pesos as of December 31, 2005)

1. DESCRIPTION OF BUSINESS

CEMEX, S.A. de C.V. (CEMEX or the Company) is a Mexican holding company (parent) of entities whose main activities are oriented to the construction industry, through the production and marketing of cement, ready-mix concrete and aggregates.

2. OUTSTANDING EVENTS IN 2005

o On March 1, 2005, CEMEX completed the acquisition of a 100% equity interest in RMC Group p.l.c. ("RMC"). RMC was one of the largest European cement producers and one of the largest distributors of ready-mix concrete and aggregates in the world. The purchase price of the shares, considering the 18.8% equity interest acquired in 2004 for approximately U.S.$786 million, net from the sale of certain assets, and considering acquisition expenses, amounted to approximately U.S.$4,217 million, not including approximately U.S.$2,249 million of assumed debt (note 9).

o On April 28, 2005, CEMEX stockholders approved a stock split, which became effective on July 1, 2005. In connection with the stock split, each of CEMEX's series A shares was surrendered in exchange for two new series A shares, and each of CEMEX's series B shares was surrendered in exchange for two new series B shares. The proportional equity interest of existing stockholders did not change as a result of the stock split (note 15).

o On October 3, 2005, CEMEX completed a secondary public offering of Ordinary Participation Certificates ("CPOs") and American Depositary Shares ("ADSs"), which included the sale of 22,943,340 ADSs (placed in international markets) and 80,500,000 CPOs (placed in the Mexican market). The CPOs and ADSs placed in the offering were owned by financial institutions, and were the underlying securities in equity forward contracts in the Company's own stock negotiated by CEMEX with those institutions. From the offering proceeds of approximately U.S.$1,500 million, after related expenses, approximately U.S.$1,300 million were used to settle the Company's obligations under such forward contracts (note 17).

3. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND DISCLOSURE

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles in Mexico ("Mexican GAAP"), which recognize the effects of inflation on the financial information. When reference is made to "pesos" or "Ps", it means Mexican pesos. When reference is made to "dollars" or "U.S.$", it means millions of dollars of the United States of America ("United States"). All amounts herein are presented in constant pesos and, for the year 2005 amounts in the financial statements, also in dollars, the latter being unaudited and presented solely for the convenience of the reader at

the rate of U.S.$1 = Ps10.62, the CEMEX accounting rate on December 31, 2005.

When reference is made to "(pound)" or "pounds", it means British Sterling Pounds. Except when specific references are made to "earnings per share" and "prices per share or per instrument", 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 "CPO" or "CPOs" it means the Ordinary Participation Certificates of CEMEX. As a result of the stock split previously mentioned, each CPO was surrendered in exchange for two new CPOs. Each new CPO represents the participation in two new series "A" shares and one new series "B" share of the common stock.

References to "ADS" or "ADSs" refer to American Depositary Shares, listed on the New York Stock Exchange ("NYSE"). The number of CEMEX's 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. All amounts in CPOs, shares and prices per share for 2003 and 2004 included in the financial statements and their accompanying notes have been adjusted to retroactively reflect the stock split.

Certain amounts reported in the consolidated financial statements and these notes as of December 31, 2003 and 2004 have been reclassified to conform to the presentation as of December 31, 2005.

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 peso.

	Weighted average factor	Mexican inflation factor
2002 to 2003............................	1.1049	1.0387
2003 to 2004............................	1.0624	1.0539
2004 to 2005............................	0.9590	1.0300

Common stock and additional paid-in capital are restated by Mexican inflation. The weighted average inflation factor is used for all other restatement adjustments to stockholders' equity.

C) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of CEMEX and the subsidiary companies in which the Company holds more than 50% of their common stock and/or has control. All significant balances and transactions between related parties have been eliminated in consolidation.

Financial statements of joint ventures are consolidated through the proportionate consolidation method, based on International Accounting Standard 31, "Interests in Joint Ventures". The Company applies 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.

As of December 31, 2005, the main operating subsidiaries, ordered by holding

company, and the percentage of interest directly held by their immediate holding company, are as follows:

Subsidiary	Country	% interest
CEMEX Mexico, S. A. de C.V. 1	Mexico	100.0
CEMEX Espana, S.A. 2	Spain	99.7
CEMEX Venezuela, S.A.C.A.	Venezuela	75.7
CEMEX, Inc.	United States	100.0
CEMEX (Costa Rica), S.A.	Costa Rica	99.1
Assiut Cement Company	Egypt	95.8
CEMEX Colombia, S.A.	Colombia	99.7
Cemento Bayano, S.A.	Panama	99.3
CEMEX Dominicana, S.A.	Dominican Republic	99.9
CEMEX de Puerto Rico, Inc.	Puerto Rico	100.0
RMC France, S.A.S.	France	100.0
CEMEX Asia Holdings Ltd. 3	Singapore	100.0
Solid Cement Corporation 4	Philippines	99.9
APO Cement Corporation 4	Philippines	99.9
CEMEX (Thailand) Co. Ltd.	Thailand	100.0
CEMEX U.K. Ltd. 5	United Kingdom	100.0
CEMEX Investments Limited	United Kingdom	100.0
CEMEX Deutschland, AG.	Germany	100.0
CEMEX Austria p.l.c.	Austria	100.0
Dalmacijacement d.d.	Croatia	99.2
CEMEX Czech Republic, s.r.o.	Czech Republic	100.0
CEMEX Polska sp. z.o.o.	Poland	100.0
Danubiusbeton Betonkeszito Kft.	Hungary	100.0
Readymix Plc. 6	Ireland	61.7
CEMEX Holdings (Israel) Ltd.	Israel	100.0
SIA CEMEX	Latvia	100.0
RMC Topmix LLC, Gulf Quarries Company, RMC Supermix LLC y Falcon Cement LLC 7	United Arab Emirates	100.0

1. CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") holds 100% of the shares of Empresas Tolteca de Mexico, S.A. de C.V. ("ETM") and Centro Distribuidor de Cemento, S.A. de C.V. ("Cedice"). CEMEX Mexico indirectly holds CEMEX Espana, S.A. and subsidiaries.

2. CEMEX Espana, S.A. is the indirect holding company of all CEMEX's international operations, including those acquired from RMC.

3. In December 2005, the Company acquired an additional 0.9% equity interest in CEMEX Asia Holdings Ltd. ("CAH") (note 9A). As of December 31, 2005, this acquisition is pending for registration with the Singapore authorities.

4. Represents the Company's interest, held through CAH, in the economic benefits of these entities.

5. CEMEX U.K. Ltd. is the indirect holding company of the entities that control the operations acquired in 2005 from RMC, except those located in the United States and France.

6. 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.

7. 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 shareholders.

D) BUSINESS COMBINATIONS (notes 9 and 23)

Based on Bulletin B-7, "Business Acquisitions", which is effective for business combinations beginning on January 1, 2005, CEMEX applies the following accounting guidelines: a) adoption of the purchase method as the sole valuation method for the accounting of acquired business; b) allocation of the purchase price to all assets acquired and liabilities assumed based on their fair value 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) the unallocated portion of the purchase price represents goodwill.

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, which are recorded against stockholders' equity, as part of the foreign currency translation adjustment of foreign subsidiaries.

The financial statements of foreign subsidiaries 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 peso to U.S. dollar exchange rate used by CEMEX is an average of free market rates available to settle its foreign currency transactions.

F) CASH AND INVESTMENTS (note 4)

Investments in this caption are held for trading purposes. Those investments in fixed-income securities are recorded at cost plus accrued interest. Investments in marketable securities are recorded at market value. Gains or losses resulting from changes in market values, accrued interest and the effects of inflation 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 on the latest purchase price, the average price of the last purchases or 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) INVESTMENTS AND NONCURRENT RECEIVABLES (note 9)

Investments in affiliated companies 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.

Other long-term investments, included under this caption, are recognized at their estimated fair value, and their changes in valuation are included in the results of the period 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 the fixed assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the Company's functional currency. Depreciation is calculated using the straight-line method over the estimated useful lives. The maximum useful lives by category of fixed 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

Properties, machinery and equipment are subject to impairment evaluations (note 3K). The Comprehensive Financing Results arising from indebtedness incurred during the construction or installation period of fixed assets are capitalized as part of the carrying value of such assets.

J) INTANGIBLE ASSETS AND DEFERRED CHARGES (note 11)

Intangible assets acquired, as well as costs incurred in the development stages of intangible assets, are capitalized when associated future benefits are identified and the control over such benefits is established. Expenditures not meeting these requirements are charged to earnings as incurred. Intangible assets are presented at their restated value and are classified as having a definite life, which are amortized over the benefited periods, and as having an indefinite life, which 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. When the value cannot be reasonably estimated, such value is included as part of goodwill, which is not amortized since January 1, 2005 and is subject to periodic impairment tests (note 3K). Until December 31, 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 before 1992 was amortized over a maximum period of 40 years, while goodwill generated from 1992 to 2004 was amortized over a maximum period of 20 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 preoperative expenses deferred until December 31, 2003, in compliance with regulations effective as of that date, continue to be amortized over their original periods.

K) IMPAIRMENT OF LONG LIVED ASSETS (notes 10 and 11)

The Company evaluates the balances of its machinery and equipment, 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 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.

Likewise, CEMEX periodically evaluates the balances of goodwill and other intangible assets of indefinite life by determining the cash flows to be generated by the reporting units to which those assets relate. A reporting unit refers to a group of one or more cash generating units. Cash flows are discounted at present value, and an impairment loss is recognized if such discounted cash flows are lower than the net book value of the reporting unit.

L) DERIVATIVE FINANCIAL INSTRUMENTS (notes 12 and 17)

In compliance with the guidelines established by the Risk Committee, CEMEX uses derivative financial instruments, in order to change the risk profile associated with changes in interest rates and exchange rates of foreign currency denominated debt instruments, as a vehicle to reduce financing costs (note 12); as an alternative source of financing (note 17), and as hedges of: (i) forecasted transactions, (ii) net assets in foreign subsidiaries and (iii) executive stock option programs (note 16).

Derivative financial instruments are recognized as assets or liabilities in the balance sheet at their estimated fair value and the changes in such values are recognized in the income statement for the period in which they occur, unless such instruments have been designated as accounting hedges of debt or equity instruments. 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.

Until December 31, 2004, as a result of the absence of specific rules for designated transactions that qualify as hedging activities, CEMEX applied the following accounting rules, which remained effective in 2005, since they comply with the rules set forth in Bulletin C-10:

a) Changes in the estimated fair value of interest rate swaps to exchange floating rates for fixed rates, designated as accounting hedges of the variability in the cash flows associated with the interest expense of a portion of the contracted 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 (note 15G). These effects are reclassified to earnings, in the case of the forecasted debt, once the related debt is recognized in the balance sheet and its related financial expense is accrued.

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 15D). The accumulated effect in stockholders' equity is reversed through the income statement upon disposition of the foreign investment.

c) Beginning in January 1, 2005, changes in fair value of all forward contracts in the Company's own shares are recognized in the income statement as part of the comprehensive financial result. Until December 31, 2004, only the effect of those contracts designated as hedges for executive stock option programs (note 16) were recognized in the income statement 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 during 2004 and 2003, and from equity instruments (appreciation warrants) during 2003, were recognized in stockholders' equity upon settlement (notes 15F and 17A).

d) Changes in fair value of derivative instruments, such as foreign currency forward contracts or options, negotiated to hedge a firm commitment are recognized through stockholders' equity, following the cash flow hedging model, and are reclassified to the income statement once the operation underlying the firm commitment takes place, as the effects from the hedged item are reflected 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 17B), the accumulated effect in stockholders' equity is reclassified to the income statement when the purchase occurs.

e) Changes in fair value of the following derivative instruments are recognized in the income statement within the valuation and liquidation of financial instruments: (i) interest rate swaps not designated as cash flow hedges; (ii) derivative instruments for the exchange of interest rates and currencies (Cross Currency Swaps or "CCS"), negotiated to change the profile of the interest rate and currency of existing debt; and (iii) other derivative instruments not identified with a particular exposure.

Until December 31, 2004, financial debt related to CCS, was presented in the balance sheet as if it had been negotiated in the exchanged currencies, through the reclassification to such debt of a portion of the assets or liabilities resulting from the estimated fair value recognition of such CCS. The non-reclassified portion, resulting mainly from the difference between the forward exchange rates and those in effect as of the balance sheet date, remained within other assets or other liabilities. Beginning on January 1, 2005, Bulletin C-10, does not allow the synthetic presentation of two financial instruments, the primary position and the derivative instrument, as if they were a single instrument; therefore, the reclassification mentioned above was discontinued; consequently, financial debt related to CCS is presented in the currencies originally negotiated.

Interest accruals generated by interest rate swaps and CCS, are recognized as financial expense, adjusting the effective interest rate of the related debt. Interest accruals from other hedging derivative instruments are recorded within the same item when the effects of the primary instrument subject to the hedging relation are recognized. Transaction costs are deferred and amortized in earnings over the life of the instrument or immediately upon settlement.

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 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 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) ASSET RETIREMENT OBLIGATIONS (note 13)

Beginning in 2003, the Company recognizes unavoidable obligations, legal or assumed, to restore the site or the environment when removing operating assets at the end of their useful lives. These obligations represent the net present value of expected cash outflows 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 results 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 in the case of CEMEX are related mainly to future costs of demolition, cleaning and reforestation, derived from commitments, both legal or assumed, so that at the end of the operation, the sites where raw material is extracted, the maritime terminals and other production sites, are left in acceptable condition. For those situations identified and quantified, effective January 1, 2003, a remediation liability was recorded for approximately Ps515, against fixed assets for Ps372, deferred income tax assets for Ps56 and an initial cumulative effect for Ps87, which was recorded in stockholders' equity as an element of comprehensive net income. Before 2003, CEMEX had already provided accruals for certain situations.

N) CONTINGENCIES AND COMMITMENTS (note 22)

Obligations or losses, related to contingencies, are recognized as liabilities in the balance sheet when present obligations exist, and when, as a result of past events, it is probable that the effects will materialize and can be reasonably quantified. 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 formalized with suppliers or clients, 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.

O) PENSIONS AND OTHER POSTRETIREMENT BENEFITS (note 14)

The costs related to benefits to which employees are entitled by pension plans and other postretirement benefits, including medical expenses, life insurance, severance payments and seniority premiums, legally or by Company grant, are recognized in the operating results, as services are rendered, based on actuarial estimations of the benefits' present value. The amortization of prior service cost (transition asset) and of changes in assumptions and adjustments based on experience is recognized over the employee's estimated active service life. For certain pension plans, irrevocable trust funds have been created to cover future benefit payments.

The actuarial assumptions upon which the Company's employee benefit liabilities are determined consider the use of real rates (nominal rates discounted by inflation). Until December 31, 2004, postemployment benefits paid upon termination of the working relationship but before retirement, such as severance benefits, were recognized as an expense in the year in which they were paid. In

some circumstances, however, provisions were made for these benefits. Starting January 1, 2005, according to Bulletin D-3, "Labor Obligations", the costs related to severance benefits are recognized over the estimated active service life of the employees.

P) DEFICIT IN EQUITY RESTATEMENT (note 15)

The deficit in equity restatement includes: (i) the accumulated effect from holding non-monetary assets; (ii) the currency translation effects from foreign subsidiaries' financial statements, net of 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 (notes 3E and 15D); and (iii) valuation and liquidation effects of certain derivative financial instruments that qualify as hedge instruments, which are recorded temporarily or permanently in stockholders' equity (note 3L).

Q) COMPREHENSIVE NET INCOME (note 15G)

The Company presents comprehensive net income and its components as a single item in the statement of changes in stockholders' equity. Comprehensive net income represents the change in stockholders' equity during a period for transactions and other events not representing contributions, reductions or distributions of capital.

R) EXECUTIVE STOCK OPTION PROGRAMS (note 16)

Until December 31, 2004, the Company recognized the cost associated with executive stock options programs as part of the cost of the period, using the intrinsic value method, for those options which, as of the grant date, it was not known the exercise price at which the underlying shares would be exercised, because such exercise price is increasing (variable) over the life of the options, and did not imply the issuance of new shares upon exercise. The intrinsic value method represents the existing appreciation between the market price of the share and the exercise price established in the option. The Company did not recognize cost for those programs in which the exercise price was equal to the CPO price at the option's grant date, remained fixed for the life of the option and implied the issuance of new shares upon exercise.

Beginning in 2005, under Mexican GAAP, the Company adopted the International Financial Reporting Standard No. 2, "Shared-based Payment" ("IFRS 2"). Based on 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 Company determined that the options in its fixed program (note 16) are defined as equity instruments, while the other programs (note 16) are liability instruments. The cost of equity instruments represents their estimated fair value at the date of grant and is recognized in earnings during the instruments' vesting period. Liability instruments under IFRS 2 are valued at their estimated fair value at each reporting date, recognizing the changes in valuation through the income statement. The estimated fair value of options should be determined using financial option pricing models.

In addition, under IFRS 2, a cost should be recognized for those equity instruments which as of the adoption date have a remaining vesting period. Regarding the Company's fixed program, as of the adoption date, the exercise rights were fully vested. In respect to the liability instruments, CEMEX determined the estimated fair value of the outstanding options in the different programs and recognized in the income statement an expense of approximately Ps992 (Ps860 after income tax), resulting from the difference between the estimated fair value of the instruments and the existing accrual related to such programs, which was quantified through the intrinsic value of the options. This expense was recognized as the initial cumulative effect of changes in accounting standards and is presented within the results from valuation and liquidation of financial instruments. In accordance with Bulletin A-7, "Comparability", the Company did not restate the financial information of prior years in connection

with the accounting change mentioned above.

Had the Company used the same accounting rules during the years ended December 31, 2003 and 2004, net income as well as basic net earnings per share would have been as follows:

	2003	2004
Majority net income as reported....................	Ps 7,201	Ps 13,965
Options' fair value 1.............................	(454)	(363)
Majority net income pro forma......................	Ps 6,747	Ps 13,602
Basic earnings per share as reported...............	0.76	1.40
Basic earnings per share pro forma.................	0.71	1.36

1 In order to determine fair value in 2003 and 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 2003 and 2004, using the market prices and other assumptions prevailing during those years in the option pricing models.

S) INCOME TAX, BUSINESS ASSETS TAX, EMPLOYEES' STATUTORY PROFIT SHARING AND DEFERRED INCOME TAXES (note 18)

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 effects of deferred IT and ESPS. Consolidated deferred IT represents the summary of the effect determined in each subsidiary by 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 effects became available and subject to a recoverability analysis, reflecting tax loss carryforwards as well as other recoverable taxes and tax credits. The effect of a change in the effective statutory tax rate is recognized in the income statement for the period in which the change occurs and is officially declared. 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.

The cumulative initial effect, arising from the adoption of the asset and liability method, was recognized on January 1, 2000 in stockholders' equity under the caption "Cumulative initial deferred income tax effects". In the statement of changes in stockholders' equity, the cumulative initial effect corresponds to the consolidated entity. The difference between the Parent Company's and the consolidated accumulated initial deferred IT effects is included under the caption "Deficit in Equity Restatement".

T) REVENUE RECOGNITION

Revenue is recognized upon shipment of cement, ready-mix concrete and aggregates 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, thorough goods delivered or services rendered, and there is no condition or uncertainty implying a reversal thereof.

U) MONETARY POSITION RESULT

The monetary position result, which represents the gain or loss from holding monetary assets and liabilities in inflationary environments, is calculated by applying the inflation rate of the country of each subsidiary to its net monetary position (difference between monetary assets and liabilities).

V) OTHER INCOME AND EXPENSE

Other income and expense, in the statements of income, consists primarily of goodwill amortization until 2004, dumping duties, 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.

W) USE OF ESTIMATES

The preparation of financial statements 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. The main captions subject to estimates and assumptions include 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. Actual results could differ from these estimates.

X) 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 accounted for a significant amount of the Company's sales in 2003, 2004 and 2005, 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.

4. CASH AND INVESTMENTS

Consolidated cash and investments as of December 31, 2004 and 2005 consists of:

		2004	2005
Cash and bank accounts..............................	Ps	1,549	3,532
Fixed-income securities.............................		1,650	2,384
Investments in marketable securities................		458	471
	Ps	3,657	6,387

5. TRADE ACCOUNTS RECEIVABLE

The Company evaluates each of its customers' credit and risk profiles in order to establish the required allowance for doubtful accounts. Consolidated trade accounts receivable as of December 31, 2004 and 2005, include allowances for doubtful accounts of Ps725 and Ps1,242, respectively.

As of December 31, 2004 and 2005, the Company has established sales of trade accounts receivable programs with financial institutions ("securitization

programs") in Mexico, United States and Spain, through which accounts receivable have been sold for Ps6,822 (U.S.$642) and Ps7,334 (U.S.$691), respectively. Through these programs, the Company effectively surrenders control, risks and the benefits associated with the accounts receivable sold; therefore, the amount of accounts receivable sold is recognized 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 (note 6). The accounts receivable 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. 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 Ps109 (U.S.$10) in 2003, Ps121 (U.S.$11) in 2004 and.Ps210 (U.S.$20) in 2005

6. OTHER ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of December 31, 2004 and 2005 consist of:

		2004	2005
Non-trade accounts receivable......................	Ps	1,160	4,849
Advances and valuation of derivative instruments (notes 12 and 17)..........		1,762	964
Interest and notes receivable......................		1,148	1,389
Advances for travel expenses and loans to employees..............................		415	262
Refundable taxes..................................		372	772
	Ps	4,857	8,236

Non-trade accounts receivable are mainly originated by the sale of assets. Interest and notes receivable include Ps1,114 (U.S.$105) in 2004 and Ps1,369 (U.S.$129) in 2005, arising from securitization programs (note 5).

7. INVENTORIES

Consolidated balances of inventories as of December 31, 2004 and 2005 are summarized as follows:

		2004	2005
Finished goods....................................	Ps	1,607	3,330
Work-in-process...................................		1,538	1,712
Raw materials.....................................		639	2,563
Supplies and spare parts, net of obsolescence provision...................		2,404	2,523
Advances to suppliers.............................		255	351
Inventory in transit..............................		315	536
	Ps	6,758	11,015

In December 2004, impairment losses of approximately Ps182 were recognized within other expenses (note 3G).

8. OTHER CURRENT ASSETS

Other current assets in the consolidated balance sheets as of December 31, 2004 and 2005 consist of:

		2004	2005
Advance payments	Ps	452	1,047
Assets held for sale		554	650
	Ps	1,006	1,697

Assets held for sale are stated at their estimated realizable value and mainly consist of: (i) non-cement related assets acquired in business combinations and (ii) assets held for sale received from customers as payment of trade receivables.

9. INVESTMENTS AND NONCURRENT ACCOUNTS RECEIVABLE

A) INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

Consolidated investments in affiliated companies as of December 31, 2004 and 2005 are summarized as follows:

		2004	2005
Book value at acquisition date	Ps	12,635	5,034
Revaluation by equity method		3,338	3,889
	Ps	15,973	8,923

Investments held by subsidiaries in CEMEX shares, amounting to Ps11,999 (154,014,032 CPOs) in 2004 and Ps19,864 (314,308,790 CPOs) in 2005, are offset against majority interest stockholders' equity in the accompanying financial statements.

The Company's principal acquisitions and divestitures during 2003, 2004 and 2005 are as follows:

I. On March 1, 2005, following board and shareholders approval and clearance from applicable regulators, CEMEX completed the acquisition of 100% of the outstanding stock of RMC Group p.l.c. ("RMC"). The purchase price of the shares, considering the 18.8% equity interest acquired in 2004 for approximately U.S.$786, net from the sale of certain assets and considering acquisition expenses, amounted to approximately U.S.$4,217 (Ps44,787). This amount does not include approximately U.S.$2,249 (Ps23,886) 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. RMC had operations in 22 countries, primarily in Europe and the United States, and employed over 26,000 people. In 2004, RMC sold 14.4 million tons of cement, 51.4 million cubic meters of ready-mix and 131.6 million tons of aggregates. The assets acquired include 13 cement plants with total installed capacity of approximately 17 million tons, located in the United Kingdom, the United States, Germany, Croatia, Poland and Latvia.

The acquisition, which began in September 2004 through a public purchase offer, was subject to the approval by RMC shareholders and applicable regulators in Europe and the United States.

On December 22, 2005 CEMEX terminated its joint ventures with the French construction materials 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 after receiving regulatory approval from the applicable regulators. Subsequent to the sale and according to the terms of the agreement, CEMEX acquired from RMA assets

in the ready-mix and aggregates sector, representing 29 concrete plants and 5 aggregate quarries. The net sale price, considering the purchase of assets from RMA, was approximately U.S.$61. The Company's equity interest in RMA and Betecna was acquired through 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, and both companies were consolidated through the proportionate consolidation method (note 3C).

In addition, as a condition of the authorities in the United States to approve the acquisition of RMC, on August 29, 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. These assets derived from RMC's operations in the United States.

II. On July 1, 2005, CEMEX Inc., the Company's subsidiary in the United States, and Ready Mix USA, Inc. ("Ready Mix USA"), a private ready-mix producer with operations in the Southeastern United States, established two joint ventures to satisfy construction needs in that region. Under the terms of the arrangement, CEMEX Inc. contributed a to a cement joint venture, two cement plants (Demopolis, AL and Clinchfield, GA) and eleven cement terminals in exchange for a 50.01% equity interest in this entity. To a second joint venture, CEMEX Inc. contributed ready-mix, aggregates and concrete blocks plants in Florida and Georgia, in exchange for a 49.99% equity interest in such venture. 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, in exchange for a 49.99% equity interest in the cement joint venture and a 50.01% equity interest in the ready-mix concrete and aggregates joint venture. In addition, on September 1, 2005, CEMEX sold to the ready-mix joint venture 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.

After the third year of the strategic alliance and for a 25-year period, Ready Mix USA will have the right, but not the obligation, to require CEMEX to acquire the interests contributed by Ready Mix USA to the joint ventures. As of December 31, 2005, CEMEX has control and consolidates in the balance sheet the cement joint venture, while Ready Mix USA controls the joint venture that manages the ready-mix and construction materials assets; therefore, CEMEX interest in this business is accounted for by the equity method.

III. In March 2005, the Company sold the Charlevoix, Michigan, and Dixon, Illinois cement plants, both in the United States, including a cement terminal located in the Great Lakes region to Votorantim Participacoes S.A., for an aggregate purchase price of approximately U.S.$413. 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 CEMEX's annual operating cash flow in the United States before the RMC acquisition. The consolidated income statement for the year ended December 31, 2005 includes the results of operations relating to these plants for the three-month period ended March 31, 2005.

IV. On December 23, 2005 the Company acquired 0.9% (93,241 shares) of CAH, stock that remained owned by third parties, for approximately U.S.$8 (Ps84). In 2004, CEMEX acquired approximately 20.6% (2,093,667 shares) of CAH 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 (Ps1,837), recognizing a loss of

Ps960 in equity in 2004 as part of comprehensive income (loss), resulting from the excess of the price paid over the book value of the shares. CAH is the holding company of the subsidiaries in the Philippines, Thailand and Bangladesh, as well as the investment in Indonesia. CAH was constituted in 1999 by CEMEX and institutional investors in Asia with the objective of investing in that region. Through these operations, the Company's interest on CAH increased to 100%.

V. On April 26, 2005, CEMEX concluded the divestiture of its 11.9% equity interest in the Chilean cement company Cementos Bio Bio, S.A., for approximately U.S.$65 (Ps690), recognizing a gain of Ps207 within the caption of other income. Until the date of the sale, this investment was accounted for by the equity method.

VI. In August and September 2003, for a combined price of approximately U.S.$100 (Ps1,142), CEMEX, Inc. acquired Mineral Resource Technologies, Inc. ("MRT"), distributor of minerals used in manufacturing of ready-mix concrete, and a cement plant and quarry with an annual production capacity of 560 thousand tons located in Dixon, Illinois, United States. The consolidated income statement of 2003, includes the operating results of MRT and the Dixon plant since the respective acquisition dates. As noted in III above, the Dixon plant was sold in March 2005.

As of December 31, 2004 and 2005, the consolidated investments in affiliated companies were as follows:

	Activity	Country	%		2004	2005
RMC Group p.l.c.	Concrete	United Kingdom	18.8	Ps	8,810	-
PT Semen Gresik, Tbk	Cement	Indonesia	25.5		2,661	2,541
Control Administrativo Mexicano, S.A. de C.V.	Cement	Mexico	49.0		2,147	2,491
Ready Mix USA	Concrete	EUA	49.0		-	341
Trinidad Cement Ltd	Cement	Trinidad	20.0		286	325
Cementos Bio Bio, S.A.	Cement	Chile	11.9		453	-
Cancem, S.A. de C.V.	Cement	Mexico	10.0		219	255
Lehigh White Cement Company	Cement	EUA	24.5		136	148
Societe des Ciments Antillais	Cement	French Antilles	26.1		190	177
Caribbean Cement Company Ltd	Cement	Jamaica	5.0		112	-
Other	-	-			959	2,645
				Ps	15,973	8,923

During 2003, the management of PT Semen Padang ("Padang"), subsidiary of Gresik, by different means obstructed the ownership rights of Gresik, by not acknowledging the administration of Padang elected by Gresik at the May 2003 stockholders' meeting. In September 2003, pursuant to a court order, the management appointed by Gresik finally assumed its duties. In December 2003, Gresik designated new auditors to review the 2002 and 2003 consolidated financial statements. The in-depth troubles persist and are related to the agreements of 1998 between the Indonesian government and CEMEX, which are determinant for the Company's decision to invest in Indonesia. According to these agreements, the government would sell to CEMEX the majority interest of Gresik and subsidiaries, which has not occurred mainly due to the opposition of the provincial administration of West Sumatra, which has argued that the original sale of Padang by the government to Gresik in 1995 is invalid, since certain necessary approvals were not obtained.

In December 2003, CEMEX filed before the International Center for the Settlement of Investments Disputes a request for arbitration against the Indonesian government. The arbitration tribunal held its first session in July 2004, at which the Indonesian government objected to the tribunal's jurisdiction. As of December 31, 2005, the tribunal was still determining if it has jurisdiction to hear the dispute. The resolution of in-depth issues can take several years. CEMEX evaluates its investment in conformity with its accounting policies. As of December 31, 2004 and 2005, CEMEX used the best information available in order to value its investment in Gresik.

B) OTHER INVESTMENTS AND NONCURRENT ACCOUNTS RECEIVABLE

Amounts include assets for the valuation of derivative instruments (notes 12 and 17) of Ps1,592 in 2004 and.Ps4,190 in 2005 Furthermore, the amounts include investments in private funds, recorded at fair value of U.S.$8 (Ps89) in 2004 and U.S.$19 (Ps203) in 2005. In 2004 and 2005, approximately U.S.$2 (Ps25) and U.S.$9 (Ps91), were contributed to these funds, respectively.

10. PROPERTIES, PLANT AND EQUIPMENT

During 2004 and 2005, impairment losses of approximately Ps1,084 and Ps166 were recognized within other expenses, respectively, derived from idle assets resulting from the closing of cement assets in Mexico and the Philippines. These assets were adjusted to their estimated realizable value.

11. INTANGIBLE ASSETS AND DEFERRED CHARGES

As of December 31, 2004 and 2005, consolidated intangible assets of definite and indefinite life and deferred charges are summarized as follows:

		2004	2005
Intangible assets of indefinite useful life:			
Goodwill	Ps	45,872	57,331
Accumulated amortization		(9,794)	(9,593)
		36,078	47,738
Intangible assets of definite useful life:			
Cost of internally developed software		2,891	3,233
Intangible asset for pensions (note 14)		874	604
Accumulated amortization		(1,858)	(2,579)
		1,907	1,258
Deferred charges:			
Prepaid pension costs (note 14)		422	-
Deferred financing costs		529	528
Deferred income taxes (note 18B)		1,835	3,667
Others		3,422	7,455
Accumulated amortization		(1,767)	(2,280)
		4,441	9,370
	Ps	42,426	58,366

As a result of the Company's periodic impairment evaluations (note 3K), in 2003 and 2004, the book values of the Company's information technology business unit and the Company's business unit in the Philippines were determined to exceed the respective amount of expected cash flows; therefore, impairment losses of goodwill were recognized within other expenses for Ps898 in 2003 and Ps239 in 2004. The losses related to the Company's information technology business unit were Ps160 in 2003 and Ps239 in 2004 and those related to the business unit in the Philippines in 2003 were Ps738. In 2005 no impairment losses were determined in connection with the impairment evaluations.

The amortization expenses of intangible assets and deferred charges were Ps2,861 in 2003, Ps2,752 in 2004 and Ps1,605 in 2005, of which approximately 69%, 66% and14%, respectively, were recognized in other expenses, while the difference in each year was recognized within operating expenses.

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12. SHORT-TERM AND LONG-TERM BANK LOANS AND NOTES PAYABLE

As of December 31, 2004 and 2005, short-term and long-term consolidated debt and their related derivative instruments are summarized as follows:

According to the interest rate in which debt was contracted:

	2004			2005		
	Effective rate 1		Carrying amount	Effective rate 1		Carrying amount
Short-term						
Floating rate 3	2.35%	Ps	11,136	4.65%	Ps	11,818
Fixed rate 3	6.98%		15	11.08%		829
			11,151			12,647
Long-term						
Fixed rate 3	5.54%		22,247	5.14%		42,269
Floating rate 3	3.67%		29,960	4.01%		45,737
			52,207			88,006
		Ps	63,358		Ps	100,653

According to currency contracted:

	2004				2005			
	Short term	Long term	Total 2	Effective rate 1	Short term	Long term	Total 2	Effective rate 1
Dollar	Ps 3,186	Ps 32,177	Ps 35,363	4.9%	Ps 5,478	Ps 45,921	Ps 51,399	5.2%
Japanese yen	3,071	5,908	8,979	1.2%	337	4,224	4,561	1.1%
Euros	4,698	4,978	9,676	3.1%	2,052	18,772	20,824	2.9%
Sterling pounds	-	8,906	8,906	5.5%	537	1,872	2,409	5.5%
Pesos	185	214	399	6.2%	4,064	17,166	21,230	10.4%
Egyptian pounds	11	-	11	13.5%	54	-	54	9.6%
Other currencies	-	24	24	15.6%	125	51	176	10.6%
	Ps 11,151	Ps 52,207	Ps 63,358		Ps 12,647	Ps 88,006	Ps 100,653	

By category or instrument type:

2004		Short-term	Long-term
Bank loans			
Lines of credit in Mexico	Ps	509	-
Lines of credit in foreign countries		4,317	-
Syndicated loans, 2005 to 2009		-	29,060
		4,826	29,060
Notes payable			
Foreign commercial paper		242	-
Euro medium-term notes, 2005 to 2009		-	1,212
Medium-term notes, 2005 to 2008		-	8,075
Medium-term notes, 2005 to 2015		-	18,774
Other documents		65	1,104

	Short-term	Long-term
	307	29,165
Total bank loans and notes payable	5,133	58,225
Current maturities	6,018	(6,018)
	Ps 11,151	52,207

2005	Short-term	Long-term
Bank loans		
Lines of credit in Mexico	Ps 2,039	-
Lines of credit in foreign countries	3,962	-
Syndicated loans, 2006 to 2010	-	51,728
Bank Loans, 2006 to 2007	-	8,746
	6,001	60,474
Notes payable		
Euro medium-term notes, 2006 to 2009	-	1,204
Euro medium-term notes, 2006 to 2008	-	5,818
Euro medium-term notes, 2006 to 2015	-	24,088
Other notes	651	2,417
	651	33,527
Total bank loans and notes payable	6,652	94,001
Current maturities	5,995	(5,995)
	Ps 12,647	88,006

(1) Represents the weighted average effective rate.

(2) In 2004, includes the effects for currencies exchange originated by the Cross Currency Swaps ("CCS") (note 12B).

(3) Includes the effects of Interest Rate Swaps (note 12A), as well as CCS (note 12B).

The most representative exchange rates to the financial debt as of December 31, 2004 and 2005 are as follows:

	2004	2005
Mexican pesos per dollar	11.14	10.62
Japanese yen per dollar	102.49	117.81
Euros per dollar	0.7383	0.8440
Sterling pounds per dollar	0.5218	0.5812

The most important transactions in the consolidated financial debt during 2005 are as follows:

Debt as of December 31, 2004	Ps 63,358

Transactions during 2005:

Credits in connection with the financing of the RMC acquisition	Ps 37,170
New bank loans	30,267
Debt assumed through RMC acquisition	23,886
Medium-term Mexican commercial paper	3,640
Medium-term foreign commercial paper	3,452
Debt repayments, net	(61,120)
Change during the period	37,295
	Ps 100,653

The maturities of long-term debt as of December 31, 2005 are as follows:

	2005
2007	Ps 14,246
2008	15,878
2009	25,894
2010	22,241
2011 and thereafter	9,747
	Ps 88,006

As of December 31, 2004 and 2005, there were short-term debt transactions amounting to U.S.$847 (Ps9,051) and U.S.$505 (Ps5,362), 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 long-term lines of credit.

As of December 31, 2005, the Company and its subsidiaries have the following lines of credit, both committed and subject to the banks' availability, at annual interest rates ranging between 0.42% and 17.74%, depending on the negotiated currency:

	Line of Credit	Available
European commercial paper (U.S.$600)	Ps 6,372	6,372
Revolving credit facility (U.S.$700)	7,434	1,328
Multi-currency revolving credit (U.S.$1,200)	12,744	7,222
Other lines of credit in foreign subsidiaries	67,405	13,567
Other lines of credit form banks	11,470	2,835
	Ps 105,425	31,324

Derivative Financial Instruments (note 3L)

As of December 31, 2004 and 2005, in order to: (i) change the profile of the interest rate originally negotiated on a debt portion (note 12A), and (ii)

reduce the financial cost of debt originally contracted in dollars or pesos (note 12B), the Company has negotiated derivative financing instruments related to existing short-term and long-term debt, which are described as follows:

A) Interest Rate Swap Contracts

As of December 31, 2004 and 2005, information with respect to interest rate swaps ("IRS") related to short-term and long-term financial debt is summarized as follows:

(Amounts in millions)		Notional Amount	Fair Value	Effective rate
2004				
Swaps related to long-term debt 3	U.S.$	1,950	(174)	5.8%
2005				
Swaps related to long-term debt 1	U.S.$	387	6	4.4%
Swaps related to long-term debt 2		1,113	6	4.5%
Swaps related to long-term debt 3		1,000	37	4.9%
Swaps related to long-term debt 4		225	3	4.9%
	U.S.$	2,725	52	

1 As of December 31, 2005, under these contracts, CEMEX receives a floating LIBOR* rate and pays a fixed rate of 4.0%. These contracts were designated as accounting hedges of contractual cash flows (interest payments) of the related underlying U.S. dollar floating rate debt, and mature in June 2009. Changes in the estimated fair value of these instruments are recognized in stockholders' equity.

2 As of December 31, 2005, under these contracts, CEMEX receives a floating LIBOR* rate and pays a fixed rate of 4.1%. The contracts were designated as accounting hedges of contractual cash flows (interest payments) of the related underlying U.S. dollar floating rate debt, and mature in August 2009. Changes in the estimated fair value of these instruments are recognized in stockholders' equity.

3 As of December 31, 2004 and 2005, these contracts were not designed as accounting hedges since they have optionality. Nevertheless, the contracts complement CEMEX's financial strategy. Under these instruments, CEMEX receives a floating LIBOR* rate and pays a fixed rate of 4.6%. The maturity of these contracts is in October 2009. Changes in the estimated fair value of these instruments are recognized in the income statement of the period.

4 Likewise, as of December 31, 2005, these contracts were not designed as accounting hedges since they have optionality. Through these instruments, CEMEX receives a floating LIBOR* rate and pays a fixed rate of 3.9%. These contracts mature in April 2010. Changes in the estimated fair value are recognized in the income statement of the period.

* LIBOR represents the London Interbank Offering Rate, used in the market for debt denominated in US dollars. "Bps" means basis points. One basis point is .01 percent.

During 2004 and 2005, due to changes in the interest rate mix of the financial debt portfolio, interest rate swap contracts were settled for a nominal amount of U.S.$100 and U.S.$775, respectively. As a result of the settlement, the Company recognized losses of approximately U.S.$8 (Ps89) in 2004 and U.S.$4 (Ps38) in 2005, representing the estimated fair value of the contracts as of the settlement date, which were recognized in the income statement of the period.

In addition, on March 1, 2005, as a result of the acquisition of RMC, CEMEX assumed interest rate swap contracts for a notional amount of approximately U.S.$585, with an estimated loss in the fair value of approximately U.S.$28. These interest rate derivative instruments were settled by CEMEX in June 2005, generating a gain in Comprehensive Financial Income for the change in the fair value between the purchase date and the settlement date for approximately U.S.$8 (Ps79).

In July 2004, CEMEX negotiated with a financial institution interest rate swap contracts for a notional amount of U.S.$200, receiving a fixed interest rate and paying a floating interest rate for a five-year period. These contracts resulted from the exercise, by the financial institution, of interest rate swap options (swaptions) sold by CEMEX in previous years. In 2003, considering the premiums obtained for the sale of swaptions net of changes in the fair value and settlement effects, the Company recognized a net gain of approximately U.S.$3 (Ps31) in earnings of the period.

In June 2003, resulting from the settlement of Forward Rate Agreements ("FRAs") for a notional amount of U.S.$650, the Company negotiated interest rate swap contracts. FRAs were designated as accounting hedges of the interest rate of forecasted debt issuances. Upon settlement, a loss of approximately U.S.$38 (Ps431) was recognized in stockholders' equity and is being amortized to the financial expense as part of the effective interest rate of the related existing debt. The amount amortized was U.S.$8 (Ps89) in 2003, U.S.$4 (Ps46) in 2004 and U.S.$3 (Ps34) in 2005.

B) Cross Currency Swap Contracts ("CCS") and Other Currency Instruments (note 3L)

As of December 31, 2004 and 2005, there were Cross Currency Swaps ("CCS"), through which the Company exchanges the originally contracted interest rates and currencies on notional amounts of related short-term and long-term debt. During the life 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 underlying debt.

As of December 31, 2004 and 2005, information with respect to the CCS is summarized as follows:

(Amounts in millions)		Nominal amount	Fair value	Effective rate
2004				
Short-term				
Exchange U.S.$67 to (Y)1,904 million 7	U.S.$	67	93	2.9%
Long-term				
Exchange Ps3,804 to dollars 2		308	33	4.0%
Exchange Ps3,369 to dollars 3		233	88	3.3%
Exchange Ps4,022 to dollars 4		378	3	3.9%
Exchange Ps800 to dollars 5		80	(6)	4.3%
Exchange Ps602 to (Y)6,008 million 8		52	(2)	1.3%
		1,051	116	
	U.S.$	1,118	209	
2005				
Short-term				

Exchange Ps5,362 to dollars 1	U.S.$	500	6	4.7%
Exchange Ps2,800 to dollars 2		260	5	4.9%
		760	11	
Long-term				
Exchange Ps2,488 to dollars 3		142	100	4.8%
Exchange Ps6,888 to dollars 4		618	86	4.0%
Exchange Ps2,940 to dollars 5		270	17	4.8%
Exchange Ps5,281 to dollars 6		500	(2)	4.5%
		1,530	201	
	U.S.$	2,290	212	

		2004		2005	
	Maturity	CEMEX receives	CEMEX pays	CEMEX receives	CEMEX pays
1	June 2006	-	-	TIIE+25bps	L+28bps
2	June 2006	TIIE+55bps	L+125bps	TIIE+80bps	L+55bps
3	April 2007	MXN 12.4%	L+97bps	MXN 10.8%	L+96bps
4	April 2012	MXN 8.6%	US 4.6%	MXN 9.2%	US 5.1%
5	April 2009	CETES+145bps	US 4.3%	CETES+112bps	US 4.8%
6	June 2011	-	-	MXN 8.3%	L+25bps
7	-	L+27bps	(Y) 1.9%	-	-
8	-	MXN 8.8%	(Y) 2.6%	-	-

* TIIE represents the Interbank Offering Rate in Mexico and CETES are public debt instruments issued by the Mexican government. As of December 31, 2005, the LIBOR rate was 4.39%, the TIIE was 8.56% and the CETES yield was 8.01%.

As of December 31, 2004 and 2005, related to the fair value of the CCS, the Company recognized net assets of U.S.$209 (Ps2,227) and U.S.$212 (Ps2,250), respectively, of which U.S.$301 (Ps3,299) in 2004 and U.S.$138 (Ps1,466) in 2005 relate to prepayments made to yen and dollar denominated obligations under the CCS. As of December 31, 2004, the amount of the prepayments was presented by decreasing the carrying amount of the related debt. The estimated fair value of the CCS, without the effects of prepayments, resulted in a net liability of U.S.$92 (Ps985) in 2004 and a net asset of U.S.$74 (Ps784) in 2005. The CCS have not been designated as accounting hedges; therefore, changes in fair value are recognized through the income statement. For the years ended December 31, 2003, 2004 and 2005, changes in the estimated fair values of the CCS, excluding the effects of prepayments, resulted in a loss of U.S.$150 (Ps1,714), a gain of U.S.$10 (Ps110) and a gain of U.S.$3 (Ps36), respectively, which were recognized in the income statements of the respective periods.

As of December 31, 2005, the assets and liabilities arising from the valuation of the CCS were presented separately from the related debt. As of December 31, 2004, in accordance with presentation guidelines applied by the Company as of that date (note 3L), a portion of the net liability resulting from the fair value recognition of the CCS of approximately U.S.$132 (Ps1,408), directly related to variations in exchange rates between the origination of the CCS and the balance sheet date, was presented as part of the related debt carrying amount, in order to reflect the expected cash flows that the Company expected to receive or pay upon settlement of these financial instruments. Through this presentation, the carrying amount of the financial indebtedness directly related

to the CCS was presented as if it had been effectively negotiated in the exchange currencies instead of in the originally negotiated currencies.

The periodic cash flows underlying the CCS arising from the exchange of interest rates are determined over the notional amounts of the exchanged currency. These cash flows are recognized as part of the effective interest rate of the related financial debt within the interest expense.

The portion of the estimated fair value of the CCS, attributable to accrued interest as of the reporting date, is presented as an adjustment of the related financing interest payable.

On March 1, 2005, as a result of the acquisition of RMC, CEMEX assumed CCS for a notional amount of approximately U.S.$397, with an estimated loss in the fair value of approximately U.S.$84. These CCS were settled by CEMEX in May and June 2005, generating a gain of approximately U.S.$21 (Ps227) in the Comprehensive Financial Income for the change in the fair value between the acquisition date and the settlement date.

During 2003, resulting from the settlement of other currency derivative instruments for a notional amount of U.S.$105, the Company recognized a loss of approximately U.S.$4 (Ps41) in the income statement of the period.

The estimated fair value of derivative instruments fluctuates over time and will be determined by future interest rates and currency 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 the Company's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not necessarily represent amount exchanged by the parties, and consequently, there is no direct measure of the Company's exposure to the use of these derivatives. The amounts exchanged in cash are determined based on the basis of the notional amounts and other terms included in the derivative financial instruments.

C) Guaranteed Debt

As of December 31, 2004 and 2005, CEMEX Mexico and ETM jointly, fully and unconditionally guaranteed indebtedness of the Company for an aggregate amount of U.S.$3,088 (Ps32,988) and U.S.$3,780 (Ps40,145), respectively. The combined summarized financial information of these guarantors as of December 31, 2005, 2004 and 2003 is as follows:

		2004	2005
Assets	Ps	146,436	193,617
Liabilities		100,921	83,953
Stockholders' equity		45,515	109,664

		2003	2004	2005
Net sales	Ps	24,868	24,970	26,914
Operating income		2,831	3,188	11,032
Net income		6,150	16,464	26,911

Certain debt contracts guaranteed by the Company and/or some of its subsidiaries contain restrictive covenants limiting sale of assets and requiring maintenance of a controlling interest in certain subsidiaries. As of December 31, 2004 and 2005, CEMEX was in compliance with such covenants.

13. OTHER SHORT-TERM AND LONG-TERM LIABILITES

As of December 31, 2004 and 2005, consolidated other accounts payable and accrued expenses are as follows:

	2004	2005
Other accounts payable and accrued expenses............	Ps 1,781	4,091
Interest payable..	552	544
Tax payable...	1,394	2,760
Dividends payable.......................................	17	33
Provisions..	3,437	6,572
Advances from customers.................................	780	1,126
Valuation of derivative instruments (notes 12 and 17)...	941	1,449
	Ps 8,902	16,575

Short-term provisions primarily consist of: (i) remuneration and other personnel benefits accrued at the balance sheet date; (ii) insurance payments, and (iii) accruals related to the portion of legal and environmental assessments to be settled in the short-term (notes 22C and 22G). Commonly, these amounts are revolving in nature and are to be settled and replaced by similar amounts within the next 12 months.

Other long-term liabilities as of December 31, 2004 and 2005 consist of:

	2004	2005
Valuation of derivative instruments (notes 12 and 17).................................	Ps 3,539	1,896
Accruals for legal assessments and other responsibilities............................	1,315	2,063
Asset retirement obligations and other environmental liabilities.........................	830	4,699
Other liabilities and deferred credits	1,276	1,640
	Ps 6,960	10,298

Liabilities from derivative financial instruments represent the accumulated valuation losses resulting from the estimated fair value recognition of these instruments (notes 12 and 17). Accruals for legal assessments and other responsibilities refer to the best estimation of cash flows with respect to legal claims where the Company is determined to be responsible and which are expected to be settled over a period greater than twelve months (note 22).

During 2005, the balance of this caption increased primarily as a result of the asset retirement obligations and other remediation liabilities assumed in the acquisition of RMC for approximately Ps4,005. Asset retirement obligations and other environmental liabilities include estimated future estimated costs for demolition, cleaning and reforestation of production sites at the end of their operation (note 3M). The expected average period to settle these obligations is greater than 15 years.

14. PENSIONS AND OTHER POSTRETIREMENT BENEFITS (note 3O)

On January 10, 2006, CEMEX communicated to its Mexican employees subject to pension benefits about the beginning of a new defined contribution pension plan scheme, which, from the communication date, replaces the former defined benefit pension plan scheme. Those employees born before March 1, 1956, which represent approximately 5% of the employees eligible for these benefits, have the option to remain in the defined benefit plan, and have been requested to confirm their selection before March 31, 2006. For all other employees, the change is automatic.

As part of the plan conversion process, CEMEX will contribute to the employees' retirement individual accounts, with a private retirement funds manager, an approximate amount of Ps1,060. This amount represents the actuarial value of the projected benefit obligations ("PBO") as of the change date, which represented 32% of the total PBO from the previous pension plan. The amount assumes that approximately 85% of the employees with 50 years will elect to remain in the current plan. The cash contribution will be obtained from the existing pension funds. The administrative execution of the plans change is expected to occur during the first quarter of 2006.

The initiation of the new defined contribution pension plan was considered to be a material event which occurred before the issuance of the financial statements; therefore, the accounting effects arising from the change were retroactively recognized in the consolidated financial statements as of December 31, 2005. As a result of the new plan, events of settlement and curtailment of obligations occurred. For these reasons, the unrecognized net actuarial results (actuarial gains and losses) were amortized proportionally to the decrease in the PBO, while the unrecognized prior service cost was amortized proportionally to the reduction of the expected years of future service of the present employees within the plan. The combined net effect of the amortization of the items mentioned above represented a loss of approximately Ps976, which was recognized in the 2005 income statement within other expenses.

For the years ended December 31, 2003, 2004 and 2005, the net periodic cost of pension plans and other postretirement benefits, is described as follows:

		Pensions			Other Postretirement Benefits* (OPB)		
Net periodic cost:		2003	2004	2005	2003	2004	2005
Service cost..............................	Ps	293	295	641	32	39	81
Interest cost..............................		290	348	1,139	46	33	75
Actuarial return on plan assets...........		(341)	(381)	(1,077)	(1)	(1)	(1
Amortization of prior service cost, changes in assumptions and experience adjustments..............................		134	126	123	15	(8)	44
Settlements and curtailments(1)...........		3	-	976	-	-	-
	Ps	379	388	1,802	92	63	199

(1) Effect of change of plan in Mexico

As of December 31, 2004 and 2005, the actuarial value of pension plans and other postretirement benefits ("OPB"), as well as the funded status, are presented as follows:

		Pensions		OPB*	
		2004	2005	2004	2005
Change in benefits obligation:					
PBO at beginning of year..	Ps	6,498	6,210	818	586
Service cost..		295	641	39	81
Interest cost...		348	1,139	33	75
Actuarial result..		(299)	677	(214)	83
Employee' contributions...		-	64	-	-
PBO from acquisitions...		(1)	20,166	-	656
Initial valuation of other postretirement benefits.......................		-	-	-	305
Foreign exchange variations and inflation adjustments....................		(190)	(2,371)	13	(62)

Settlements and curtailments	(9)	(1,060)	(33)	-
Benefits paid	(432)	(1,093)	(70)	(130)
PBO at end of year	6,210	24,373	586	1,594
Change in plan assets:				
Fair value of plan assets at beginning of year	5,612	5,713	35	20
Return on plan assets	456	3,054	1	6
Foreign exchange variations and inflation adjustments	(182)	(1,830)	-	-
Assets for acquisitions	-	14,450	-	-
Funds contribution	168	852	-	48
Employee contribution	-	64	-	-
Settlements and curtailments	(9)	(1,060)	-	-
Benefits paid	(332)	(1,093)	(16)	(48)
Fair value of plan assets at end of year	5,713	20,150	20	26
Amounts recognized in the balance sheets:				
Funded status	497	4,223	566	1,568
Net transition obligation	(1,346)	(106)	(14)	(386)
Prior service cost and actuarial results	(438)	417	69	70
Accrued benefit liability (prepayment)	(1,287)	4,534	621	1,252
Additional minimum liability	865	331	9	273
Net projected liability (prepayment) recognized	Ps (422)	4,865	630	1,525

* OPB includes the cost and obligations of seniority premiums, severance payments, health care and life insurance benefits.

At December 31, 2004 and 2005, the combined actual benefit obligation ("ABO") of pensions and other postretirement benefits, equivalent to the PBO not considering salary increases, amounted to Ps5,862 and Ps23,234, respectively. An additional minimum liability is recognized in those individual cases when the ABO less the plan assets (net actual liability) is lower than the net projected liability. The Company recognized minimum liabilities against intangible assets for approximately Ps874 in 2004 and Ps604 in 2005.

Net transition obligations, prior service costs and net actuarial results are amortized over the estimated service life of the employees under plan benefits. As of December 31, 2005, the average estimated service life for pension plans is approximately 15.2 years, and for other postretirement benefits is approximately 13.3 years.

As of December 31, 2004 and 2005, the consolidated assets of the pension plans and other postretirement benefits are valued at their estimated fair value and are aggregated as follows:

	2004	2005
Fixed-income securities	Ps 1,861	8,653
Marketable securities	3,354	9,605
Private funds and other investments	518	1,918
	Ps 5,733	20,176

As of December 31, 2005, estimated future benefit payments for pensions and other postretirement benefits during the next ten years are as follows:

	2005
2006	Ps 1,442
2007	1,405
2008	1,484
2009	1,469
2010	1,561

2011- 2015...	8,204

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:

	2003	2004	2005
Range of discount rates used to reflect the obligations' present value............	3.0% to 7.0%	4.5% to 8.0%	3.5% to 5.5%
Weighted average rate of return on plan assets.........	7.8%	7.8%	6.7%
Weighted average rate of salary increases.............	7.8%	7.8%	3.2%

15. STOCKHOLDERS' EQUITY

A) COMMON STOCK

The Company's common stock as of December 31, 2004 and 2005 is as follows:

	2004		2005 (4)	
Shares	Series A (1)	Series B (2)	Series A (1)	Series B (2)
Subscribed and paid shares.......................	7,407,268,488	3,703,634,244	7,676,571,754	3,838,285,877
Treasury shares (3)..............................	498,267,340	249,133,670	213,087,000	106,543,500
Unissued shares authorized for Stock Option Plans.	215,921,248	107,960,624	213,530,982	106,765,491
	8,121,457,076	4,060,728,538	8,103,189,736	4,051,594,868

(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 pursuant to the ordinary stockholders' meeting of April 28, 2005 that were not subscribed.
(4) Includes the effect of the stock split approved in 2005.

Of the total number of shares, 6,534,000,000 in 2004 and 2005 correspond to the fixed portion, and 5,648,185,614 in 2004 and 5,620,784,604 in 2005 to the variable portion.

On April 29, 2004, the annual 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 Ps4,169 (nominal amount), issuing shares as a stock dividend for up to 600 million shares equivalent to up 200 million CPOs, at a subscription price of Ps53.129 (nominal) per CPO, or instead, stockholders could have chosen to receive Ps2.35 (nominal amount) in cash for each CPO. As a result, shares equivalent to 75,433,165 CPOs were subscribed and paid, representing an increase in common stock of Ps3, considering a nominal value of Ps0.0333 pesos per CPO, and in additional paid-in capital of Ps4,279, while an approximate cash payment through December 31, 2004 was made for Ps161; and (iii) the cancellation of the corresponding shares held in the Company's treasury.

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 (before the split) equivalent to up 120 million CPOs, at a subscription price of Ps66.448 pesos (nominal) per CPO, or instead, stockholders could have chosen to receive Ps2.60 pesos (nominal amount) in cash for each CPO. As a result, shares equivalent to 66,728,250 CPOs were subscribed and paid, representing an increase in common stock of Ps2, considering a nominal value of Ps0.0333 pesos per CPO, and in additional paid-in capital of Ps4,535, while an approximate cash payment through December 31, 2005 was made for Ps380; and (iii) the cancellation of the corresponding shares held in the Company's treasury.

On April 28, 2005, the annual extraordinary stockholders' meeting approved a stock split, which became effective on July 1, 2005. In connection with the stock split, each of CEMEX's series "A" shares was surrendered in exchange for two new series "A" shares, and each of CEMEX's 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 the stock split.

B) RETAINED EARNINGS

Retained earnings as of December 31, 2005 include Ps99,537 of earnings generated by subsidiaries and affiliated companies that are not available to be paid as dividends by CEMEX until these entities distribute such amounts to CEMEX. Additionally, retained earnings as of December 31, 2005 include a share repurchase reserve in the amount of Ps5,737. 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, 2005 the legal reserve amounted to Ps1,526.

C) EFFECTS OF INFLATION

The effects of inflation on majority interest stockholders' equity as of December 31, 2005 are as follows:

		Nominal	Inflation adjustment	Total
Common stock..	Ps	64	3,735	3,799
Additional paid-in capital..........................		28,506	18,627	47,133
Deficit in equity restatement.......................		-	(75,329)	(75,329)
Cumulative initial deferred income tax effects.......		(4,698)	(1,152)	(5,850)
Retained earnings...................................		63,396	48,770	112,166
Net income..	Ps	22,817	(392)	22,425

D) FOREIGN CURRENCY TRANSLATION

The foreign currency translation results recorded in stockholders' equity as of December 31, 2003, 2004 and 2005, are summarized as follows:

		2003	2004	2005
Foreign currency translation adjustment...............	Ps	5,267	3,117	(5,174)
Foreign exchange gain (loss) (1)......................		(1,594)	156	1,414
	Ps	3,673	3,273	(3,760)

(1) Foreign exchange gain (loss) resulting from the financing identified with the acquisitions of foreign subsidiaries.

The foreign currency translation adjustment includes foreign exchange results from financing related to the acquisition of foreign subsidiaries made by the Company's subsidiary in Spain, representing a gain of approximately Ps61, a gain of Ps3 and a loss of Ps11, in 2003, 2004 and 2005, respectively.

E) PREFERRED STOCK

In October 2003, CEMEX repurchased the remaining balance of preferred stock of U.S.$650 (Ps7,444), which was to mature in February and August 2004. The preferred stock was issued in 2000 by a Dutch subsidiary for U.S.$1,500 with an original maturity in May 2002. The preferred stock was mandatorily redeemable upon maturity and granted its holders 10% of the subsidiary's voting rights, as well as the right to receive a guaranteed variable preferred dividend, and the option, in certain circumstances, to subscribe for additional preferred stock or common shares for up to 51% of the subsidiary's voting rights. Until its liquidation, this transaction was included as minority interest. Preferred dividends declared for approximately U.S.$13 (Ps147) in 2003 were recognized as part of minority interest in the consolidated income statement in that period.

In October 2004, CEMEX liquidated the remaining capital securities for approximately U.S.$66 (Ps705). 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. The amount paid to holders in excess of the nominal amount of the capital securities pursuant to the early retirement of approximately U.S.$20 (Ps229) was recognized against stockholders' equity. During 2004 and until its termination, as a result of the adoption of new accounting principles, this transaction was recognized as financial debt. Preferred dividends declared in 2003 were recognized in the income statement as minority interest of approximately U.S.$6 (Ps75). Meanwhile, preferred dividends declared during 2004 of U.S.$6 (Ps63), were recognized in earnings as part of financial expenses

F) OTHER EQUITY TRANSACTIONS

In December 2004, 13,772,903 appreciation warrants ("warrants") remaining from the public purchase offer that took place in December 2003, and which was concluded in January 2004, were settled upon maturity. Through the prior offer 90,018,042 warrants were repurchased at a purchase price of Ps7.8 pesos per warrant (Ps38.80 pesos per American Depositary Warrant or ADW). Considering the results of the purchase of warrants in January 2004, the expiration in December 2004, and the direct expenses related to these transactions, approximately Ps1,010 was paid. This amount was recognized against stockholders' equity within additional paid-in capital. At the end of 2003, CEMEX announced a public offer to purchase in cash up to 90,018,042 warrants in the Mexican Stock Exchange ("MSE"), and warrants represented by ADWs, each ADW representing five warrants, traded on the New York Stock Exchange ("NYSE"). The warrants purchased pursuant to the offer represented approximately 86.73% of the then total outstanding warrants and included approximately 34.9 million warrants owned by or controlled by CEMEX and its subsidiaries.

The warrants and ADWs 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, which as of December 31, 2003 was approximately U.S.$5.45 per CPO (U.S.$27.23 per ADS). The benefit was settled in CPOs. Until September 2003, the CPOs and ADSs required to cover exercises of warrants were held in equity forward contracts with financial institutions.

These forward contracts were settled in October 2003 as a result of a simultaneous secondary equity offering, made by the Company and the banks holding the shares.

In addition, in December 2003, through the payment of approximately U.S.$76 (Ps869), CEMEX exercised the option that it retained and repurchased the assets related to a financial transaction through which, in December 1995, CEMEX transferred assets to a trust, while simultaneously investors contributed U.S.$124, in exchange for notes representing a beneficial interest in the trust. During the life of the transaction and until maturity in 2007, periodic repurchases of the assets underlying in the trust were stipulated. CEMEX maintained an option to reacquire the related assets at different dates. The cost of retaining this option was recognized as interest expense for approximately U.S.$15 (Ps166) in 2003. Until its settlement in December 2003, this transaction was included as part of the minority interest in stockholders' equity.

G) COMPREHENSIVE NET INCOME

For the years ended December 31 2003, 2004 and 2005, consolidated comprehensive net income is as follows:

		2003	2004	2005
Majority interest net income	Ps	7,201	13,965	22,425
Effects from holding non-monetary assets		(3,498)	(2,759)	5,558
Foreign currency translation results		5,267	3,117	(5,174)
Capitalized foreign exchange result (note 15D)		(1,594)	156	1,414
Hedge derivative instruments (notes 12 and 17)		467	2,300	2,894
Deferred IT of the year recorded in stockholders' equity (note 18)		(219)	685	1,745
Excess of price paid over book value of minority interests		-	(958)	-
Settlement of equity instruments		(666)	-	-
Cumulative initial effects of asset retirement obligations		(87)	-	-
Inflation effect on equity(1)		(94)	7	-
Total comprehensive income items		(424)	2,548	6,437
Majority comprehensive net income		6,777	16,513	28,862
Minority interest		348	224	584
Comprehensive net income	Ps	7,125	16,737	29,446

(1) Relates to the adjustment resulting from the use of the weighted average inflation index for the restatement of stockholders' equity and the use of the index of inflation in Mexico to restate common stock and additional paid-in capital (note 3B).

16. EXECUTIVE STOCK OPTION PROGRAMS

In May 2005, as a result of change of control clauses, the existing executive stock option and share programs in RMC Group p.l.c. as of the acquisition date were liquidated through the payment of approximately (pound)40 million (U.S.$69 or Ps735). This amount was included as part of the purchase price of RMC. Except for the stock option program of the Irish subsidiary mentioned in the last paragraph of the caption below, there are no other stock option programs in subsidiaries of CEMEX that were acquired in 2005.

Equity Programs

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.

As mentioned in note 3R, in 2005, CEMEX adopted IFRS 2 to account for its stock option programs. According to IFRS 2, the Company's fixed program qualified as equity instruments, and no cost was recognized, considering that all options were fully vested as of the adoption date of IFRS 2. During 2004 and 2005, the new CPOs issued pursuant to exercise of these options generated an additional paid-in capital of approximately Ps64 and Ps18, respectively, and increased the number of shares outstanding.

The information related to options granted under the Company's fixed program, for the years ended December 31, 2004 and 2005, is summarized as follows:

Options	Fixed Program
Options at the beginning of 2004	4,689,335
Changes in 2004:	
Options exercised	(1,998,466)
Options at the end of 2004	2,690,869
Changes in 2005:	
Options cancelled	(1,141,345)
Options exercised	(469,224)
Options at the end of 2005	1,080,300
Exercise prices:	
Options outstanding at the beginning of 2005 *	Ps15.1
Options exercised during the year *	Ps15.0
Options outstanding at the end of 2005 *	Ps14.5

* Weighted average exercise prices per CPO. Prices include the effects of the stock split (note 15A).

Considering the anti-dilution adjustments to options, resulting from the stock split and stock dividends declared by CEMEX, as of December 31, 2005, there are 1,355,587 CPOs underlying the outstanding options under the fixed program.

In addition, as of December 31, 2005, CEMEX's subsidiary in Ireland, Ready Mix, Ltd., acquired on March 1, 2005 as part of the RMC acquisition, has 1,640,000 options outstanding under an executive option plan in the subsidiary's own shares. The average exercise price of these options is approximately 1.35 Euros per option. The market price of the subsidiary's share as of December 31, 2005 was 2.35 Euros.

Liability Programs

According to IFRS 2, those executive option programs in which the Company, through the exercise of the option, commits to pay the executive the intrinsic value of the options are classified as liability instruments. These programs are valued at their estimated fair value as of the date of the financial statements, recognizing changes in fair value through the income statement. As of December 31, 2004 and 2005, the information of those programs, which do not generate

dilution to existing shareholders, is summarized as follows:

Options	Restricted programs (A)	Variable program (B)	Special program (C)
Options at the beginning of 2004....................	-	120,916,763	15,258,520
Changes in 2004:			
Options granted.....................................	273,582,522	14,554,323	5,485,010
Options exercised...................................	(121,517,922)	(132,393,239)	(1,489,010)
Options at the end of 2004..........................	152,064,600	3,077,847	19,254,520
Changes in 2005:			
Options granted.....................................	-	-	1,859,000
Options exercised...................................	(135,254,554)	(592,848)	(4,475,460)
Options at the end of 2005..........................	16,810,046	2,484,999	16,638,060
Exercise prices:			
Options outstanding at the beginning of 2005 *.......	U.S.$3.7	U.S.$2.6	U.S.$2.5
Options exercised during the year *..................	U.S.$3.6	U.S.$2.7	U.S.$2.4
Options outstanding at the end of 2005 *............	U.S.$3.8	U.S.$2.7	U.S.$2.6

* Weighted average exercise prices per CPO. Prices include the effects of the stock split (note 15A).

Considering the anti-dilution adjustments to the options, resulting from the stock split and stock dividends declared by CEMEX, as of December 31, 2005, there are 40,599,334 CPOs underlying the outstanding options under the restricted and variable programs.

A) Restricted Programs

In January 2005, the 1,190,224 options then outstanding as a result of the exchange which occurred in February 2004 and that contained a mandatory exercise condition, were automatically exercised when the CPO market price reached the level of U.S.$3.75.

Likewise, in June 2005, 131,996,243 options that contained a mandatory exercise condition, of which 11,168,873 options were granted in June 2004 and 120,827,370 options were issued in the exchange which occurred in December 2004, were automatically exercised when the CPO market price reached the level of U.S.$4.25. As a result of the mandatory exercises of options occurred during 2005, the Company recognized a cost of approximately U.S.$177 (Ps1,880) in the income statement of the period.

In February 2004, through a voluntary option exchange program, 112,495,811 options from the variable program and 1,625,547 options from other programs were redeemed, and 122,708,146 new options were granted with a remaining tenure of 8.4 years. These options had an initial exercise price of U.S.$2.53 per CPO, which increased annually at a 7% rate, and included a mandatory exercise condition when the CPO price reached U.S.$3.75. The gains obtained by the employees were paid in the form of CPOs, which were acquired at a 20% discount to market. These CPOs were restricted for sale for an approximate period of four years, depending on the exercise date. This program was intended, by limiting the potential for gains, to be an improved hedge through equity forward contracts (note 17). As consideration to the employees 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 early exercise program, 16,580,004 options from the variable program, 120,827,370 options issued in 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 an initial exercise price of U.S.$3.73 per CPO, which increased annually at a 5.5% rate and had a remaining tenure of 7.5 years, of which, 120,827,370 options included a mandatory exercise condition when the CPO price reached U.S.$4.25, while the remaining 18,323,866 options do not have

exercise conditions. The initial exercise price was U.S.$0.25 higher than the CPO market price at the early exercise date. 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 early exercise was intended to make a more efficient hedge through equity forward contracts (note 17). The cost of the early exercise of approximately U.S.$61 (Ps653) 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.

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 a annually at a 7% rate, through the payment of the options' intrinsic value and the issuance of 88,937,805 new options. In the exchanges of February 2004 and December 2004, 129,075,815 options granted under the variable program were exercised.

C) Special program

Starting in 2001, a stock option program to purchase CEMEX ADSs was established in the United States. The options granted have a fixed exercise price in dollars and tenure of 10 years. The employees' option rights vest up to 25% annually after having been granted. The options exercises are hedged using ADSs currently owned by subsidiaries, potentially increasing 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).

D) Number of options by exercise price:

Fixed program	Special program	Restricted program	Variable program
301,730 - Ps10.4	2,341,510 - US$2.3	16,810,046 - US$3.8	1,624,896 - US$2.7
72,893 - Ps12.0	3,476,190 - US$2.7	-	386,703 - US$3.0
150,944 - Ps15.7	4,045,250 - US$1.9	-	67,295 - US$2.4
155,099 - Ps14.2	4,916,110 - US$2.8	-	347,363 - US$2.2
153,189 - Ps17.4	1,859,000 - US$3.8	-	58,742 - US$2.6
246,445 - Ps18.3	-	-	1,624,896 - US$2.7

As of December 31, 2005, the options from the fixed, special, restricted and variable programs have a remaining average tenure of 2.7 years, 7.5 years, 6.5 years and 6.3 years, respectively. Likewise, the employees' option rights under such programs are vested in 100%, 49.3%, 100% and 85.3%, respectively.

In addition, as of December 31, 2005 there are 5,000 remaining options from voluntary programs sold to executives in April 2002. These options have an exercise price of U.S.$3.05 per CPO and a remaining tenure of approximately 2 years.

E) Options hedging activities

In December 2005, CEMEX negotiated a derivative instrument in its own shares, by means of which, through a prepayment of U.S.$145 (Ps1,540), CEMEX secures the appreciation 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, the fair value of this instrument was a gain of approximately U.S.$3 (Ps32) recognized in earnings.

Beginning in 2001 and until September 2005, CEMEX hedged most of its stock option programs through forward contracts in its own stock (note 17A), 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 do not increase the number of shares outstanding and consequently do not result in dilution of the basic earnings per share. The equity forward contracts were fully settled during September 2005 through a secondary public offer (note 17A).

Commencing in 2005, as a result of the adoption of IFRS 2, CEMEX recognizes the cost of its option plans that qualify as liability instruments through the fair value of the options as of the balance sheet date (note 3R). For the year ended December 31, 2005, the income statement includes the cumulative effect from the adoption of IFRS 2, which represented an expense of approximately Ps992 (Ps860 net of IT). Beginning in 2001 and until September 2005, CEMEX recognized the cost of its stock option programs, except for its fixed program, through valuing the intrinsic value of the options as of the balance sheet date.

In addition, during 2005, the Company recognized an expense of approximately U.S.$41 (Ps435), resulting from changes in the fair value of the options after the adoption of IFRS 2 until year-end. Moreover, for the years ended December 31, 2003 and 2004, and during 2005 before the adoption of IFRS 2, the expense arising from the options measured by the intrinsic value was approximately U.S.$45 (Ps519), U.S.$51 (Ps541) and U.S.$116 (Ps1,232), respectively. Likewise, the Company recognized in the income statement the changes in the estimated fair value and the cash flows generated by the settlement of the equity forward contracts designated as hedges for these plans (note 17A), which resulted in a loss of approximately U.S.$28 (Ps321) in 2003, a gain of approximately U.S.$45 (Ps479) in 2004 and a gain of approximately U.S.$422 (Ps4,482) in 2005. The gains or losses resulting from the hedging instruments negotiated in the Company's own stock are recognized in addition to the expense related to the stock option programs.

The fair value of the options was determined through binomial option pricing models. As of December 31, 2005, the most important assumptions used in valuation are the following:

Assumptions	2005
Expected dividend	3.8%
Volatility	35%
Interest rate	4.4%
Weighted average remaining tenure	6.8 years

During 2005, CEMEX only granted options under its special program. The other eligible executives received a salary bonus, recognized in operating expense, which was used by the executives to purchase CPOs in the market. These CPOs are held in an employees' trust during a restriction for sale period of approximately 4 years.

17. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2004 and 2005, the Company's derivative financial instruments, other than those related to financial debt (note 12), are summarized as follows:

Millions of dollars	2004 Notional amount	2004 Fair value	2005 Notional amount	2005 Fair value
A) Equity forward contracts......................	1,157	66	-	-
B) Foreign exchange instruments..................	4,898	63	3,200	173
C) Derivatives related to energy projects.........	168	(6)	159	(4)

Upon liquidation and at CEMEX's option, the equity forward contracts allowed for physical or net cash settlement of the estimated fair value. In 2005, the fair value effects related to these instruments were recognized in the income statement, while in 2004, such effects were recognized in the income statement or as part of stockholders' equity, according to their characteristics and use. At maturity, if these forward contracts were not settled or replaced, or if the Company defaulted on the agreements established, this might have had an adverse affect on the Company's stock market price or its ability to operate.

A) On October 3, 2005, through a secondary equity offering agreed to by the Company, launched simultaneously on the MSE and the NYSE, financial institutions offered and sold 30,993,340 ADSs (22,943,340 ADSs and 80,500,000 CPOs) held through forward contracts, at a price of approximately U.S.$49.5 per ADS and Ps53.9 per CPO. Of the total sale proceeds of approximately U.S.$1,500 (Ps15,930), 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 subject to the offer represented the entire amount of shares subject to the forward contracts in the Company's stock 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 offer, 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 (Ps4,482), which was recognized in addition to the expenses generated by the stock option programs (note 16E).

As of December 31, 2004, there were forward contracts with different maturities until October 2006, for a notional amount of U.S.$1,112 covering 30,644,267 ADSs, which were designated to hedge the exercise of the options granted under the employee stock option programs. Changes in the estimated fair value of these contracts were recognized in the income statement as a complement of the cost generated by such programs. As of December 31, 2004, the estimated fair value of these contracts was a gain of approximately U.S.$45 (Ps479).

During 2004, contracts representing 2,509,524 CPOs that were held to meet the Company's requirements of shares under the remaining warrants from the repurchase in 2003 were settled, resulting in a gain of approximately U.S.$3 (Ps28), recognized in stockholders' equity. In addition, in October 2003, through a secondary equity offering, forward contracts for a notional amount of U.S.$461, covering 24,008,392 ADSs (120,041,960 CPOs) and 33.8 million shares of CEMEX's subsidiary in Spain were settled, resulting a net gain of approximately U.S.$20 (Ps223), which was recognized in stockholders' equity. These contracts were negotiated in 1999 to hedge future exercises under the 105 million warrants program (note 15F). These warrants were subject to a voluntary repurchase offer by CEMEX in December 2003, and the remaining warrants expired in December 2004 (note 15F). From execution of the contracts until their settlement, the Spanish subsidiary's shares underlying the contracts were considered as owned by CEMEX.

In addition, during 2004, forward contracts covering 23,622,500 CPOs that hedged the purchase of CAH shares through exchange of the Company's CPOs (note 9A) were settled. Through this settlement, a gain of approximately U.S.$15 (Ps155) was recognized in stockholders' equity.

As of December 31, 2004, there were forward contracts with different maturities until January 2006, for a notional amount of U.S.$45 that covered 1,364,061 ADSs. Until December 31, 2004, these contracts were treated as equity instruments; therefore, changes in their fair value were recognized

in stockholders' equity when settled. During 2005, changes in the fair value of these contracts were recognized against the income statement. As of December 31, 2004, the estimated fair value was a gain of approximately U.S.$6 (Ps64).

B) In order to hedge financial risks associated with variations in foreign exchange rates, CEMEX has negotiated foreign exchange forward contracts for notional amounts of U.S.$957 and U.S.$3,137, at December 31, 2004 and 2005, respectively, with different maturities until 2007. These contracts have been designated as hedges of the Company's net investment in foreign subsidiaries. The estimated fair value of these instruments is recorded in stockholders' equity as part of the foreign currency translation effect (note 15D). In addition, as of December 31, 2004, there were foreign exchange options for a notional amount of U.S.$488, which matured in June 2005. For the sale of these options, CEMEX received premiums of approximately U.S.$63 in 2003. The changes in the estimated fair value resulted in losses of U.S.$57 (Ps605) in 2003, U.S.$19 (Ps205) in 2004 and U.S.$6 (Ps60) in 2005, which were recognized in earnings. In addition, as of December 31, 2005 there is a foreign exchange forward contract for a notional amount of U.S.$63, not designated as hedge, whose effects are recognized in earnings.

In September 2004, in connection with the commitment to acquire RMC (notes 2 and 9A) that was denominated in sterling pounds, CEMEX entered into a foreign exchange hedge program, oriented 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 sterling pounds. For this purpose, the Company negotiated foreign exchange forwards, collars and digital options, for a combined notional amount of U.S.$3,453. 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 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 approximate U.S.$132 (Ps1,411), was recognized in stockholders' equity in 2004 and was reclassified to earnings in 2005 on the purchase date. Changes in the estimated fair value of these contracts from their origination until their designation in 2004 as hedges, were a gain of approximately U.S.$102 (Ps1,094), which was recognized in earnings in 2004.

C) As of December 31, 2004 and 2005, CEMEX had an interest rate swap maturing in May 2017, with a notional amount of U.S.$159 and U.S.$150, respectively, negotiated to exchange floating for fixed interest rates in connection with agreements entered into by CEMEX for the acquisition of electric energy (note 22F). 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 May 2017. In addition, during 2001, the Company sold a floor option with a notional amount of U.S.$168 in 2004 and U.S.$159 in 2005, 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, 2004 and 2005, the combined fair value of the swap and the floor option represented losses of approximately U.S.$6 (Ps67) and U.S.$4 (Ps44), respectively, recognized in earnings during the respective periods. The nominal 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 contract are proportionally inverse to the changes in the other one.

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 the Company's 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 the Company's exposure through its use of derivatives. The amounts exchanged are determined on the basis of the notional amounts and other terms included in the derivative instruments.

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

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 Mexican GAAP. 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. In addition, the taxable income of those subsidiaries that have tax loss carryforwards generated before 1999 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. Beginning in 2002, a new IT law became effective in Mexico, establishing that the IT rate were scheduled to be decreased by 1% each year, beginning in 2003, until the rate reached 32% in 2005. Nevertheless, according to reforms approved to such law in November 2004, the tax rate for 2005 will be 30%, 29% for 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 from the period of 2002 to 2004. In those cases, the 60% factor will prevail in the IT consolidation, until tax loss carryforwards are extinguished in each company.

The IT expense, presented in the income statements, is summarized as follows:

		2003	2004	2005
Current income tax........................	Ps	(1,645)	(1,024)	(2,440)
Deferred IT..............................		518	(1,006)	(1,124)
Effects of inflation (note 3B)...........		101	70	-
	Ps	(1,026)	(1,960)	(3,564)

For the years ended December 31, 2003, 2004 and 2005, the total consolidated IT

includes expenses of Ps1,423, Ps1,207and Ps1,413, respectively, from foreign subsidiaries, and income of Ps397 in 2003, expense of Ps753 in 2004 and expense of Ps2,151 in 2005 from Mexican subsidiaries. In addition, the Company recognized a consolidated tax benefit, excluding deferred taxes, of Ps1,352, Ps1,302 and Ps1,548, in 2003, 2004 and 2005, respectively.

For its operations in Mexico, CEMEX has tax loss carryforwards, which, restated for inflation, can be amortized against taxable income in the succeeding ten years. The tax loss carryforwards at December 31, 2005 are as follows:

Year in which tax loss occurred		Amount of carryforwards	Year of expiration
2001	Ps	863	2011
2002		4,192	2012
2003		596	2013
	Ps	5,651	

The BAT Law in Mexico establishes a 1.8% tax levy on assets, restated for inflation in the case of inventory and fixed assets, and deducting certain liabilities. BAT levied in excess of IT for the period may be recovered, restated for inflation, in any of the succeeding ten years, provided that the IT incurred exceeds BAT in such period. The recoverable BAT as of December 31, 2005 is as follows:

Year in which BAT exceeded IT		Amount of carryforwards	Year of expiration
1997	Ps	177	2007
2005		96	2015
	Ps	273	

B) DEFERRED IT AND ESPS (note 3S)

Deferred IT for the period represents the difference in nominal pesos between the initial balance and the year-end balance. As of December 31, 2004 and 2005, the IT effects of the main temporary differences that generate the consolidated deferred IT assets and liabilities are presented below:

		2004	2005
Deferred tax assets and liabilities(1):			
Tax loss carryforwards and other tax credits to be amortized	Ps	12,728	13,788
Accounts payable and accrued expenses		3,684	3,890
Trade accounts receivable		104	217
Others		-	589
Total deferred tax assets		16,516	18,484
Less - Valuation allowance		(4,127)	(5,665)
Net deferred tax assets		12,389	12,819
Properties, plant and equipment		(19,953)	(27,957)
Inventories		(150)	(16)
Others		(2,489)	(7,068)
Total deferred tax liabilities		(22,592)	(35,041)
Net deferred tax position (liability)		(10,203)	(22,222)
Less - Deferred IT of acquired subsidiaries at the acquisition date		(4,614)	(17,386)
Total effect of deferred IT in stockholders' equity at end of year		(5,589)	(4,836)
Total effect of deferred IT in stockholders' equity at beginning of year		(5,268)	(5,589)

Change in deferred IT for the period	Ps	(321)	753

(1) Bulletin D-4 does not allow the offsetting of deferred IT assets and liabilities relating to different tax jurisdictions.

For the years ended December 31, 2003, 2004 and 2005, the breakdown of the change in consolidated deferred income tax for the period is as follows:

		2003	2004	2005
Deferred IT charged (credited) to the income statement	Ps	518	(1,006)	(1,124)
Changes in accounting principles		-	-	132
Deferred IT applied directly to stockholders' equity(2)		(219)	685	1,745
Change in deferred IT for the period	Ps	299	(321)	753

(2) Bulletin D-4 states that all items whose effects are recorded directly in stockholders' equity should be recognized net of their deferred income tax effects.

The 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.

Temporary differences between net income of the period and taxable income for ESPS generated expense of Ps71 in 2003, expense of Ps203 in 2004 and income of Ps178 in 2005, reflected in the income statement of each period.

C) 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, arising from the several income tax rates and laws in each of the countries in which CEMEX operates, give rise to permanent differences between the approximate statutory tax rate and the effective tax rate presented in the consolidated income statement, which for the years ended December 31, 2003, 2004 and 2005 are as follows:

	2003	2004	2005
	%	%	%
Approximated consolidated statutory tax rate	34.0	33.0	30.0
Additional deductions and other deductible items	(15.8)	(21.6)	(10.7)
Expenses and other non-deductible items	1.2	1.9	(1.4)
Non-taxable sale of marketable securities and fixed assets	-	0.4	(0.3)
Difference between book and tax inflation	(0.3)	1.6	1.2
Others(3)	(6.8)	(3.1)	(4.9)
Effective consolidated tax rate	12.3	12.2	13.9

(3) Includes the effects for the different IT rates enacted in the countries where CEMEX operates, and the difference between the 2004 rate in Mexico of 33% and those in effect in 2005 (30%) and 2006 (29%) until reaching a tax rate of 28% in 2007.

19. GEOGRAPHIC SEGMENT DATA

The Company operates principally in the construction industry segment through the production and marketing of cement, ready-mix concrete and aggregates.

The following table presents, in accordance with information analyzed for decision-making by management, selected condensed financial information, referring to the main countries or regions in which CEMEX operates, and includes new operations resulting from the acquisition of RMC for the ten-month period ended December 31, 2005.

Selected financial information by geographic segment for the years ended December 31, 2003, 2004 and 2005, is presented below:

		Net Sales(1)			Operating Income	
	2003	2004	2005	2003	2004	2005
NORTH AMERICA						
Mexico....Ps	30,102	31,196	33,732	11,593	11,707	10,734
United Status(2)	19,836	21,097	43,441	2,344	2,776	7,145
EUROPE						
Spain(3)	13,910	14,741	16,098	3,037	3,582	3,819
United Kingdom	-	-	16,299	-	-	567
Rest of Europe(4)	-	-	28,837	-	-	1,795
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN						
Venezuela	3,652	3,742	4,399	1,218	1,169	1,432
Colombia	2,530	2,620	2,664	1,052	1,194	362
Rest of Central and South America and the Caribbean(5)	6,794	7,357	7,195	1,202	1,685	685
AFRICA AND MIDDLE EAST						
Egypt	1,542	2,028	2,806	341	613	1,045
Rest of Africa and Middle East(6)	-	-	2,981	-	-	100
ASIA						
Philippines	1,536	1,617	2,039	(145)	289	437
Rest of Asia(7)	-	-	1,019	-	-	(18)
Others(8)	9,602	10,587	14,145	(3,977)	(3,232)	(1,694)
	89,504	94,985	175,655	16,665	19,783	26,409
Eliminations	(7,459)	(7,923)	(12,946)	-	-	-
Consolidated....Ps	82,045	87,062	162,709	16,665	19,783	26,409

Depreciation and Amortization(9)	2003	2004	2005
NORTH AMERICA			
Mexico.... Ps	1,676	1,743	1,654
United States(2)	2,051	2,266	3,204
EUROPE			
Spain(3)	1,395	1,387	759
United Kingdom	-	-	986
Rest of Europe(4)	-	-	1,771
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN			
Venezuela	647	568	560
Colombia	846	413	369
Rest of Central and South America and the Caribbean(5)	614	585	604
AFRICA AND MIDDLE EAST			
Egypt	361	190	202

Rest of Africa and Middle East(6)	-	-	98
ASIA			
Philippines	453	374	227
Rest of Asia(7)	-	-	69
Others(8)	1,402	1,633	1,088
Consolidated	Ps 9,445	9,159	11,591

Total assets and investment in fixed assets ("FA") by geographic segment are summarized as follows:

	Total Assets		Investment in FA (11)	
	2004	2005	2004	2005
NORTH AMERICA				
Mexico	Ps 61,741	72,356	1,128	1,098
United States(2)	42,936	72,256	1,174	1,721
EUROPE				
Spain(3)	31,452	27,896	577	704
United Kingdom	-	49,001	-	577
Rest of Europe(4)	-	48,531	-	1,466
CENTRAL AND SOUTH AMERICA AND THE CARIBBEAN				
Venezuela	8,106	9,609	143	241
Colombia	8,785	8,728	98	79
Rest of Central and South America and the Caribbean(5)	13,040	14,031	302	1,264
AFRICA AND MIDDLE EAST				
Egypt	5,796	6,930	89	100
Rest of Africa and Middle East(6)	-	2,522	-	73
ASIA				
Philippines	7,692	6,734	25	38
Rest of Asia(7)	4,035	4,587	33	53
Others(8, 10)	80,120	88,631	1,009	1,044
	263,703	411,812	4,578	8,458
Eliminations	(78,019)	(127,584)	-	-
Consolidated	Ps 185,684	284,228	4,578	8,458

(1) Net sales between geographic segments are presented in the country or region of origin and cancelled under the caption "eliminations".

(2) In 2005, United States includes the 10-month results of the operations acquired from RMC (note 9A).

(3) In 2005, Spain includes the approximately 10-month results of the operations acquired from RMC (note 9A).

(4) Rest of Europe includes the operations in Germany, France, Republic of Ireland, Czech Republic, Austria, Poland, Croatia, Hungary, Latvia and Denmark, acquired from RMC.

(5) Rest of Central and South America and the Caribbean includes the operations in Costa Rica, Panama, Dominican Republic, Nicaragua, Guatemala and the Caribbean. Likewise, in 2005, this region includes Jamaica and Argentina, acquired from RMC.

(6) Rest of Africa and Middle East includes the operations in United Arab Emirates and Israel, acquired from RMC.

(7) Rest of Asia includes operations in Thailand and Bangladesh. In addition, in 2005, Malaysia, acquired from RMC is included.

(8) Refers to the trade maritime operations, the information solutions company (Neoris, S.A. de C.V.) and other minor subsidiaries.

(9) For the years 2003 and 2004, goodwill amortization reported by holding companies was allocated to the segment that originated such goodwill. Therefore, this information is not directly comparable with the information of the individual entities, which are comprised in each segment. Goodwill amortization was recognized as part of other expenses, net.

(10) Includes, in addition to trade maritime operating assets and other assets, related party balances of the Parent Company of Ps32,354 in 2004 and Ps31,739 in 2005, which are eliminated in consolidation. In addition, other assets in 2004 include Ps8,810 related to the equity interest in RMC (notes 2 and 9A).

(11) Corresponds to investments in fixed assets not considering the effects of inflation. As a result, this balance differs from the amount presented as investing activities in the Statement of Changes in the Financial Position within "Properties, machinery and equipment", which considers the inflation effects in accordance with Bulletin B-10.

As of December 31, 2004 and 2005, of the consolidated financial debt amounting to Ps63,358 and Ps100,653, respectively, approximately 35% in 2004 and 36% in 2005 was in the Parent Company, 14% and 7% in the United States, 15% and 32% in Spain and 36% and 25% in other countries, respectively. Of the 36% and 25% of such financial debt in other countries in 2004 and 2005, respectively, 62% and 29% was in a Dutch subsidiary, guaranteed by the subsidiaries conducting Mexican operations and the Parent. The other 24% in 2004 and 35% in 2005 was in finance companies in the United States, guaranteed by the subsidiaries conducting Spanish operations.

20. FOREIGN CURRENCY POSITION

As of December 31, 2005, the main balances denominated in foreign currencies, are as follows:

U.S. dollars millions	Mexico	Foreign	Total
Current assets	55	4,295	4,350
Noncurrent assets *	2,552	16,252	18,804
Total assets	2,607	20,547	23,154
Current liabilities	419	2,222	2,641
Long-term liabilities	1,919	8,370	10,289
Total liabilities	2,338	10,592	12,930

* In the case of Mexico refer to non-monetary assets of foreign origin.

The peso to dollar exchange rate as of December 31, 2003, 2004 and 2005 was Ps11.24, Ps11.14 and Ps10.62 pesos per dollar, respectively. As of January 27, 2006, the exchange rate was Ps10.45 pesos per dollar.

Transactions of the Company's Mexican operations denominated in foreign

currencies during 2003, 2004 and 2005 are summarized as follows:

U.S. dollars millions	2003	2004	2005
Export sales	57	76	124
Import purchases	91	88	85
Financial income	8	13	16
Financial expense	389	338	337

21. EARNINGS PER SHARE

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 amounts considered for calculations, which in 2003 and 2004 include the effect of the stock split, are summarized as follows:

	Basic number of shares	Diluted number of shares
December 31, 2003	9,456,402,458	9,674,388,376
December 31, 2004	9,987,365,042	10,039,265,534
December 31, 2005	10,378,589,918	10,410,888,190

	Majority net income	Basic EPS	Diluted EPS
December 31, 2003	Ps 7,201	0.76	0.74
December 31, 2004	13,965	1.40	1.39
December 31, 2005	Ps 22,425	2.16	2.15

The difference between the basic and diluted average number of shares in 2003, 2004 and 2005 is attributable to the additional shares to be issued under the Company's fixed employee stock option programs (note 16). In addition, beginning in 2003, the Company has included the dilutive effect on the basic number of shares resulting from the equity forward contracts in the Company's own stock, determined under the inverse treasury method.

22. CONTINGENCIES AND COMMITMENTS

A) GUARANTEES

As of December 31, 2004 and 2005, CEMEX, S.A. de C.V. had signed as guarantor of loans made to certain subsidiaries for approximately U.S.$1,355 and U.S.$711, respectively. As of December 31, 2004, the Company and certain subsidiaries had guaranteed the risks associated with certain financial transactions, assuming contingent obligations under standby letters of credit, issued by financial institutions for a total of U.S.$26.

B) TAX ASSESSMENTS

CEMEX and some of its subsidiaries in Mexico have been notified of several tax assessments related to different tax periods, determined by the Mexican tax authorities according to their verification attributions. These tax assessments

are for an amount of approximately Ps742 as of December 31, 2005. The tax assessments result primarily from: (i) disallowed restatement of tax loss carryforwards in the same period in which they occurred and (ii) disallowed determination of tax loss carryforwards. 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 but it is possible that the authority would challenge the ruling.

The Philippine Bureau of Internal Revenue notified the Company's subsidiaries in the Philippines, of tax assessments related to different tax periods for an amount of approximately 3,119 million Philippine pesos (approximately U.S.$59) as of December 31, 2005. Tax assessments result primarily from: (i) disallowed determination certain tax benefits, and (ii) deficiencies in the determination of national taxes. The affected companies have appealed available defense actions granted by law and in some cases, some resources are pending resolution.

C) 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 December 31, 2005, CEMEX has paid anti-dumping duties for cement and clinker exports to the United States at rates that in the most recent years have 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"). During October 2005, the DOC and the ITC started their second sunset review for the collection of anti-dumping duties, held every five years, to determine if the imposed anti-dumping order should continue.

On January 19, 2006, officials from the Mexican and the United States governments informed that they had reached an agreement in principle that will bring to an end the longstanding dispute over 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, 3 million tons of Mexican cement per year will be allowed into the U.S. 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 competitors will be made on a regional basis. The transitional anti-dumping duty will be lowered to U.S.$3.0 per ton from current amount of approximately U.S.$26.0 per ton.

As of December 31, 2005, CEMEX has accrued a liability 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. If implemented as proposed, the changes related to the anti-dumping order cancellation and its effect on the anti-dumping duties paid since the order was imposed, CEMEX will receive approximately U.S.$100 in cash and will also reverse approximately U.S.$65 of the accrued liability. The final resolutions related to this settlement are expected during the second half of

2006.

During 2001, the Ministry of Finance ("MOF") of Taiwan in response of 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.

On September 13, 2005, Tunwoo Co. Ltd. ("Tunwoo"), the Company's subsidiary in Taiwan, was notified by the Taiwan Fair Trade Commission ("FTC"), of an investigation based on connection to the presumption that Tunwoo, together with other cement companies in Taiwan, were coordinated in activities that violated the regulations of fair competition in that country. Tunwoo received the FTC's decision issued on December 21, 2005 to impose a penalty order varying from 5 to 18 million Taiwanese dollars fine against 21 cement companies in Taiwan. Tunwoo was imposed with a fine of 18 million Taiwanese dollars. The company has two months to appeal such resolution.

D) LEASES

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. Future minimum rental payments due under such leases are as follows:

Year ending December 31,	U.S. dollars millions
2006	U.S.$ 178
2007	149
2008	102
2009	71
2010	42
2011	23
2012 and thereafter	69
	U.S.$ 634

Rental expense for the years ended December 31, 2003, 2004 and 2005 was approximately U.S.$56 (Ps641), U.S.$114 (Ps1,218) and U.S.$152 (Ps1,614), respectively. The estimated future minimum payments of U.S.$634 at December 31, 2005, include U.S.$109 of operating leases assumed through the purchase of RMC.

E) PLEDGED ASSETS

As of December 31, 2004 and 2005, there are liabilities amounting to U.S.$2 and U.S.$100, respectively, secured by properties, machinery and equipment.

F) COMMITMENTS

As of December 31, 2004 and 2005, the Company had commitments for the purchase of raw materials for an approximate amount of U.S.$172 and U.S.$169, respectively.

During 1999, CEMEX entered into agreements with an international partnership, which built and currently operates an electrical energy generating plant in Mexico. According to the agreements, CEMEX will 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. The Company is not required to make any capital investment in the project. By means of this transaction, at December 31, 2005, the energy generated by the plant has supplied electricity to 10 cement plants of CEMEX in Mexico, covering 73% of their needs and decreasing electricity costs by 28%.

G) OTHER CONTINGENCIES

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 subsidiary of the Company in Germany, and other German cement companies. By means of this lawsuit, CDC is seeking 102 million euros (approximately U.S.$121) 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. At this preliminary stage in the proceedings, it is not possible to assess the likelihood of an adverse result in this lawsuit for CEMEX or the potential damages. However, at December 31, 2005, CEMEX has accrued a provision of approximately Ps428 (euros 34 million) in connection with this legal proceeding representing CEMEX's best estimate of the possible future cash outflows.

In August 2005, a lawsuit was filed against a subsidiary of CEMEX Colombia, claiming that it was liable along with certain employees and former employees of Asociacion Colombiana de Productores de Concreto, or ASOCRETO, a union formed by all the ready-mix producers in Colombia, and the company in charge of building the mass public transportation system of Bogota, Colombia, for the premature distress of the roads built for such transportation system using ready-mix concrete supplied by CEMEX Colombia and other ASOCRETO members. The plaintiffs allege that the ASOCRETO defendants modified the initial specifications of the transportation system to include certain construction materials supplied by CEMEX Colombia, and that as a result of these changes in the specifications, the base material supplied for the road construction failed to meet certain technical quality standards.

The plaintiffs seek the repair of the roads and estimate that the cost of such repair will be approximately U.S.$45. CEMEX Colombia is vigorously contesting this lawsuit. At this preliminary stage in the proceedings, it is not possible to assess the likelihood of an adverse result in this lawsuit, 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, 2005, CEMEX Inc., the Company's subsidiary in the United States, has accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately Ps276 (U.S.$26). 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 the Company, including discontinued operations, in regard to 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 any 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. In addition, at December 31, 2005, CEMEX recorded a provision of approximately Ps244 (U.S.$23) representing the potential future cash outflows, in connection with other environmental matters in the U.S. assumed through the acquisition of RMC during 2005.

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, 2005, to approximately U.S.$57. As of December 31, 2005, the evidentiary stage has been closed, the final arguments have been presented and the final decision is pending.

In addition, 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 2005, to approximately U.S.$8. The Company's subsidiary sought leave to appeal the resolution, which was accepted, and the case was sent to the Superior Court of Ibague. The claim is under review in the Court of Appeals. Typically, this process will continue for several years before its final resolution.

23. ALLOCATION OF THE PURCHASE PRICE OF RMC AND PRO FORMA FINANCIAL INFORMATION

A) ALLOCATION OF THE PURCHASE PRICE

As of December 31, 2005, the Company is in the final stage of allocating the price paid in the purchase of RMC of Ps44,787 (U.S.$4,217) to the fair values of the assets acquired and the liabilities assumed. The price paid for RMC's shares was adjusted to include: (i) direct acquisition expenses, and (ii) the proceeds received from the sale of some RMC's assets (note 9A).

CEMEX considers that the unassigned portion of the purchase price that was recognized as goodwill as of December 31, 2005, is representative of the final amount that will result when the allocation process finishes at the end of the first quarter of 2006. The Company has substantially finished with the valuation of the assets acquired and the liabilities assumed and, recognizing that some other issues may arise, the only pending issue is to conclude whether any portion of goodwill should be further allocated to other intangible assets, others than brands and trade names.

The allocation of the purchase price of RMC to the fair value of the assets acquired and liabilities assumed is presented below:

As of March 1, 2005		RMC
Current assets..	Ps	21,915
Investments and other noncurrent assets...........................		2,536
Properties, machinery and equipment...............................		70,317
Other assets A		979

Intangible assets B		1,850
Goodwill		12,411
Total assets acquired		110,008
Current liabilities C		28,556
Long-term debt C		13,173
Remediation liabilities		4,005
Pensions and other postretirement benefits		5,561
Deferred IT liability		13,186
Other long-term liabilities		740
Total liabilities assumed		65,221
Total net assets	Ps	44,787

A Includes Ps718 of deferred 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 Ps11,983 of short-term financial debt, while long-term debt includes Ps11,903 of financial debt.

B) PRO FORMA FINANCIAL INFORMATION

The following condensed pro forma income statements for the twelve-month periods ended December 31, 2004 and 2005, gives effect to the RMC acquisition as if it had occurred on January 1, 2004.

The pro forma adjustments consider the fair values of the net assets acquired, under certain assumptions that CEMEX considers are reasonable.

Year ended December 31, 2004		CEMEX (1)	RMC (2)	Adjustments (3)	CEMEX pro forma
Sales	Ps	87,062	82,162	-	169,224
Operating income		19,783	2,510	(761)	21,532
Comprehensive financing result		1,424	(971)	3,851	4,304
Other expenses, net		(5,169)	(5,237)	(836)	(11,242)
Income taxes		(2,277)	(630)	(377)	(3,284)
Equity in income of affiliates		428	504	-	932
Consolidated net income		14,189	(3,824)	1,877	12,242
Minority interest		224	228	-	452
Majority net income	Ps	13,965	(4,052)	1,877	11,790
Basic EPS	Ps	1.40			1.18
Diluted EPS		1.39			1.17

Year ended December 31, 2005		CEMEX 1	RMC 2	Adjustments 3	CEMEX pro forma
Sales	Ps	162,709	10,085	-	172,794
Operating income		26,409	(293)	(115)	26,001
Comprehensive financing result		2,600	(107)	(1,790)	703
Other expenses, net		(3,372)	2	(38)	(3,408)
Income taxes		(3,555)	(46)	265	(3,336)
Equity in income of affiliates		928	10	-	938
Consolidated net income		23,010	(434)	(1,678)	20,898
Minority interest		585	13	-	598

Majority net income..	Ps	22,425	(447)	(1,678)	20,300
Basic EPS	Ps	2.16			1.96
Diluted EPS		2.15			1.95

(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 (unaudited) ended February 28, prepared under International Financial Reporting Standards ("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 United Kingdom sterling pound, and was restated to constant pesos as of December 31, 2005.

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

Items		2004	2005
Complementary depreciation expense.................	Ps	(761)	(115)
Financial expense D		(1,114)	(168)
Valuation of derivative instruments................		1,475	(1,314)
Foreign exchange fluctuations D....................		1,290	(351)
Monetary position result...........................		2,200	42
Intangible assets amortization.....................		(246)	(37)
Goodwill amortization..............................		(590)	-
Deferred income tax................................		(377)	265
	Ps	1,877	(1,678)

D Determined on the basis of the U.S.$3,326 in 2004 and U.S.$3,311 in 2005 of average debt assumed for the purchase, using the interest rates of 2.4% in 2004 and 2.8% in 2005.

Pro forma financial information is not an indication of the consolidated results of operations that CEMEX would have reported had the RMC acquisition been completed as of January 1, 2004, nor should such information be taken as representative of the Company's future consolidated results.

24. NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS

Until May 2004, the Accounting Principles Commission ("CPC") of the Mexican Institute of Public Accountants was the accounting standards setter in Mexico. Beginning in June 2004, this function was transferred to the Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera ("CINIF"). The CINIF is a private organization whose objectives are to develop

Financial Reporting Standards ("FRS") in Mexico that would be useful for financial information issuers and users, as well as to accomplish the possible convergence with IFRS, issued by the International Accounting Standards Board.

Through December 2005, the CINIF issued eight series A FRS and one series B FRS. Effective January 1, 2006, standards in Mexico include the FRS issued by the CINIF, as well as the Bulletins issued by the CPC that have not been modified, superseded or revoked by a new FRS.

The main changes, included in the FRS issued, are the following:

a) Elimination of special and extraordinary items, classifying captions in the income statements as ordinary and non-ordinary.

b) Retroactive recognition of the effects of changes in accounting principles.

c) Disclosure of the authorized date for the issuance of the financial statements, as well as the officer or entity that authorized their issuance.

25. DIFFERENCES BETWEEN MEXICAN AND UNITED STATES ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Mexico (Mexican GAAP), which differ in certain significant respects from those applicable in the United States (U.S. GAAP).

The Mexican GAAP consolidated financial statements include the effects of inflation as provided for under Bulletin B-10 and Bulletin 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 Bulletin B-15 for the restatement to constant pesos for the years ended December 31, 2003 and 2004, 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 Bulletin B-10 (integrated document) 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 GAAP 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 GAAP 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 GAAP and U.S. GAAP for the years ended December 31, 2003, 2004 and 2005, and their effect on consolidated net income and earnings per share, are presented below:

		Years ended December 31,		
		2003	2004	2005
	Net income reported under Mexican GAAP.................................. Ps	7,201	13,965	22,425
	Inflation adjustment (*)..	471	1,034	-
	Net income reported under Mexican GAAP after inflation adjustment........	7,672	14,999	22,425
	U.S. GAAP adjustments:			
1.	Amortization of goodwill (note 25(a))...................................	2,113	910	-
2.	Deferred income taxes (note 25(b))......................................	(67)	394	(200)
3.	Deferred employees' statutory profit sharing (note 25(b))................	97	(58)	149
4.	Other employee benefits (note 25(c))....................................	94	28	(794)
5.	Capitalized interest (note 25(d)).......................................	(50)	10	4

6. Minority interest (note 25(e)):				
a) Financing transactions...		(190)	-	-
b) Effect of U.S. GAAP adjustments.......................................		(26)	(32)	9
7. Hedge accounting (note 25(l))...		(897)	190	1,075
8. Depreciation (note 25(f))...		53	20	18
9. Accruals for contingencies (note 25(g)).................................		(118)	(33)	-
10. Equity in net income of affiliated companies (note 25(h))...............		(11)	(8)	4
11. Inflation adjustment of fixed assets (note 25(i))........................		(284)	(247)	(306)
12. Temporary equity from forward contracts (note 25(j)).....................		804	-	-
13. Derivative instruments (note 25(l))......................................		-	1,515	(1,471)
quity forward contracts in CEMEX's stock (note 25(m))..................				
14. E		451	444	-
15. Employee stock option programs (note 25 (r))............................		-	-	860
16. Other adjustments - Computer software development (note 25(k))...........		(377)	(29)	-
17. Other adjustments - Deferred charges (note 25(k))........................		98	93	167
18. Other adjustments - Monetary position result (note 25(k))................		317	309	175
U.S. GAAP adjustments before cumulative effect of accounting change......		2,007	3,506	(310)
Net income under U.S. GAAP before cumulative effect of accounting change.		9,679	18,505	22,115
Cumulative effect of accounting change (notes 25(k) and 25(m))...........		(695)	-	-
Net income under U.S. GAAP after cumulative effect of accounting change..	Ps	8,984	18,505	22,115
Basic EPS under U.S. GAAP before cumulative effect of accounting change......	Ps	1.02	1.85	2.13
Diluted EPS under U.S. GAAP before cumulative effect of accounting change....		1.00	1.84	2.12
Basic EPS under U.S. GAAP after cumulative effect of accounting change.......	Ps	0.95	1.85	2.13
Diluted EPS under U.S. GAAP after cumulative effect of accounting change.....		0.93	1.84	2.12

At December 31, 2004 and 2005, the other principal differences between Mexican GAAP and U.S. GAAP, and their effect on consolidated stockholders' equity, with an explanation of the adjustments, are presented below:

		At December 31,	
		2004	2005
Total stockholders' equity reported under Mexican GAAP............................	Ps	87,812	109,957
Inflation adjustment (*)...		6,501	-
Total stockholders' equity reported under Mexican GAAP after inflation adjustment...		94,313	109,957
U.S. GAAP adjustments:			
1. Goodwill, net (note 25(a))...		5,790	4,767
2. Deferred income taxes (note 25(b))...		1,020	569
3. Deferred employees' statutory profit sharing (note 25(b)).........................		(3,151)	(2,907)
4. Other employee benefits (note 25(c))...		(153)	(348)
5. Capitalized interest (note 25(d))..		(521)	54
6. Minority interest--U.S. GAAP presentation (note 25(e))............................		(4,672)	(5,729)
7. Depreciation (note 25(f))..		(81)	(60)
8. Investment in net assets of affiliated companies (note 25(h))......................		(275)	(237)
9. Inflation adjustment for machinery and equipment (note 25(i))......................		3,305	4,548
10. Derivative instruments and equity forward contracts in CEMEX's stock (notes 25(l) and 25(m))..		246	-
11. Employee stock option programs (note 25 (r)).....................................		-	992
12. Other adjustments - Deferred charges (note 25(k)).................................		(409)	(225)
U.S. GAAP adjustments..		1,099	1,424
Stockholders' equity under U.S. GAAP...	Ps	95,412	111,381

(*) Adjustment that reverses the restatement of prior periods into constant pesos as of December 31, 2005, using the CEMEX weighted average inflation factor (note 3B), and restates such prior periods into constant pesos as of December 31, 2005 using the Mexican-only inflation factor, in order to comply with current requirements of Regulation S-X. The Mexican and U.S. GAAP prior periods amounts, included throughout note 25, were restated using the Mexican inflation index, with the exception of those amounts of prior periods that are also disclosed in notes 1 to 24, which were not restated in note 25 using the Mexican inflation in order to have more straightforward cross-references

between note 25 and the Mexican GAAP 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, 2003, relates to the adoption of SFAS 143 Accounting for Asset Retirement Obligations ("SFAS 143") and SFAS 150 Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity ("SFAS 150") (notes 25(k) and 25(m)). The term "SFAS" as used herein refers to U.S. Statements of Financial Accounting Standards.

(a) Goodwill, acquisitions and other agreements

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 GAAP 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, SFAS 142, Goodwill and Other Intangible Assets, ("SFAS 142"), eliminated the amortization of goodwill under U.S. GAAP (note 25(s)) while under Mexican GAAP goodwill was amortized until December 31, 2004; and (iii) the difference between goodwill amounts under U.S. GAAP, under which 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 GAAP, under which amounts are carried in the functional currencies of the holding companies, translated into pesos and then restated using the Mexican inflation index.

For the years ended December 31, 2003, and 2004, amortization of goodwill was recorded within other expenses under Mexican GAAP. Starting January 1, 2005, Mexican GAAP ceased amortization of goodwill (note 3D). According to 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 GAAP for the years ended December 31, 2003 and 2004 is adjusted for purposes of the reconciliation of net income and stockholders' equity to U.S. GAAP.

CEMEX assesses goodwill for impairment annually unless events occur that require more frequent reviews. Discounted cash flow analyses are used to assess goodwill impairment (note 25(s)). 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. Considerable management judgment is necessary to estimate discounted future cash flows. Assumptions used for these cash flows are consistent with internal forecasts.

During 2004, CEMEX acquired CAH shares held by minority shareholders through the exchange for CEMEX's CPOs (note 9A), resulting in an excess in the fair value of the assets delivered over the fair value of the assets received of approximately Ps960. Under Mexican GAAP, 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. This reclassification had no effect in the reconciliation of stockholders' equity to U.S. GAAP as of December 31, 2004.

Acquisitions

In addition, related to the purchase accounting exercise of RMC, the Company

concluded, in respect to the identification and valuation of intangibles assets, other than goodwill, that there were no additional intangible assets which required separate recognition in addition to trademarks and commercial names, which were valued at December 31, 2005 under Mexican GAAP, as discussed in note 23A.

Other agreements

In connection with the ventures entered into with Ready Mix USA on July 1, 2005 (note 9A), pursuant to the relevant agreements, two limited liability companies were formed, CEMEX Southeast, LLC and Ready Mix USA, LLC. CEMEX's contributions to CEMEX Southeast, LLC, the entity that owns the cement related assets, represented approximately 98% of the contributed capital, while Ready Mix USA's contributions represented approximately 2% of the contributed capital. CEMEX's contributions to Ready Mix USA, LLC, the entity that owns the ready-mix related assets, 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, while 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.

(b) Deferred Income Taxes ("IT") and Employees' Statutory Profit Sharing ("ESPS")

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, 2004 and 2005 are presented below:

		2004	2005
Deferred tax assets:			
Net operating loss and assets tax carryforwards	Ps	13,670	13,788
Trade accounts receivable		112	217
Accounts payable and accrued expenses		3,957	3,890
Other		675	806
Total gross deferred tax assets		18,414	18,701
Less valuation allowance		4,432	5,665
Total deferred tax assets under U.S. GAAP		13,982	13,036
Deferred tax liabilities:			
Property, plant and equipment		23,125	29,804
Investments in securities and related parties transactions		2,477	4,917
Advanced payments		191	396
Inventories		161	16
Other		212	1,738
Total deferred tax liability under U.S. GAAP		26,166	36,871
Net deferred tax liability under U.S. GAAP		12,184	23,835
Less--U.S. GAAP deferred IT liability of acquired subsidiaries at date of acquisition		7,201	19,568
Net deferred IT effect in stockholders' equity under U.S. GAAP		4,983	4,267
Less-- Deferred IT effect in stockholders' equity under Mexican GAAP (note 18B)		5,589	4,836
Income in reconciliation of stockholders' equity to U.S. GAAP		606	569
Inflation adjustment (note 3B)		414	-
Net income in reconciliation of stockholders' equity to U.S. GAAP	Ps	1,020	569

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
December 31, 2003, 2004 and 2005
(Millions of constant Mexican Pesos as of December 31, 2005)

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 and 2005 CEMEX increased the valuation allowance by approximately Ps 443 and Ps1,233, respectively.

Under Mexican GAAP, CEMEX determines deferred income tax in a manner similar to U.S. GAAP (notes 3S and 18B). 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 GAAP, 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 and U.S. GAAP. For Mexican GAAP presentation purposes, deferred tax assets and liabilities are long-term items.

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, 2004 and 2005 are presented below:

	2004	2005
Deferred assets:		
Employee benefits	Ps 19	225
Trade accounts receivable	25	20
Other	72	85
Gross deferred assets under U.S. GAAP	116	330
Deferred liabilities:		
Property, plant and equipment	3,060	2,965
Inventories	1	-
Other	206	272
Gross deferred liabilities under U.S. GAAP	3,267	3,237
Net deferred liabilities under U.S. GAAP	Ps 3,151	2,907

In the condensed financial information presented under U.S. GAAP in note 25(o), ESPS effect, both current and deferred, is included in the determination of operating income. For Mexican GAAP presentation, ESPS effect, both current and deferred, is considered as a separate line item equivalent to income tax.

Under Mexican GAAP, 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 Ps71 in 2003, expense of Ps203 in 2004 and income of Ps178 in 2005, determined under Mexican GAAP, were reversed.

(c) Other Employee Benefits

Paid absences (Vacations)

Beginning in 2003, CEMEX recognizes vacation expense under Mexican GAAP during the period the employees earn it, consistently with SFAS 43, Accounting for Compensated Absences. For the year ended December 31, 2002, in some business units of CEMEX, vacation expense was recorded for purposes of Mexican GAAP when taken rather than during the period the employees earn it; therefore, a reconciling item was determined for U.S. GAAP purposes representing expense of approximately Ps1 in 2003. The amount of expense recognized during 2003 under U.S. GAAP represents the difference between the estimated accrual made under U.S. GAAP through December 31, 2002 and the accumulated initial effect from the accounting change under Mexican GAAP, which was recognized as of January 1, 2003 directly to stockholders' equity.

Severance

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 GAAP, 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 GAAP, 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).

For the years ended December 31, 2003, 2004 and 2005, severance provisions recorded for U.S. GAAP purposes resulted in income of Ps94, income of Ps28 and expense of Ps101, respectively, with an accrual of Ps153 and Ps295 at December 31, 2004 and 2005, respectively. At December 31, 2005, the provision for severance payments under U.S. GAAP amounted to approximately Ps295, approximately Ps250 higher that the provision accrued under Mexican GAAP. The difference between the provision under U.S. GAAP and Mexican GAAP represents the cumulative initial effect from the accounting change under Mexican GAAP, which was recognized as of January 1, 2005 as part of the unrecognized net transition obligation (note 14), net of the amortization expense recorded under Mexican GAAP during 2005 related to such transition obligation.

Additionally, in connection with the purchase of RMC, as of December 31, 2005, for purposes of the financial statements under Mexican GAAP, CEMEX recorded restructuring costs, mainly integrated by severance payments, for approximately Ps595 against goodwill. For purposes of the reconciliation to U.S. GAAP, such restructuring costs have deemed not to comply with the rules of SFAS 141, "Business Combinations" for recognition as part of the purchase price of RMC. As a result, such restructuring costs under Mexican GAAP for approximately Ps595 (Ps422 after tax) were charged to earnings in the reconciliation of net income to U.S. GAAP and removed from goodwill in the condensed financial information under U.S. GAAP (note 25(o)).

Pension and other benefits

In connection with the change from defined benefit scheme to 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 GAAP, CEMEX recognized at December 31, 2005, a nonrecurring net expense of approximately Ps976 related to: 1) an event of settlement of obligations, which represented an income of approximately Ps98; and 2) an event of curtailment, which represented an expense of approximately Ps1,074. 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". For purposes of the reconciliation of net income to U.S. GAAP, according to the provisions of SFAS 88, settlement events should be recognized in the year in which the settlement occurred. As a result, in the reconciliation of net income to U.S. GAAP, the settlement income of approximately Ps98 (Ps74 after tax) recognized under Mexican GAAP was canceled against the provision of pensions and other postretirement benefits under U.S. GAAP.

CEMEX accounts for employee pension benefits based on the net present value of the obligations determined by independent actuaries (notes 3J 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.

At December 31, 2004 and 2005, CEMEX has established self-insured health care benefits plans in several of its 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. In certain countries, 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 countries, CEMEX has established stop-loss limits per employee regardless the number of events ranging from U.S.$300 thousand to U.S.$1. 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 through self-insured health care benefits granted to our employees was approximately Ps531 (US$50). CEMEX also provides life insurance benefits to its active and retired employees. Generally, life insurance benefits for retired employees are reduced over a number of years from the date of retirement to a minimum level.

(d) Capitalized Interest

Under Mexican GAAP, CEMEX capitalizes interest related to debt incurred to finance construction projects, which is comprehensively measured in order to include the following effects: (i) the interest cost, plus (ii) any foreign currency fluctuations, and less (iii) the related monetary position result. Under U.S. GAAP, only interest is considered an additional cost of constructed assets to be capitalized and depreciated over the lives of the related assets. The U.S. GAAP reconciliation removes the foreign currency gain or loss and the monetary position result capitalized for Mexican GAAP derived from borrowings denominated in foreign currency. For the years ended December 31, 2004 and 2005, capitalized interest amounts were immaterial.

(e) Minority Interest

Financing Transactions

For U.S. GAAP presentation purposes (note 25(o)), related to the preferred stock described in note 15E and as a result of the adoption of SFAS 150 during 2003, preferred dividends declared in 2003 for approximately U.S.$13 (Ps147) were classified as interest expense under U.S. GAAP.

For U.S. GAAP presentation purposes (note 25(o)), in respect to the capital securities described in note 15E and as a result of the adoption of SFAS 150 during 2003, capital securities dividends declared in 2003 for approximately U.S.$6 (Ps75) were classified as interest expense. During 2004, as a result of newly issued Mexican GAAP, this transaction was treated as financial debt until

its termination; consequently, dividends declared in 2004 were recorded as interest expense under both Mexican and U.S. GAAP.

U.S. GAAP adjustments to minority interest

Under Mexican GAAP, the minority interest in consolidated subsidiaries is presented as a separate component within stockholders' equity. Under U.S. GAAP, minority interest is classified separately from stockholders' equity (note 25(o)). At December 31, 2004 and 2005, the amount presented in the reconciliation of stockholders' equity to U.S. GAAP includes the reclassification previously mentioned, as well as the share on minority interest of the adjustments to U.S. GAAP determined in the consolidated subsidiaries.

(f) 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 Mexican GAAP purposes, CEMEX has maintained this accounting practice due to tax consequences in Colombia arising from a change in methodology and the immateriality of the effects in CEMEX's consolidated results. 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, 2003, 2004 and 2005, income of Ps53, Ps20 and Ps18, respectively, was reflected in the reconciliation of net income to U.S. GAAP.

(g) 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 is considered to be possible but not probable, the accruals under Mexican GAAP were reversed for U.S. GAAP purposes. During 2003 and 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 has evaluated certain previously created accruals and determined to reverse them under Mexican GAAP. 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.

(h) Affiliated Companies

CEMEX has adjusted its investment and equity method in affiliated companies (note 9A) for CEMEX's share of the approximate U.S. GAAP adjustments applicable to these affiliates.

(i) 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 GAAP 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.

(j) Temporary Equity from Forward Contracts

In October 2003, as a result of a secondary equity offering (note 17A), CEMEX settled equity forward contracts that it held in connection with its appreciation warrants (notes 15F and 17A), resulting in a gain of approximately U.S.$19.5 (Ps223), recognized in stockholders' equity under Mexican GAAP. For Mexican GAAP purposes, since origination, the forward contracts were treated as equity transactions and gains or losses were recognized upon settlement or extension as an adjustment to stockholders' equity. During the life of the contracts, the difference between the proceeds from the sale of CEMEX equity and the forward price, which was periodically paid to the counterparties, was treated as a prepayment toward the forward contracts' final price and was presented as other accounts receivable. Such prepayments were also treated as preferred dividends in the reconciliation of net income to U.S. GAAP, in a manner similar to a mandatorily redeemable preferred stock, representing an income of approximately Ps804 in 2003. The amount of income in 2003 included: (i) a net gain of Ps877 from the results of the secondary equity offering and the reversal of prepayments accrued until settlement that were recognized as preferred dividends during the life of the contracts and that were not realized as a result of the offering and settlement; and (ii) expense of Ps73 from prepayments made in 2003 treated as preferred dividends.

In connection with the secondary equity offering of CEMEX shares which occurred during 2005, the equity forward contracts were settled and had been accounted at fair value through earnings under Mexican GAAP, consistently with the accounting treatment under U.S. GAAP. Accordingly, in 2005 there is no reconciling adjustment.

(k) Other U.S. GAAP Adjustments

Capitalization of costs of computer software development--Under U.S. GAAP, 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 U.S. GAAP, CEMEX capitalized direct costs incurred in the development and implementation of internal-use software. Under Mexican GAAP such costs were expensed as incurred. Beginning in 2001, under Mexican GAAP, CEMEX implemented the policy of capitalizing the direct costs associated with internal-use software developments (note 11) in a manner similar to U.S. GAAP. As a result, in the reconciliation of net income to U.S. GAAP for the years ended December 31, 2003 and 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 Ps377 in 2003 and Ps29 in 2004. At December 31, 2004, the capitalized costs under U.S. GAAP until December 31, 2000 were fully amortized.

For the years ended December 31, 2003, 2004 and 2005, for both Mexican and U.S. GAAP, direct costs capitalized associated with internal-use software developments and implementations amounted to Ps129, Ps106 and Ps178, respectively. The estimated average useful lives to amortize these capitalized costs is between 3 and 5 years.

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 Ps98 in 2003, income of Ps 93 in 2004 and income of Ps167 in 2005. During 2003, 2004 and 2005, all amounts capitalized

under Mexican GAAP 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, 2003, 2004 and 2005, refer exclusively to amounts amortized under Mexican GAAP during the respective year 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 Ps409 and Ps225 at December 31, 2004 and 2005, respectively.

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 GAAP's Bulletin C-9 established generally the same requirements as SFAS 143. The difference between Mexican GAAP and U.S. GAAP concerning this item relates to the recognition of the cumulative initial effect from adoption, which under SFAS 143 was recognized in earnings after net income, while under Mexican GAAP it was recognized in stockholders' equity. Accordingly, the reconciling item presented in the reconciliation of net income to U.S. GAAP for the year ended December 31, 2003, includes the reclassification of approximately Ps87 of the cumulative effect from adoption from stockholders' equity under Mexican GAAP to net income under U.S. GAAP (notes 3M and 13).

In addition, environmental expenditures related to current operations are expensed or capitalized, as appropriate. Other than those contingencies disclosed in notes 13 and 22G, CEMEX is not currently facing other material contingencies, which might result in the recognition of an environmental remediation liability.

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 weighted average inflation factor for the period.

(l) Financial Instruments

Derivative Financial Instruments (notes 3L, 12 and 17)

Under 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. Mexican GAAP, through Bulletin C-2 (note 3L), establishes a methodology similar to that of U.S. GAAP (SFAS 133, Derivative Instruments and Hedging Activities). The differences between SFAS 133 and Bulletin C-2 relate to the rules for hedge accounting. SFAS 133 provides specific rules for hedge accounting, while under Bulletin C-2, hedge accounting is based solely on an entity's intention and designation, provided that the underlying hedged asset or liability is already recognized in the balance sheet. Bulletin C-2 does not provide guidance for hedging forecasted transactions, for cash flow hedges, for derivative instruments by an entity in its own equity, and for hedges of an entity's net investment in its foreign subsidiaries. Accordingly, such instruments have been accounted for by CEMEX in accordance with SFAS 133 or with other U.S. GAAP accounting pronouncements, as appropriate. Fair value hedges, as defined by SFAS 133, were precluded by Mexican GAAP until December 31, 2004, since it was not permitted to record primary hedged instruments at fair value (note 24).

At December 31, 2004 and 2005, the differences in derivative instruments' hedge accounting between Mexican and U.S. GAAP, as they relate to CEMEX, led to an adjustment in the reconciliation of net income to U.S. GAAP, and a reclassification in the condensed financial information under U.S. GAAP in note 25(o), which are explained as follows:

- In connection with the fair value recognition of the derivatives related to CEMEX's acquisition of RMC (note 17B) under Mexican GAAP, CEMEX designated such derivatives as hedge 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 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 Ps1,515. This gain was reclassified to earnings under Mexican GAAP 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 GAAP to earnings under U.S. GAAP for an amount of approximately Ps1,553, 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 GAAP was reclassified to stockholders' equity under U.S. GAAP; therefore, an expense of approximately Ps1,471 is presented as a reconciling item.

- As discussed in note 12B, as of December 31, 2004, related to the estimated fair value of Cross Currency Swaps ("CCS"), CEMEX recognized net assets of U.S.$209 (Ps2,227). Under U.S. GAAP, such amounts do not qualify for net presentation and thus have been presented as gross amounts for purposes of the condensed financial information under U.S. GAAP presented in note 25(o). As a result, under U.S. GAAP at December 31, 2004, in respect to the portion of the estimated fair value attributable to changes in exchange rates, short-term and long-term debt increased U.S.$132 (Ps1,408), including prepayments, against current and non-current assets, while in respect of the portion of the estimated fair value attributable to accrued interest, current liabilities increased U.S.$10.9 (Ps116) against current assets. As of December 31, 2005, the Company did not make net presentation under Mexican GAAP.

See note 25(m) for changes in accounting principles regarding CEMEX's equity forward contracts in its own shares due to the adoption of SFAS 150. All derivative instruments, with the exceptions described above and the equity forwards described in notes 25(j) and 25(m), entered into by CEMEX and disclosed in notes 12 and 17, were accounted under Mexican GAAP consistently with the provisions of 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.

As of December 31, 2004 and 2005, CEMEX has not designated any derivative

instrument as a fair value hedge for accounting purposes under both Mexican GAAP and U.S. GAAP. 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.

Fair Value of Financial Instruments

The carrying amount of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses and short-term debt, approximates fair value because of the short-term maturity of these financial assets and liabilities.

Marketable securities and long-term investments are accounted for at fair value, which is based on quoted market prices for these or similar instruments.

The carrying value of CEMEX's long-term debt and the related fair value based on quoted market prices for the same or similar instruments or on current rates offered to CEMEX for debt of the same remaining maturities (or determined by discounting future cash flows using borrowing rates currently available to CEMEX) at December 31, 2005 is summarized as follows:

	At December 31, 2005	
Million of U.S. Dollars	Carrying amount	Estimated fair value
Bank loans........................... Ps	5,694	5,638
Notes payable........................	3,157	3,110

As discussed in notes 3D and 15D, CEMEX has designated certain debt as hedges of its investment in foreign subsidiaries and, for Mexican GAAP purposes, records foreign exchange fluctuations on such debt in stockholders' equity. For purposes of the U.S. GAAP net income reconciliation, expense of Ps 897 in 2003, income of Ps 190 in 2004 and income of Ps1,075 in 2005, were recognized as foreign exchange results since the related debt did not meet the conditions for hedge accounting purposes, given that the currencies involved do not move in tandem.

(m) Financial Instruments with Characteristics of both Liabilities and Equity

In May 2003, the FASB issued SFAS 150, which requires an issuer to classify financial instruments as liabilities (or assets under certain circumstances) when they meet the following criteria: (i) a financial instrument issued in the form of shares that is mandatorily redeemable, through the unconditional obligation of transferring its assets at a specified or determinable date (or dates) or upon an event that is certain to occur; (ii) a financial instrument, other than an outstanding share, that, at origination, embodies an obligation to repurchase the issuer's shares, or is indexed to such an obligation, and that requires or may require the issuer to settle the obligation by transferring assets (for example, a forward purchase contract or written put option on the issuer's shares that is to be physically settled or net cash settled); and (iii) a financial instrument that embodies an unconditional obligation, which the issuer must or may settle by issuing a variable number of its shares if, at origination, the monetary value of the obligation is based solely or predominantly in a fixed monetary amount known at origination, if variations are based on something other than the fair value of the issuer's shares, or if

variations are inversely related to changes in the fair value of the issuer's shares. SFAS 150 is effective for all transactions entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003.

Under SFAS 150, mandatorily redeemable instruments must be classified as a liability and initially measured at fair value against equity. Equity forward contracts that require physical settlement by repurchase of a fixed number of the issuer's shares in exchange for cash are measured initially at the fair value of the shares at origination, adjusted for any consideration or unstated rights or privileges, against equity. Subsequently, those instruments should be measured at the net present value of the amount to be paid at settlement, accruing interest cost using the rate implicit at origination. Other instruments within the scope of SFAS 150 shall be initially measured at fair value with subsequent changes in fair value recognized in earnings as interest expense. SFAS 150 was adopted presenting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of the statement. Restatement is not permitted.

Equity Forward Contracts in CEMEX's own Shares

As described in notes 16 and 17A, as of December 31, 2004, CEMEX held equity forward contracts negotiated to hedge future exercises under its stock option programs, for a notional amount of U.S.$1,112. In October 2005, as described in note 17A, these equity forward contracts were liquidated. Since January 1, 2001, under Mexican GAAP, these forward contracts, which could have been physically or net cash settled at CEMEX's option, were recognized at their estimated fair value as assets or liabilities in the balance sheet, and changes in fair value and the result from the liquidation of the contracts have been recorded in earnings for the years ended December 31, 2003, 2004 and 2005. The accounting treatment given to these contracts since 2001 was consistent with SFAS 150 and, therefore, with respect to these forwards, no reconciling adjustment was required pursuant to the implementation of the statement.

In addition, as of December 31, 2004, CEMEX held other equity forward contracts (note 17A), for a notional amount of U.S.$45, which could be physically or net cash settled at CEMEX's option and were considered as equity transactions under Mexican GAAP. For U.S. GAAP purposes, until December 31, 2002, the effects of these contracts were recognized upon settlement as an adjustment to stockholders' equity and no periodic recognition was made. Under SFAS 150, these instruments should be initially recognized at their estimated fair market value as assets or liabilities in the balance sheet, and subsequent changes in fair value should be recorded in earnings, with the cumulative effect of adoption recognized as an adjustment to net income. CEMEX adopted SFAS 150 as of June 30, 2003 and, as a result, for purposes of the reconciliation of net income to U.S. GAAP for the year ended December 31, 2003, the estimated fair value of such forward contracts was recognized against the cumulative effect from the change in accounting principle, which represented an expense of approximately Ps608. After initial recognition under U.S. GAAP, CEMEX recorded a gain related to changes in fair value during 2003 amounting to approximately Ps454.

Related to the equity forwards in CEMEX's own shares, during 2004, upon settlement of several contracts, CEMEX recognized a gain of approximately Ps444 (U.S.$39) under Mexican GAAP within stockholders' equity. Under U.S. GAAP, instruments with a variety of settlement options are required to be marked to market through earnings; accordingly, the gain recognized under Mexican GAAP was reclassified to earnings under U.S. GAAP. The reclassification under U.S. GAAP had no effect on stockholders' equity.

(n) Supplemental Debt Information

At December 31, 2004 and 2005, 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.$ 847 (Ps 9,051) and U.S.$505 (Ps5,362), respectively, were reclassified from short-term debt to long-term debt under Mexican GAAP (note 12). For purposes of the condensed balance sheets under U.S. GAAP in note 25(o), 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.

(o) Condensed Financial Information under U.S. GAAP

The following table presents consolidated condensed income statements for the years ended December 31, 2003, 2004 and 2005, 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:

Statements of income		Years ended December 31, 2003	2004	2005
Net sales	Ps	86,568	92,553	159,516
Gross profit		36,110	39,038	63,464
Operating income		14,770	17,007	24,706
Comprehensive financial result		(3,078)	3,495	2,862
Other expenses, net		(1,218)	(630)	(2,191)
Income tax (including deferred taxes)		(1,206)	(1,684)	(3,912)
Equity in income of affiliates		582	590	1,226
Consolidated net income		9,850	18,778	22,691
Minority interest net income		171	273	576
Majority interest net income before cumulative effect of accounting change		9,679	18,505	22,115
Cumulative effect of accounting change		(695)	-	-
Majority interest net income	Ps	8,984	18,505	22,115

The following table presents consolidated condensed balance sheets at December 31, 2004 and 2005, prepared under U.S. GAAP, including all differences and reclassifications as compared to Mexican GAAP described in this note 25:

Balance sheets		At December 31, 2004	2005
Current assets	Ps	25,282	43,398
Investments and non-current assets		21,746	16,971
Property, machinery and equipment		112,829	169,553
Deferred charges		52,693	63,821
Total assets		212,550	293,743
Current liabilities		37,327	52,763
Long-term debt		44,949	82,610
Other non-current liabilities		30,190	41,260
Total liabilities		112,466	176,633
Minority interest		4,672	5,729
Stockholders' equity including cumulative effect of accounting change		95,412	111,381
Total liabilities and stockholders' equity	Ps	212,550	293,743

The prior period amounts presented in the tables above were restated to constant pesos as of December 31, 2005 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 GAAP (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 GAAP, which arise from the differences in the consolidation policy and other presentation rules under Mexican GAAP and U.S. GAAP. The main reclassifications at December 31, 2004 and 2005 and for the years ended December 31, 2003, 2004 and 2005 are as follows:

- Under Mexican GAAP, CEMEX consolidates its investments in joint ventures (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 ventures. 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 ventures in Spain and Portugal were removed line-by-line against the equity in affiliates for both the balance sheets and the income statements.

- Assets held for sale (note 8) of Ps 554 and Ps650, as of December 31, 2004 and 2005, respectively, were reclassified to long-term assets for purposes of the condensed financial information of balance sheet under U.S. GAAP in note 25(o). These assets are stated at their estimated fair value. Estimated costs to sell these assets are not significant.

- Under Mexican GAAP, for the years ended December 31, 2003, 2004 and 2005, other expenses, net, included goodwill amortization until 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 income statement condensed financial information under U.S. GAAP in note 25(o), from other expenses, net, under Mexican GAAP, expenses of Ps3,146 in 2003, Ps2,708 in 2004 and Ps891 in 2005 were reclassified to operating expenses. Likewise, expenses of Ps479 in 2004 and Ps383 in 2005 were reclassified to the comprehensive financial result under U.S. GAAP.

(p) Supplemental Cash Flow Information Under U.S. GAAP

Under Mexican GAAP, 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 GAAP 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, 2003, 2004 and 2005, 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 is not presented in pesos of constant purchasing power:

	Years ended December 31,		
	2003	2004	2005
Net cash provided by operating activities................... Ps	9,772	21,885	28,909
Net cash provided by (used in) financing activities.........	(4,874)	(3,723)	12,502
Net cash used in investing activities.......................	(5,419)	(17,734)	(38,818)

Net cash flow from operating activities reflects cash payments for interest and income taxes as follows:

	Years ended December 31,		
	2003	2004	2005
Interest paid... Ps	4,897	3,654	5,124
Income taxes paid...	576	1,314	2,433

Non-cash activities are comprised of the following:

Long-term debt assumed through the acquisition of businesses was Ps137.8 in 2003 and Ps11,903 in 2005.

(q) Restatement to Constant Pesos of Prior Years

The following table presents summarized financial information under Mexican GAAP of the consolidated income statements for the years ended December 31, 2003 and 2004 and balance sheet information as of December 31, 2004, in constant Mexican pesos as of December 31, 2005, using the Mexican inflation index:

Years ended December 31,		2003	2004
Sales...	Ps	87,414	93,507
Gross profit..		37,023	40,883
Operating income..		17,755	21,247
Majority interest net income................................		7,672	14,999
At December 31,			2004
Current assets..		Ps	22,394
Non-current assets..			177,038
Current liabilities...			27,680
Non-current liabilities.....................................			77,438
Majority interest stockholders' equity......................			89,851
Minority interest stockholders' equity......................			4,463

(r) Stock Option Programs

Stock options activity during 2004 and 2005, the balance of options outstanding at December 31, 2004 and 2005 and other general information regarding CEMEX's stock option programs is presented in note 16. Until December 31, 2004, the availability of CPOs for the potential future exercise of the programs was fully hedged through equity forward contracts in CEMEX's own stock (note 17A). Resulting from the secondary equity offering and the concurrent settlement of the equity forward contracts, as of December 31, 2005, the availability of CPOs for the potential future exercise of the programs is mainly hedged through the use of treasury shares.

At December 31, 2004, for financial reporting under Mexican GAAP, CEMEX accounted for its stock option programs (note 16) 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 the CEMEX's fixed program (note 16-Equity programs), while compensation cost, under the intrinsic method, was periodically determined for all other programs granted by CEMEX (note 16-Liability programs).

During 2005, as mentioned in notes 3R and 16, under Mexican GAAP CEMEX obligatorily adopted IFRS 2, "Share-based Payment" ("IFRS 2") As a result of the adoption of IFRS 2, as of December 31, 2005, CEMEX accrued a provision representing the fair value of the outstanding options classified as liability instruments of approximately Ps2,659 (U.S.$250). During the year ended December 31, 2005, CEMEX recorded an expense in its income statement from the change in fair value of approximately Ps2,119 (U.S.$200).

For purposes of the reconciliation of net income to US GAAP, for the year ended December 31, 2005, CEMEX reversed the adjustment to fair value made under Mexican GAAP 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 Ps860 (Ps992 before the related income tax effect) as compared to the accrual under the fair value method.

As of and for the years ended December 31, 2003, 2004 and 2005, under U.S. GAAP, CEMEX applied the disclosure rules of SFAS 123, Accounting for Stock-Based Compensation ("SFAS 123") SFAS 123 requires compensation cost for stock option plans that meet the characteristics of equity instruments, to be determined based on the options' fair value at the grant date, using a qualified option-pricing model, and recorded in results of operations during the options' vesting period, after which no further recognition is required. Moreover, SFAS 123 requires that compensation cost related to stock awards that meet the characteristics of liability instruments should be determined based on the intrinsic value of the awards at each balance sheet date, recording changes in such intrinsic value through earnings, in a manner similar to the accounting treatment prescribed under APB 25 for variable plans and that was applied by CEMEX under Mexican GAAP until December 31, 2004 as mentioned above. SFAS 123 allows entities to continue the use of APB 25 for valuation purposes, requiring entities to disclose the estimated effect as if they had applied the fair value method during the periods presented.

In 2005, CEMEX identified that its option programs granted in prior years, except for the fixed program, and that were accounted for as variable awards under Mexican GAAP were considered as fixed awards for purposes of determining the pro forma impact of the fair value of option grants. As a result, on the pro forma disclosure, CEMEX removed the expense for those periods determined under Mexican GAAP, and recorded on a pro forma basis under U.S. GAAP, the fair values of these awards determined at the date of grant using an option pricing model. Pro forma adjustments were not necessary since the variable accounting under Mexican GAAP for these programs was in accordance with the rules of both APB 25 and SFAS 123. Accordingly, the pro forma disclosures for the years 2003 and 2004 were removed to reflect the correction of this error.

Compensation cost (income) by plan recorded under Mexican GAAP according to the intrinsic value method for the years ended December 31, 2003 and 204 were as follows:

For the years ended December 31,		2003	2004
Restricted program 2............................	Ps	-	221

Special program	63	157
Variable program 2	385	(238)
Voluntary programs 1	48	(84)
	496	56

For the year ended December 31, 2005, had compensation cost be determined under SFAS 123, based on the intrinsic value of stock options at each reporting date, CEMEX's net income and earnings per share would have been as follows:

For the year ended December 31, 2005		Restricted program	Special program	Variable program	Total
Net income, as reported (Mexican GAAP)	Ps				22,425
Reversal of cost (income) under Mexican GAAP according to IFRS(2)(3)		(214)	511	1,822	2,119
(Cost) income of options according to intrinsic value method under SFAS (1)(2)(3)		(577)	(349)	(90)	(1,016)
Approximate net income, pro forma					23,528
Basic earnings per share, as reported	Ps				2.16
Basic earnings per share, pro forma	Ps				2.27

(1) For the year ended December 31, 2003, net income under Mexican GAAP includes a liquidation cost of approximately Ps710 related to the voluntary program, which was fully exercised during the year.

(2) As a result of the early exercise in December 2004, CEMEX recognized a liquidation cost of approximately U.S.$61 (Ps653) related to options redeemed from old programs (note 16), including those of the variable program granted in February 2004 and those of the restricted program initiated also in February 2004.

(3) The amount of expense (income), recognized under Mexican GAAP and reversed for purposes of the pro forma disclosure under U.S. GAAP, reflects the change between the initial balance of the provision created for under the intrinsic value method, and the year-end balance of the provision created for under the fair value method in 2005, and does not include amounts expensed in actual exercises or liquidations. Amounts expensed are included in earnings under Mexican GAAP and are not reversed for U.S. GAAP disclosure purposes.

In December 2004, the FASB issued SFAS 123R, Share-Based Payment, which is effective for companies beginning January 1, 2006 (note 25(w)). SFAS 123R eliminates the alternative to use APB 25's intrinsic value method and requires entities to recognize the cost of employee services received in exchange of awards of equity instruments based on the grant-date fair value of those awards. Moreover, SFAS 123R requires that stock awards that meet the characteristics of liabilities to be recorded at their fair value at each reporting date, recognizing changes in valuation through earnings. CEMEX will adopt SFAS 123R under U.S. GAAP during 2006.

(s) Impairment of Long Lived Assets

Under U.S. GAAP, effective January 1, 2002, CEMEX adopted SFAS 142, which eliminates the amortization of goodwill and of indefinite-lived intangible assets, addresses the amortization of intangible assets with finite lives,

impairment testing and the recognition of goodwill and other intangible assets acquired in business combinations. Likewise, effective January 1, 2002, CEMEX adopted SFAS 144, which establishes a single model for the impairment of long-lived assets and broadens the presentation of discontinued operations to include disposal of an individual business.

As a result of such adoption under U.S. GAAP, CEMEX ceased the amortization of the goodwill balances determined at December 31, 2001; however, such amounts remain subject to impairment evaluations. During the first half of 2002, in connection with SFAS 142's transitional goodwill impairment evaluation, which required an assessment of whether there was an indication that goodwill was impaired as of the date of adoption, CEMEX identified its reporting units and determined the carrying value of each reporting unit as of January 1, 2002, by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. CEMEX also determined the fair value of each reporting unit and compared it to their related carrying amounts. Fair value of the reporting units exceeded in each case the corresponding carrying amount and, therefore, no impairment charges resulted from the transitional evaluation performed on the recorded goodwill as of January 1, 2002. For the years ended December 31, 2003 and 2004, goodwill under Mexican GAAP continued to be an amortizable intangible asset. 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 are also the reporting units under SFAS 142 for purposes of assessing fair value in determining potential impairment at transition and in future periods.

Under U.S. GAAP, CEMEX assesses goodwill and indefinite-lived intangibles for impairment annually unless events occur that require more frequent reviews. Long-lived assets, including amortizable intangibles, are tested for impairment if impairment triggers occur. Discounted cash flow analyses are used to assess the possible impairment of non-amortizable intangible assets and goodwill, while undiscounted cash flow analyses are used to assess the existence of impairment of other long-lived assets such as property, plant and equipment. If an assessment indicates impairment, the impaired asset is written down to its fair value based on the best information available.

The useful lives of amortizable intangibles are evaluated periodically, and subsequent to impairment reviews, to determine whether revision is warranted. If cash flows related to a non-amortizable intangible are not expected to continue for the foreseeable future, a useful life is assigned. Considerable management judgment is necessary to estimate undiscounted and discounted future cash flows. Assumptions used for these cash flows are consistent with internal forecasts and industry practices. For the years ended December 31, 2003, 2004 and 2005, there were no impairment charges under U.S. GAAP in addition to those described in notes 10 and 11, which were recorded under Mexican GAAP, as CEMEX's policy for impairment is consistent with U.S. GAAP, except, during 2004, for the expense of approximately Ps960 reclassified from stockholders' equity under Mexican GAAP to net income under U.S. GAAP in connection with the purchase of CAH shares in exchange for CEMEX's CPOs (note 25(a)). Impairment charges are recorded as other expenses under Mexican GAAP and are reclassified to operating income under U.S. GAAP (note 25 (o)). Approximate goodwill by reporting unit under U.S. GAAP is summarized as follows:

	December 31, 2003	Acquisitions (divestitures)(1)	Impairment losses	Inflation and currency fluctuation (2)	December 31, 2004	Acquisitions (divestitures)(1)	Inflation and currency fluctuation (2)	December 31, 2005

NORTH AMERICA								
United States.............	17,560	103	-	(516)	17,147	5,248	(729)	21,666
Mexico....................	6,820	-	-	-	6,820	-	-	6,820
EUROPE								
Spain.....................	12,166	-	-	572	12,738	63	(2,049)	10,752
France....................	-	-	-	-	-	2,209	-	2,209
UK........................	-	-	-	-	-	648	-	648
Other Europe (3)..........	-	-	-	-	-	745	-	745
SOUTH, CENTRAL AMERICA & THE CARIBBEAN								
Colombia..................	4,020	-	-	635	4,655	-	111	4,766
Venezuela.................	344	-	-	(23)	321	-	(18)	303
Dominican Republic........	358	-	-	122	480	-	(52)	428
Costa Rica................	335	-	-	(14)	321	-	(14)	307
The Caribbean.............	457	-	-	(13)	444	-	(19)	425
Other South, Central. America & the Caribbean (4)......	73	-	-	(2)	71	320	(4)	387
AFRICA & MIDDLE EAST								
Egypt.....................	253	-	-	-	253	-	11	264
United Arab Emirates.......	-	-	-	-	-	1,378	-	1,378
ASIA								
The Philippines...........	1,437	-	-	(5)	1,432	-	48	1,480
Thailand..................	520	-	-	(5)	515	-	(38)	477
Other Asia................	364	-	-	(10)	354	-	(15)	339
Other reporting units (5)..	1,073	-	(256)	(47)	770	-	(33)	737
Affiliates (note 9A).......	608	-	-	(4)	604	(14)	(6)	584
	46,388	103	(256)	690	46,925	10,597	(2,807)	54,715

1. During 2004 CEMEX acquired a ready-mix company in the state of Georgia for approximately U.S.$16.7 (Ps 178.0). In addition, during 2005, CEMEX acquired RMC and other minor operations in Central America. The net increase in goodwill for Ps10,597, includes the decrease in goodwill resulting from assets disposals in the U.S. (note 9A) for approximately Ps1,570 and the decrease of Ps595 of restructuring charges considered as part of the purchase price of RMC under Mexican GAAP, wich were charged to earnings under U.S. GAAP.

2. The amounts presented in this column include: (i) the effects on goodwill from foreign exchange fluctuations during the period between the reporting unit's currencies and the Mexican peso, and (ii) the effect of removing the restatement into constant pesos as of December 31, 2005, using Mexican inflation, applied to the goodwill balances at the beginning of the year.

3. Other Europe refers to goodwill determined on the operations located in the Czech Republic, Ireland and Latvia, generated in the acquisition of RMC.

4. Other South, Central America and the Caribbean refer mainly to goodwill determined on the operations located in Panama and Puerto Rico, acquired in prior years.

5. Other reporting units primarily consist of units engaged in software development projects.

(t) Sale of Accounts Receivable

CEMEX accounts for transfers of receivables under Mexican GAAP 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).

(u) Other Disclosures Under U.S. GAAP

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. For the years ended December 31, 2003, 2004 and 2005, CEMEX did not recognize any such costs related to exit or disposal activities.

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 a 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, 2004 and 2005, CEMEX has not guaranteed any third parties' obligations; however, with respect to the electricity supply long-term contract discussed in note 22F, 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 and 2005, for accounting purposes under Mexican GAAP and U.S. GAAP, CEMEX has considered this agreement as a long-term 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 addition, as a result of the newly created strategic alliance with Ready Mix USA, as mentioned in note 9A, after the third anniversary of the venture and for a period of 25 years, the venture partner has an option to require CEMEX to purchase its interest in the joint ventures. Considering the contingent nature of this agreement and the absence of a present obligation at the balance sheet date, CEMEX has not accrued any provision related to this contingency under both Mexican and U.S. GAAP.

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 by business enterprises of variable interest entities ("VIEs"), which are defined in FIN 46R as those that have one or more of the following characteristics: (i) entities which 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. As discussed in the preceding paragraph, CEMEX has an electricity supply long-term contract (note 22F), through which, an international partnership, which built and currently operates an electrical energy generating plant, sells to CEMEX, starting in 2004, all the energy generated for a term of no less than 20 years. Under FIN 46R, after analysis of the provisions of the agreements, CEMEX believes that such partnership is not a VIE under the scope of the interpretation, and, therefore, as of and for the years ended December 31, 2004

and 2005, CEMEX has not consolidated any asset, liability or operating results of such partnership.

(v) Newly Issued Accounting Pronouncements under U.S. GAAP

- In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS 123R, Share-Based Payment ("SFAS 123R"), a revision of SFAS 123, which establishes standards for the accounting of all share-based payment transactions, with a primary focus on schemes in which an entity obtains employee services in share-based payment transactions, also clarifies and expands guidance in several areas, including measuring fair value, classifying an award as equity or as a liability, and attributing compensation cost to reporting periods. SFAS 123R requires companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and eliminates the alternative to use APB 25's intrinsic value method of accounting, permitted by SFAS 123 as originally issued (note 25(r)), under which, upon compliance of certain rules, issuing stock options to employees resulted in recognition of no compensation cost.

  The cost under SFAS 123R for equity awards should be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). In addition, for liability awards, the cost should be determined by the changes in the estimated fair value of the awards at each reporting date. The grant-date fair value, and the fair value at the reporting date, for employee equity and liability awards, respectively, will be estimated using option-pricing models, unless observable market prices for the same or similar instruments are available.

  SFAS 123R will be effective for CEMEX as of January 1, 2006 and will apply to all awards classified as equity granted after the required effective date and to awards modified, repurchased, or cancelled after that date, and to all outstanding liability awards. The cumulative effect of initially applying this statement, if any, will be recognized as of the required effective date. As of the required effective date, entities that used the fair-value-based method for either recognition or disclosure under SFAS 123 will apply SFAS 123R using a modified version of prospective application, under which, compensation cost is recognized for the portion of outstanding awards for which the requisite service has not yet been rendered, based on the grant-date fair value of those awards calculated under SFAS 123 for either recognition or pro forma disclosures. For periods before the required effective date, entities may elect to apply a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods by SFAS 123.

  In connection with the adoption of SFAS 123R in 2006, considering all the outstanding liability awards, SFAS 123R may have a material impact in CEMEX's net income under U.S. GAAP (see pro forma historical information in note 25(r)). As of the effective date of SFAS 123R, there will be no outstanding unvested equity awards.

- In December 2004, the FASB issued SFAS 151, Inventory Costs ("SFAS 151"), which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Under SFAS 151, such items will be recognized as current-period charges. In addition, SFAS 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 will be effective for CEMEX for inventory costs incurred on or after

January 1, 2006. CEMEX does not expect any material impact from the adoption of this statement.

- In December 2004, the FASB issued SFAS 153, Exchanges of Nonmonetary Assets ("SFAS 153"), which eliminates an exception in APB 29 for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The exception provides that those exchanges should be measured based on the recorded amount of the nonmonetary assets relinquished, rather than on the fair values of the exchanged assets. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS 153 will be effective for CEMEX for nonmonetary asset exchanges occurring on or after January 1, 2006. CEMEX does not expect any material impact from the adoption of this statement.

- In May 2005, the FASB issued SFAS 154, Accounting Changes and Error Corrections ("SFAS 154"), which establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to a newly adopted accounting principle. SFAS 154 will be effective for CEMEX for all accounting changes and any error corrections occurring after January 1, 2006.

- In September 2005, the EITF issued EITF Issue No. 04-13 Accounting for Purchases and Sales of Inventory with the Same Counterparty. EITF 04-13 provides guidance as to when purchases and sales of inventory with the same counterparty should be accounted for as a single exchange transaction. EITF 04-13 also provides guidance as to when a nonmonetary exchange of inventory should be accounted for at fair value. EITF 04-13 will be applied to new arrangements entered into, and modifications or renewals of existing arrangements occurring after January 1, 2007. The application of EITF 04-13 is not expected to have a significant impact on the CEMEX's financial statements.

(w) Recent Developments (unaudited)

In January 2006, CEMEX acquired a grinding mill with a grinding capacity of 400,000 tons per year in Guatemala for approximately U.S.$17.4. CEMEX entered into an agreement to purchase these operations in September 2005.

In January 2006, officials from the Mexican and U.S. governments reached an agreement in principle that will bring an end to the longstanding dispute over U.S. imports of Mexican cement (note 22C). Under the agreement, the U.S. and Mexican cement industries will share unliquidated historical duties associated with the antidumping order. CEMEX will receive approximately U.S.$100 in cash from this settlement and will also eliminate approximately U.S.$65 in provisions.

On March 2, 2006, CEMEX sold 4K Beton A/S, a 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, CEMEX purchased from Unicon A/S two companies engaged in the ready-mix concrete and aggregates business in Poland for approximately (euro)12 million. These companies operate nine ready-mix concrete plants and one aggregates quarry in Poland. CEMEX received net cash proceeds of approximately (euro)6 million, after cash and debt adjustments, from this transaction.

On March 20, 2006, CEMEX agreed to terminate the operating lease on the Balcones

cement plant located in New Braunfels, Texas, prior to expiration and purchased the Balcones cement plant for approximately U.S.$61.2.

On April 27, 2006, the annual stockholders' meeting approved: (i) an increase in the variable common stock through the capitalization of retained earnings of up to Ps6,718, issuing shares as a stock dividend for up to 720 million shares equivalent to up 240 million CPOs, at a subscription price of U.S.$0.1330 per CPO, or instead, stockholders may choose to receive U.S.$0.1330 per CPO in cash; (ii) a further stock split, which CEMEX expect to occur in July 2006, by means of which each of the existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be surrendered in exchange for two new series B shares; and (iii) the change of the legal and commercial name of CEMEX was changed to CEMEX, S.A.B. de C.V., Sociedad Anonima Bursatil de Capital Variable, that means a "public stock corporation with variable capital". The new name will be in effect on July 1, 2006, the change in the name of CEMEX was made to comply with the requirements of the new Mexican Securities Law that was enacted on December 28, 2005.

On May 4, 2006, CEMEX agreed to sell 24.9% of PT Semen Gresik to Indonesia-based Rajawali Group for approximately U.S.$337 or U.S.$2.28 dollars per share. According to the terms of the agreement, the purchaser's obligations are subject to obtaining the approval of the Indonesian goverment and the fulfillment of other conditions. On May 17, 2006, CEMEX received a letter from the Indonesian government purporting to exercise its right of first refusal in respect of the Gresik shares we agreed to sell to the Rajawali Group. No assurance can be given either that the sale to the Rajawali Group will be consummated, or that the Indonesian will purchase the Gresik shares, on the terms outlined above. In the event this sale is consummated, CEMEX's remaining interest in Gresik will be 0.6%.

During May 2006, CEMEX and some of its subsidiaries in Mexico were notified by the Mexican tax authorities of several tax assessments related to different tax periods. These tax assessments are for an amount of approximately Ps3,793 as of May 31, 2006. The tax assessments result primarily from: (i) disallowed restatement of tax loss carryforwards in the same period in which they occurred, and (ii) tax consecuences from investments in foreign subsidiaries. At this preliminary stage in the proceedings, it is not possible to assess the likelihood of an adverse result in these tax assessments for CEMEX.

In connection with the stock split mentioned above, a new CPO representing two new series A shares and one new series B share will be delivered to each holder of a CPO. The ratio of CPOs to ADSs will not change as a result of the stock split; each ADS will represent ten (10) CPOs following the stock split, accordingly, a new ADS will be delivered to each holder of an ADS to reflect the two-for-one split. The proportional equity interest participation of existing shareholders will not change as a result of the stock split. The financial data set forth in this annual report have not been adjusted to give retroactive effect to the stock split. Earnings per share, the average number of shares outstanding, as well as the CPO numbers included throughout the financial statements and related notes for the years ended December 31, 2003, 2004 and 2005, were not adjusted to make the effect of the stock split retroactive.

Had the per share amounts and the average number of shares been restated in order to give retroactive effect to the stock split mentioned above, the pro forma information would had been as follows:

	For the years ended December 31,			(unaudited)	
	2003	2004	2005		2005
Pro forma per share information under Mexican GAAP:					
Basic earnings per share.................................... Ps	0.38	0.70	1.08	U.S.$	0.10
Diluted earnings per share..................................	0.37	0.70	1.08		0.10
Pro forma per share information under U.S. GAAP:					
Basic earnings per share.................................... Ps	0.47	0.93	1.07	U.S.$	0.10
Diluted earnings per share..................................	0.46	0.92	1.06		0.10
Pro forma number of shares (millions):					
Basic average number of shares outstanding..................	18,912	19,974	20,756		-
Diluted average number of shares outstanding................	19,348	20,078	20,820		-

(x) 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 and 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.

As mentioned in note 12C, as of December 31, 2004 and 2005, indebtedness of CEMEX in an aggregate amount of U.S.$ 3,088 (Ps32,988) and U.S.$3,780 (Ps40,145), respectively, is fully and unconditionally guaranteed, on a joint and several basis, by CEMEX Mexico and ETM.

As of December 31, 2003, 2004 and 2005, CEMEX owned a 100% equity interest in CEMEX Mexico, and CEMEX Mexico owned a 100% equity interest in ETM at the end of each of the three years.

For purposes of the accompanying condensed consolidated balance sheets, income statements and statements of changes in financial position under Mexican GAAP, 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, 2005, for the years ended December 31, 2003 and 2004 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 affiliates" for both the balance sheet and the income statement are accounted for by the equity method.

As mentioned in note 3B, under Mexican GAAP, 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, 2005, 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, 2004	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Current assets............................ Ps	1,834	8,469	79,927	(69,380)	20,850
Investment in affiliates.................	100,467	122,791	72,954	(280,239)	15,973
Other non-current accounts receivable.....	34,934	473	17,992	(49,667)	3,732
Net property, machinery and equipment.....	1,868	31,758	76,911	(7,834)	102,703
Intangible assets and deferred charges....	4,259	6,313	90,248	(58,394)	42,426
Total assets...........................	143,362	169,804	338,032	(465,514)	185,684
Current liabilities......................	10,628	28,844	44,156	(57,855)	25,773
Long-term debt...........................	47,670	38	28,643	(24,144)	52,207
Other non-current liabilities............	1,407	36,438	17,872	(35,825)	19,892
Total liabilities......................	59,705	65,320	90,671	(117,824)	97,872
Majority interest stockholders' equity....	83,657	104,484	186,441	(290,925)	83,657
Minority interest......................	-	-	60,920	(56,765)	4,155
Stockholders' equity under Mexican GAAP...	83,657	104,484	247,361	(347,690)	87,812
Total liabilities and stockholders' equity Ps	143,362	169,804	338,032	(465,514)	185,684

As of December 31, 2005	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Current assets............................ Ps	1,260	7,643	102,869	(67,523)	44,249
Investment in affiliates.................	132,795	147,704	45,526	(317,102)	8,923
Other non-current accounts receivable.....	23,487	7,069	15,333	(38,254)	7,635
Net property, machinery and equipment.....	1,864	29,252	134,075	(136)	165,055
Intangible assets and deferred charges....	3,121	6,534	55,341	(6,630)	58,366
Total assets...........................	162,527	198,202	353,144	(429,645)	284,228
Current liabilities......................	7,261	47,312	35,024	(45,909)	43,688
Long-term debt...........................	50,426	65	52,467	(14,952)	88,006
Other non-current liabilities............	496	20,533	46,098	(24,550)	42,577
Total liabilities......................	58,183	67,910	133,589	(85,411)	174,271
Majority interest stockholders' equity....	104,344	130,292	169,044	(299,336)	104,344
Minority interest......................	-	-	50,511	(44,898)	5,613
Stockholders' equity under Mexican GAAP...	104,344	130,292	219,555	(344,234)	109,957
Total liabilities and stockholders' equity Ps	162,527	198,202	353,144	(429,645)	284,228

Condensed consolidated income statements:

For the year ended December 31, 2003	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Net sales................................. Ps	-	26,496	62,576	(7,027)	82,045
Operating income..........................	(60)	3,673	4,445	8,607	16,665
Net comprehensive financing result.........	(1,920)	(3,256)	1,087	1,026	(3,063)

Other income (expense), net................	4,741	(531)	3,550	(12,990)	(5,230)
Total IT, BAT and ESPS.....................	858	409	(1,274)	(1,214)	(1,221)
Equity in income of affiliates.............	3,582	5,688	210	(9,082)	398
Consolidated net income....................	7,201	5,983	8,018	(13,653)	7,549
Minority interest.......................	-	-	22	326	348
Majority interest net income.............. Ps	7,201	5,983	7,996	(13,979)	7,201

For the year ended December 31, 2004	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Net sales.................................. Ps	-	27,579	72,312	(12,829)	87,062
Operating income...........................	(39)	3,779	4,535	11,508	19,783
Net comprehensive financing result.........	1,262	508	6,822	(7,168)	1,424
Other income (expense), net................	(1,208)	(478)	6,047	(9,530)	(5,169)
Total IT, BAT and ESPS.....................	313	365	(1,214)	(1,741)	(2,277)
Equity in income of affiliates.............	13,637	15,199	3,118	(31,526)	428
Consolidated net income....................	13,965	19,373	19,308	(38,457)	14,189
Minority interest........................	-	-	3,332	(3,108)	224
Majority interest net income.............. Ps	13,965	19,373	15,976	(35,349)	13,965

For the year ended December 31, 2005	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Net sales.................................. Ps	-	27,398	148,347	(13,036)	162,709
Operating income...........................	(58)	3,761	12,968	9,738	26,409
Net comprehensive financing result.........	(2,031)	(493)	10,040	(4,916)	2,600
Other income (expense), net................	(768)	(440)	5,829	(7,993)	(3,372)
Total IT, BAT and ESPS.....................	635	482	(3,474)	(1,198)	(3,555)
Equity in income of affiliates.............	24,647	24,916	6,628	(55,263)	928
Consolidated net income....................	22,425	28,226	31,991	(59,632)	23,010
Minority interest.......................	-	-	(6,792)	7,377	585
Majority interest net income.............. Ps	22,425	28,226	38,783	(67,009)	22,425

Condensed consolidated statements of changes in financial position:

For the year ended December 31, 2003	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Operating activities:					
Majority interest net income................	Ps 7,201	5,983	7,996	(13,979)	7,201
Adjustments to reconcile to resources provided by operating activities............	(1,775)	(3,407)	23,446	(7,639)	10,625
Resources provided by operations.........	5,426	2,576	31,442	(21,618)	17,826
Net change in working capital..............	19,662	15,058	(45,017)	10,408	111
Resources provided by operations, net....	25,088	17,634	(13,575)	(11,210)	17,937
Financing activities:					
Bank loans and notes payable, net...........	(12,594)	(240)	10,833	122	(1,879)
Dividends paid..............................	(4,038)	(6,123)	152	5,971	(4,038)
Issuance of common stock....................	4,064	-	-	-	4,064
Repurchase of preferred stock by subsidiaries................................	-	-	(8,036)	554	(7,482)
Others.....................................	811	(9,109)	2,952	9,332	3,986
Resources used in financing activities...	(11,757)	(15,472)	5,901	15,979	(5,349)
Investing activities:					
Property, machinery and equipment, net......	-	(1,034)	(3,601)	285	(4,350)
Acquisitions, net of cash acquired..........	(7,505)	(2,160)	13,880	(5,149)	(934)
Dividends received..........................	5,605	-	-	(5,605)	-
Minority interest...........................	-	-	(933)	57	(876)
Deferred charges and others.................	(11,728)	686	7,216	(3,485)	(7,311)
Resources used in investing activities...	(13,628)	(2,508)	16,562	(13,897)	(13,471)
Change in cash and investments...........	(297)	(346)	8,888	(9,128)	(883)
Cash and investments initial balance.....	415	2,071	3,545	(1,811)	4,220
Cash and investments ending balance......	Ps 118	1,725	12,433	(10,939)	3,337

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
December 31, 2003, 2004 and 2005
(Millions of constant Mexican Pesos as of December 31, 2005)

For the year ended December 31, 2004	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Operating activities:					
Majority interest net income................ Ps	13,965	19,373	15,976	(35,349)	13,965
Adjustments to reconcile to resources provided by operating activities............	(11,214)	(13,937)	14,111	23,160	12,120
Resources provided by operations.........	2,751	5,436	30,087	(12,189)	26,085
Net change in working capital...............	(888)	11,720	(9,656)	(3,450)	(2,274)
Resources provided by operations, net....	1,863	17,156	20,431	(15,639)	23,811
Financing activities:					
Bank loans and notes payable, net...........	(1,572)	61	(11,698)	9,307	(3,902)
Bank loans acquisition of RMC Group.........	-	-	9,019	(9,019)	-
Appreciation warrants.......................	(1,085)	-	-	-	(1,085)
Dividends paid..............................	(4,142)	-	(292)	292	(4,142)
Issuance of common stock....................	4,351	-	-	-	4,351
Issuance (repurchase) of preferred stock by subsidiaries................................	-	-	(2,695)	1,936	(759)
Others......................................	(556)	(14,741)	4,914	8,633	(1,750)
Resources used in financing activities...	(3,004)	(14,680)	(752)	11,149	(7,287)
Investing activities:					
Property, machinery and equipment, net......	-	(671)	(4,309)	1,023	(3,957)
Acquisitions, net of cash acquired..........	(1,687)	(1,405)	(192)	3,105	(179)
Investment in RMC Group.....................	-	-	(9,019)	622	(8,397)
Dividends received..........................	272	-	-	(272)	-
Minority interest...........................	-	-	(1,506)	104	(1,402)
Deferred charges and others.................	2,546	(76)	(1,869)	(2,870)	(2,269)
Resources used in investing activities...	1,131	(2,152)	(16,895)	1,712	(16,204)
Change in cash and investments...........	(10)	324	2,784	(2,778)	320
Cash and investments initial balance.....	118	1,725	12,433	(10,939)	3,337
Cash and investments ending balance...... Ps	108	2,049	15,217	(13,717)	3,657

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
December 31, 2003, 2004 and 2005
(Millions of constant Mexican Pesos as of December 31, 2005)

For the year ended December 31, 2005	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Operating activities:					
Majority interest net income................ Ps	22,425	28,226	38,783	(67,009)	22,425
Adjustments to reconcile to resources provided by operating activities............	(22,497)	(23,652)	11,847	48,531	14,229
Resources provided by operations.........	(72)	4,574	50,630	(18,478)	36,654
Net change in working capital...............	(5,905)	20,135	(27,014)	12,430	(354)
Resources provided by operations, net....	(5,977)	24,709	23,616	(6,048)	36,300
Financing activities:					
Bank loans and notes payable, net...........	10,380	60	4,377	-	14,817
Dividends paid..............................	(4,864)	-	-	-	(4,864)
Issuance of common stock from reinvestment of dividends................................	4,537	9,088	(9,088)	-	4,537
Issuance of common stock under stock option plan..	18	-	-	-	18
Others......................................	(911)	(15,202)	4,903	5,639	(5,571)
Resources used in financing activities...	9,160	(6,054)	192	5,639	8,937
Investing activities:					
Property, machinery and equipment, net......	-	(1,069)	(1,188)	-	(2,257)
Acquisitions, net of cash acquired..........	(10,165)	(16,747)	26,782	(85)	(215)
Investment in RMC Group.....................	-	-	(47,080)	-	(47,080)
Minority interest...........................	-	-	(155)	-	(155)
Deferred charges and others.................	6,874	(136)	6,101	(5,639)	7,200
Resources used in investing activities...	(3,291)	(17,952)	(15,540)	(5,724)	(42,507)
Change in cash and investments...........	(108)	703	8,268	(6,133)	2,730
Cash and investments initial balance.....	108	2,049	15,217	(13,717)	3,657
Cash and investments ending balance...... Ps	-	2,752	23,485	(19,850)	6,387

The tables below present consolidated balance sheets as of December 31, 2004 and 2005, and income statements and statements of changes in financial position for each of the three-year periods ended December 31, 2005 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 related parties 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 affiliates" for both the balance sheets and income statements, include the net investment in affiliates 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, 2004		Guarantors (Parent Company-only)			
Assets		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Current Assets					
Cash and investments	Ps	855	1,194	-	2,049
Trade accounts receivable, net		98	-	-	98
Other receivables and other current assets		794	412	(310)	896
Related parties receivables		3,843	1,777	(1,846)	3,774
Inventories		1,652	-	-	1,652
Total current assets		7,242	3,383	(2,156)	8,469
Other Investments					
Investments in subsidiaries and affiliates		142,391	30,400	(50,000)	122,791
Long-term related parties receivables		149	35,123	(35,123)	149
Other investments		324	-	-	324
Total other investments		142,864	65,523	(85,123)	123,264
Property, machinery and equipment		31,758	-	-	31,758
Intangible assets and deferred charges		1,883	4,430	-	6,313
Total Assets	Ps	183,747	73,336	(87,279)	169,804
Liabilities and Stockholders' Equity					
Current Liabilities					
Current maturities of long-term debt	Ps	39	-	-	39
Trade accounts payable		767	-	-	767
Other accounts payable and accrued expenses		1,402	309	(310)	1,401
Related parties payables		28,410	73	(1,846)	26,637
Total current liabilities		30,618	382	(2,156)	28,844
Total long-term debt		38	-	-	38
Other Noncurrent Liabilities					
Deferred income taxes		7,808	75	-	7,883
Others		214	-	-	214
Long-term related parties payables		40,585	22,879	(35,123)	28,341
Total other noncurrent liabilities		48,607	22,954	(35,123)	36,438
Total Liabilities		79,263	23,336	(37,279)	65,320
Stockholders' equity		85,111	49,597	(49,597)	85,111
Net income		19,373	403	(403)	19,373
Total stockholders' equity		104,484	50,000	(50,000)	104,484
Total Liabilities and Stockholders' Equity	Ps	183,747	73,336	(87,279)	169,804

Guarantors' Combined Balance Sheets:

December 31, 2005		Guarantors (Parent Company-only)			
Assets		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Current Assets					
Cash and investments	Ps	835	1,917	-	2,752
Trade accounts receivable, net		262	-	-	262
Other receivables and other current assets		681	567	(103)	1,145
Related parties receivables		2,017	8,043	(8,043)	2,017
Inventories		1,467	-	-	1,467
Total current assets		5,262	10,527	(8,146)	7,643
Other Investments					
Investments in subsidiaries and affiliates		167,751	35,001	(55,048)	147,704
Long-term related parties receivables		14,351	26,550	(34,304)	6,597
Other investments		452	20	-	472
Total other investments		182,554	61,571	(89,352)	154,773
Property, machinery and equipment		29,252	-	-	29,252
Intangible assets and deferred charges		2,105	4,429	-	6,534
Total Assets	Ps	219,173	76,527	(97,498)	198,202
Liabilities and Stockholders' Equity					
Current Liabilities					
Current maturities of long-term debt		72	-	-	72
Trade accounts payable		976	-	-	976
Other accounts payable and accrued expenses		1,538	293	(103)	1,728
Related parties payables		52,579	-	8,043)	44,536
Total current liabilities		55,165	293	(8,146)	47,312
Total long-term debt		65	-	-	65
Other Noncurrent Liabilities					
Deferred income taxes		6,684	273	-	6,957
Others		417	-	-	417
Long-term related parties payables		26,550	20,913	(34,304)	13,159
Total other noncurrent liabilities		33,651	21,186	(34,304)	20,533
Total Liabilities		88,881	21,479	(42,450)	67,910
Stockholders' equity		102,066	49,396	(49,396)	102,066
Net income		28,226	5,652	(5,652)	28,226
Total stockholders' equity		130,292	55,048	(55,048)	130,292
Total Liabilities and Stockholders' Equity	Ps	219,173	76,527	(97,498)	198,202

Guarantors' Combined Income Statements:

		Guarantors (Parent Company-only)			
For the year ended December 31, 2003		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	26,496	-	-	26,496
Cost of sales		(9,518)	-	-	(9,518)
Gross profit		16,978	-	-	16,978
Total operating expenses		(13,304)	-	(1)	(13,305)
Operating income		3,674	-	(1)	3,673
Net comprehensive financing result		(4,428)	1,172	-	(3,256)
Other income (expense), net		(508)	(23)	-	(531)
Income before IT, BAT, ESPS and equity in affiliates		(1,262)	1,149	(1)	(114)

Total IT, BAT and ESPS		487	(78)	-	409
Income before equity in income of affiliates		(775)	1,071	(1)	295
Equity in income of affiliates		6,758	815	(1,885)	5,688
Net income	Ps	5,983	1,886	(1,886)	5,983

For the year ended December 31, 2004		Guarantors (Parent Company-only)			
		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	27,579	-	-	27,579
Cost of sales		(10,252)	-	-	(10,252)
Gross profit		17,327	-	-	17,327
Total operating expenses		(13,548)	-	-	(13,548)
Operating income		3,779	-	-	3,779
Net comprehensive financing result		18	490	-	508
Other income (expense), net		(419)	(59)	-	(478)
Income before IT, BAT, ESPS and equity in affiliates		3,378	431	-	3,809
Total IT, BAT and ESPS		756	(391)	-	365
Income before equity in income of affiliates		4,134	40	-	4,174
Equity in income of affiliates		15,239	363	(403)	15,199
Net income	Ps	19,373	403	(403)	19,373

For the year ended December 31, 2005		Guarantors (Parent Company-only)			
		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	27,398	-	-	27,398
Cost of sales		(10,548)	-	-	(10,548)
Gross profit		16,850	-	-	16,850
Total operating expenses		(13,089)	-	-	(13,089)
Operating income		3,761	-	-	3,761
Net comprehensive financing result		(2,118)	1,625	-	(493)
Other income (expense), net		(267)	(173)	-	(440)
Income before IT, BAT, ESPS and equity in affiliates		1,376	1,452	-	2,828
Total IT, BAT and ESPS		679	(197)	-	482
Income before equity in income of affiliates		2,055	1,255	-	3,310
Equity in income of affiliates		26,171	4,397	(5,652)	24,916
Net income	Ps	28,226	5,652	(5,652)	28,226

Guarantors' Combined Statements of Changes in Financial Position:

For the year ended December 31, 2003		Guarantors (Parent Company-only)			
		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities					
Net income	Ps	5,983	1,886	(1,886)	5,983
Adjustments to reconcile to resources provided by operating activities		(5,396)	103	1,886	(3,407)
Resources provided by operating activities		587	1,989	-	2,576
Net change in working capital		41,659	1,146	(27,747)	15,058
Net resources provided by operating activities		42,246	3,135	(27,747)	17,634
Financing activities					
Bank loans and notes payable, net		(274)	35	(1)	(240)
Dividends		(6,123)	-	-	(6,123)
Long-term related parties receivables and payables, net		(42,057)	-	32,910	(9,147)
Other noncurrent assets and liabilities, net		38	(7,012)	7,012	38

Resources used in financing activities	(48,416)	(6,977)	39,921	(15,472)
Investing activities				
Property, plant and equipment, net	(1,034)	-	-	(1,034)
Investments in subsidiaries and affiliates	5,948	(1,096)	(7,012)	(2,160)
Deferred charges	654	-	-	654
Other investments	32	5,163	(5,163)	32
Resources used in investing activities	5,600	4,067	(12,175)	(2,508)
Change in cash and investments	(570)	225	(1)	(346)
Cash and investments initial balance	1,404	667	-	2,071
Cash and investments ending balance	Ps 834	892	(1)	1,725

For the year ended December 31, 2004	Guarantors (Parent Company-only)			
	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income	Ps 19,373	403	(403)	19,373
Adjustments to reconcile to resources provided by operating activities	(14,052)	(288)	403	(13,937)
Resources provided by operating activities	5,321	115	-	5,436
Net change in working capital	8,428	3,180	112	11,720
Net resources provided by operating activities	13,749	3,295	112	17,156
Financing activities				
Bank loans and notes payable, net	61	-	-	61
Dividends	-	-	-	-
Long-term related parties receivables and payables, net	(12,673)	22,879	(24,993)	(14,787)
Other noncurrent assets and liabilities, net	46	-	-	46
Resources used in financing activities	(12,566)	22,879	(24,993)	(14,680)
Investing activities				
Property, plant and equipment, net	(671)	-	-	(671)
Investments in subsidiaries and affiliates	(453)	(25,834)	24,882	(1,405)
Deferred charges	(183)	(38)	-	(221)
Other investments	145	-	-	145
Resources used in investing activities	(1,162)	(25,872)	24,882	(2,152)
Change in cash and investments	21	302	1	324
Cash and investments initial balance	834	892	(1)	1,725
Cash and investments ending balance	Ps 855	1,194	-	2,049

Guarantors' Combined Statements of Changes in Financial Position:

For the year ended December 31, 2005	Guarantors (Parent Company-only)			
	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income	Ps 28,226	5,652	(5,652)	28,226
Adjustments to reconcile to resources provided by operating activities	(25,104)	(4,200)	5,652	(23,652)
Resources provided by operating activities	3,122	1,452	-	4,574
Net change in working capital	26,294	55	(6,214)	20,135
Net resources provided by operating activities	29,416	1,507	(6,214)	24,709
Financing activities				
Bank loans and notes payable, net	60	-	-	60
Stockholders contribution	9,088	-	-	9,088
Long-term related parties receivables and payables, net	(14,035)	(8,232)	7,085	(15,182)
Other noncurrent assets and liabilities, net	-	(20)	-	(20)
Resources used in financing activities	(4,887)	(8,252)	7,085	(6,054)
Investing activities				
Property, plant and equipment, net	(1,069)	-	-	(1,069)
Investments in subsidiaries and affiliates	(23,363)	7,487	(871)	(16,747)
Deferred charges	(117)	(19)	-	(136)
Other investments	-	-	-	-
Resources used in investing activities	(24,549)	7,468	(871)	(17,952)
Change in cash and investments	(20)	723	-	703
Cash and investments initial balance	855	1,194	-	2,049

Cash and investments ending balance..................	Ps	835	1,917	-	2,752

Guarantors--Cash and investments

At December 31, 2004 and 2005, ETM's temporary investments are primarily comprised of CEMEX CPOs. In June 2004 and 2005, CEMEX issued 650,424 CPOs and 1,794,446 CPOs, respectively, through dividends to ETM amounting to Ps18 and Ps60, 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, 2004 and 2005, these balances amounted to Ps 1,778 and Ps1,663 from CEMEX Mexico, respectively, and Ps 1,460 and Ps1,592 from its subsidiary, respectively.

Guarantors--Investment in affiliates

At December 31, 2004 and 2005, of the Guarantors' total investment in affiliates, which are accounted for under the equity method, Ps 122,539 and Ps147,445, respectively, correspond to investments in non-guarantors, and Ps 252 in 2004 and Ps259 in 2005, are related to minority investments in third parties.

At December 31, 2004 and 2005, 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, 2004 and 2005, the Guarantors had total indebtedness of U.S.$6.7 (Ps77) and U.S.$13 (Ps137), respectively. At December 31, 2004 and 2005, the average annual interest rate of this indebtedness was approximately 9.9% during 2004 and 2005. Of the total indebtedness of the Guarantors at December 31, 2005, approximately U.S.$6.8 (Ps72) matures in 2006 and U.S.$6.1 (Ps.65) matures in 2007 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, 2004		Short-Term	Long-Term	Short-Term	Long-Term
CEMEX, S.A. de C.V...	Ps	939	-	-	28,341
CEMEX Central, S.A. de C.V..................................		1,385	-	-	-

CEMEX Concretos, S.A. de C.V.		247	-	-	-
Corporacion Gouda, S.A. de C.V.		131	-	-	-
Incalpa, S.A. de C.V.		644	-	-	-
Construmexcla, S.A. de C.V.		-	-	6,369	-
CEMEX Irish Investments Company Limited.		-	-	4,852	-
CEMEX Trademarks Worldwide		-	-	5,589	-
Servicios CEMEX Mexico, S.A. de C.V.		-	-	344	-
Inmobiliaria Rio la Silla, S.A. de C.V.		-	149	73	-
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	2,697	-
Petrocemex, S.A. de C.V.		-	-	4,208	-
CEMEX Internacional, S.A. de C.V.		-	-	312	-
Turismo CEMEX, S.A. de C.V..		-	-	1,105	-
Others		428	-	1,088	-
	Ps	3,774	149	26,637	28,341

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	845	-	-	-
CEMEX Concretos, S.A. de C.V.		617	6,500	-	-
CEMEX, S.A. de C.V.		314		-	13,159
CEMEX International Finance Co.		-	-	18,706	-
Arkio de Mexico S.A. de C.V.		-	-	6,746	-
CEMEX Irish Investments Company Limited.		-	-	4,555	-
Petrocemex, S.A. de C.V..		-	-	4,376	-
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	3,504	-
Turismo CEMEX, S.A. de C.V..		-	-	1,320	-
CEMEX Central, S.A. de C.V..		-	-	1,301	-
MexCement Holdings		-	-	1,124	-
Profesionales en Logistica de Mexico S.A. de C.V.		-	-	1,040	-
CEMEX Internacional, S.A. de C.V.		-	-	345	-
Inmobiliaria Rio la Silla, S.A. de C.V.		-	97	73	-
Others		241	-	1,446	-
	Ps	2,017	6,597	44,536	13,159

The principal transactions carried out with affiliated companies are as follows:

Guarantors		Years ended December 31, 2003	2004	2005
Net sales	Ps	3,964	4,693	5,605
Purchases		(1,422)	(1,423)	(1,476)
Selling and administrative expenses		(8,872)	(7,914)	(6,786)
Financial expense		(5,112)	(2,916)	(6,999)
Financial income		371	890	2,032
Other expense, net	Ps	304	598	(571)

Net sales--The Guarantors sell cement and clinker to affiliated companies in arms-length transactions.

Purchases--The Guarantors purchase raw materials from affiliates in arms-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 25, the following reconciliation to U.S. GAAP does not include the reversal of Mexican GAAP 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 GAAP 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,		
		2003	2004	2005
Net income reported under Mexican GAAP..........................	Ps	5,983	19,373	28,226
Approximate U.S. GAAP adjustments:				
1. Deferred income taxes and ESPS (note B)......................		(9)	(557)	107
2. Other employees' benefits (note C)...........................		38	11	(171)
3. Inflation adjustment of machinery and equipment (note D)......		(127)	(112)	(188)
4. Other U.S. GAAP adjustments (note E).........................		(181)	1,195	1,065
5. Monetary position result (note F)............................		122	188	103
Total approximate U.S. GAAP adjustments......................		(157)	725	916
Total approximate net income under U.S. GAAP................	Ps	5,826	20,098	29,142

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		At December 31,	
		2004	2005
Total stockholders' equity under Mexican GAAP...................	Ps	104,484	130,292
Approximate U.S. GAAP adjustments:			
1. Effect of pushdown of goodwill, net (note A).................		1,744	1,839
2. Deferred income taxes and ESPS (note B)......................		(3,346)	(3,485)
3. Other employees' benefits (note C)...........................		(92)	(171)
4. Inflation adjustment for machinery and equipment (note D).....		1,863	3,546
5. Other U.S. GAAP adjustments (note E).........................		6,856	16,886
Total approximate U.S. GAAP adjustments......................		7,025	18,615
Total approximate stockholders' equity under U.S. GAAP.......	Ps	111,509	148,907

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 Ps 7,876, of which Ps 4,074 were recorded in ETM under Mexican GAAP 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 GAAP, was Ps 854 in 2004 and Ps1,175 in 2005.

In addition, during 1995, CEMEX acquired an additional 24.2% equity interest in TOLMEX, S.A. de C.V. ("TOLMEX"), through a public 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 Ps 1,002. The net adjustment in the Guarantors' stockholders' equity reconciliation to U.S. GAAP arising from this pushed-down goodwill was Ps 890 in 2004 and Ps664 in 2005.

As mentioned in note 25(a), for purposes of the reconciliation to U.S. GAAP, CEMEX adopted SFAS 142 and SFAS 144 in 2002. As a result of this adoption, effective January 1, 2002, amortization ceased for goodwill under U.S. GAAP and, therefore, beginning in 2002, goodwill amortization recorded under Mexican GAAP is adjusted for purposes of the reconciliation of net income and stockholders' equity.

B. Deferred income taxes and Employees' Statutory Profit Sharing

Deferred income taxes adjustment in the stockholders' equity reconciliation to U.S. GAAP, at December 31, 2004 and 2005, represented expense of Ps 418 and expense of Ps719, respectively. In addition, deferred ESPS adjustment to U.S. GAAP was an expense of Ps 2,928 in 2004 and an expense of Ps2,811 in 2005.

C. Other 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 GAAP, 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 GAAP, 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).

For the years ended December 31, 2003, 2004 and 2005, severance provisions recorded for U.S. GAAP purposes resulted in income of Ps38, income of Ps11 and expense of Ps9, respectively, with an accrual of Ps92 and Ps108 at December 31, 2004 and 2005, respectively. At December 31, 2005, the provision for severance payments under U.S. GAAP amounted to approximately Ps108, approximately Ps101 higher that the provision accrued under Mexican GAAP. The difference between the provision under U.S. GAAP and Mexican GAAP represents the cumulative initial effect from the accounting change under Mexican GAAP, which was recognized as of January 1, 2005 as part of the unrecognized net transition obligation (note 14), net of the amortization expense recorded under Mexican GAAP during 2005 related to such transition obligation.

In connection with the change from defined benefit scheme to defined contribution scheme for a portion of the Company'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 GAAP, CEMEX recognized at December 31, 2005, a nonrecurring net expense of approximately Ps203 related to: 1) an event of settlement of obligations, which represented an income of approximately Ps162; and 2) an event of curtailment, which represented an expense of approximately Ps365. 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". For purposes of the reconciliation of net income to U.S. GAAP, according to the provisions of SFAS 88, settlement events should be recognized in the year in which the settlement occurred. As a result, in the reconciliation of net income to U.S. GAAP, the settlement income of approximately Ps162 (Ps117 after tax) recognized under Mexican GAAP was canceled against the provision of pensions and other postretirement benefits under U.S. GAAP.

D. Inflation Adjustment of Machinery and Equipment

As previously mentioned in note 25(i), 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. Other U.S. GAAP adjustments

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 affiliates. The net effect in the

stockholders' equity reconciliation to U.S. GAAP at December 31, 2004 was an income of Ps 6,856 and an expense of Ps16,886 in 2005. The effect on the net income reconciliation to U.S. GAAP was an expense of Ps 181 in 2003, and income of Ps 1,195 in 2004 and Ps1,065 in 2005. From the U.S. GAAP adjustments to subsidiary companies in the Guarantors' reconciliation of stockholders' equity, expense of Ps 3,346 in 2004 and expense of Ps3,485 in 2005, are related to deferred IT and deferred ESPS.

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 GAAP and U.S. GAAP are basically the same in respect of the transactions presented under each caption. The nature of the differences between Mexican GAAP 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, 2003, 2004 and 2005, 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,		
	2003	2004	2005
Net cash provided by operating activities	Ps 6,970	17,388	27,827
Net cash provided by (used in) financing activities	(5,886)	31	9,085
Net cash used in investing activities	(1,561)	(17,355)	(36,909)

Net cash flow from operating activities reflects cash payments for interests and income taxes as follows:

	Years ended December 31,		
	2003	2004	2005
Interest paid	Ps 150	-	-
Income taxes paid	-	1	23

Guarantors' non-cash activities are comprised of the following:

Dividends declared to CEMEX amounting to Ps6,460.0 in 2003 were recognized by the Guarantors as accounts payable to CEMEX as of December 31, 2003.

Contingent liabilities of the Guarantors

As of December 31, 2004 and 2005, CEMEX Mexico and ETM guaranteed debt of CEMEX in the amount of U.S.$ 3,088 (Ps32,988) and U.S.$3,780 (Ps40,145) (note 12C).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON SCHEDULES

The Board of Directors and Stockholders
CEMEX, S.A. de C.V.:

Under the date of January 27, 2006, we reported on the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2004 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, 2003, 2004 and 2005, which are included in this annual report on Form 20-F. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement 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
January 27, 2006

SCHEDULE I

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)

Balance Sheets
(Millions of constant Mexican Pesos as of December 31, 2005)

Assets	Note		December 31, 2004	2005
Current Assets				
Cash and investments		Ps	108	-

	Note			
Other accounts receivable	C		1,014	761
Related parties accounts receivable	H		712	499
Total current assets			1,834	1,260
Investments And Noncurrent Receivables				
Investments in subsidiaries and affiliated companies	D		100,467	132,795
Other investments and noncurrent accounts receivable			897	2,574
Long-term related parties accounts receivable	H		34,037	20,913
Total investments and noncurrent accounts receivable			135,401	156,282
Land and Buildings				
Land			1,691	1,691
Buildings			434	434
Accumulated depreciation			(257)	(261)
Total land and buildings			1,868	1,864
Intangible Assets and Deferred Charges	E		4,259	3,121
Total Assets		Ps	143,362	162,527

Liabilities and Stockholders' Equity

	Note			
Current Liabilities				
Bank loans	G	Ps	1,588	2,039
Current maturities of long-term debt	G		1,812	4,365
Other accounts payable and accrued expenses	F		674	452
Related parties accounts payable	H		6,554	405
Total current liabilities			10,628	7,261
Long Term Debt				
Bank loans	G		9,529	17,967
Notes payable	G		15,020	16,511
Current maturities of long-term debt	G		(1,812)	(4,365)
Long-term related parties accounts payable	H		24,933	20,313
Total long-term debt			47,670	50,426
Other noncurrent liabilities			1,407	496
Total Liabilities			59,705	58,183
Stockholders' Equity				
Common stock-historical cost basis			62	64
Common stock-accumulated inflation adjustments			3,735	3,735
Additional paid-in capital			42,580	47,133
Deficit in equity restatement			(80,958)	(82,387)
Cumulative initial deferred income tax effects			1,208	1,208
Retained earnings			103,065	112,166
Net income			13,965	22,425
Total stockholders' equity			83,657	104,344
Total Liabilities and Stockholders' Equity		Ps	143,362	162,527

See accompanying notes to Parent Company-only financial statements.

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)

Statements of Income
(Millions of constant Mexican Pesos as of December 31, 2005, except for earnings per share)

	Note	Years ended December 31,		
		2003	2004	2005
Equity in income of subsidiaries and affiliates		2,722	12,661	23,650
Rental income		299	287	273
License fees		561	689	724
Total revenues	H	3,582	13,637	24,647

	Note	2003	2004	2005
Administrative expenses		(60)	(39)	(58)
Operating income		3,522	13,598	24,589
Comprehensive financing result:				
Financial expense		(3,347)	(2,685)	(4,622)
Financial income		3,333	1,540	1,592
Results from valuation and liquidation of financial instruments		16	459	932
Foreing exchange result, net		(2,788)	847	(779)
Monetary position result		866	1,101	846
Net comprehensive financing result		(1,920)	1,262	(2,031)
Other income (expense), net	H	4,741	(1,208)	(768)
Income before income taxes		6,343	13,652	21,790
Income tax benefit and business assets tax, net	K	858	313	635
Net income		7,201	13,965	22,425
Basic earnings per share	L	0.76	1.40	2.16
Diluted earnings per share	L	0.74	1.39	2.15

See accompanying notes to Parent Company-only financial statements.

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)

Statements of Changes in Financial Position
(Millions of constant Mexican Pesos as of December 31, 2005)

	Years ended December 31,		
	2003	2004	2005
Operating activities			
Net income Ps	7,201	13,965	22,425
Adjustments to reconcile to resources provided by operating activities:			
Depreciation of properties	6	7	4
Amortization of deferred charges and credits, net	347	355	128
Deferred income tax charged to results	594	1,085	1,021
Equity in income of subsidiaries and affiliates	(2,722)	(12,661)	(23,650)
Resources provided by (used in) operating activities	5,426	2,751	(72)
Changes in working capital:			
Other accounts receivable	447	(241)	253
Short-term related parties accounts receivable and payable, net	19,374	1,736	(5,936)
Other accounts payable and accrued expenses	(159)	(2,383)	(222)
Net change in working capital	19,662	(888)	(5,905)
Net resources provided by (used in) operating activities	25,088	1,863	(5,977)
Financing activities			
Proceeds from bank loans (repayments), net	(10,198)	5,883	8,889
Notes payable, net	(2,396)	(7,455)	1,491
Liquidation of optional instruments	-	(1,085)	-
Dividends paid	(4,038)	(4,142)	(4,864)
Issuance of common stock from stock dividend elections	4,017	4,282	4,537
Issuance of common stock under stock option programs	47	69	18
Disposal of shares under repurchase program	420	-	-
Other financing activities, net	391	(556)	(911)
Resources provided by (used in) financing activities	(11,757)	(3,004)	9,160
Investing activities			
Long-term related parties accounts receivable, net	(11,210)	2,066	8,504
Net change in investment in subsidiaries	(7,505)	(1,687)	(10,165)
Dividends received	5,605	272	-
Deferred charges	(52)	276	52
Other noncurrent accounts receivable	(466)	204	(1,682)
Resources provided by (used in) investing activities	(13,628)	1,131	(3,291)
Increase (decrease) in cash and investments	(297)	(10)	(108)
Cash and investments at beginning of year	415	118	108
Cash and investments at end of year Ps	118	108	-

See accompanying notes to Parent Company-only financial statements.

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
As of December 31, 2003, 2004 and 2005
(Millions of constant Mexican pesos as of December 31, 2005)

1. DESCRIPTION OF BUSINESS

CEMEX, S.A. de C.V. (CEMEX or the Company) is a Mexican holding company (parent) of entities whose main activities are oriented to the construction industry, through the production and marketing of cement, ready-mix concrete and aggregates.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1) BASIS OF PRESENTATION AND DISCLOSURE

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in Mexico ("Mexican GAAP"), which recognize the effects of inflation on the financial information.

The preparation of the Parent Company's financial statements considered, when applicable, the same accounting policies listed in note 3 to CEMEX and subsidiaries' consolidated financial statements included elsewhere in this annual report.

In addition, this section includes references to other notes to the consolidated financial statements, in those cases when information also refers to the Parent Company.

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
2002 to 2003	1.0387
2003 to 2004	1.0539
2004 to 2005	1.0300

C. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2004 and 2005, other short-term accounts receivable of the Parent Company consist of:

		2004	2005
Non-trade receivables	Ps	236	225
Advances and valuation of derivative instruments (1)		403	53
Other refundable taxes		375	483
	Ps	1,014	761

(1) See notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report

D. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As of December 31, 2004 and 2005, investments of the Parent Company in subsidiaries and affiliated companies, accounted for by the equity method, are as follows:

		2004	2005
Book value at acquisition date	Ps	67,143	78,126
Revaluation by equity method		33,324	54,669
	Ps	100,467	132,795

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS-(Continued)
As of December 31, 2003, 2004 and 2005
(Millions of constant Mexican pesos as of December 31, 2005)

E. INTANGIBLE ASSETS AND DEFERRED CHARGES

As of December 31, 2004 and 2005, intangible assets of indefinite life and deferred charges of the Parent Company are summarized as follows:

		2004	2005
Intangible assets of indefinite useful life:			
Goodwill	Ps	2,143	2,080
Accumulated amortization		(193)	(187)
		1,950	1,893
Deferred charges:			
Deferred financial expenses		203	163
Deferred taxes		2,029	1,009
Others		390	378
Accumulated amortization		(313)	(322)
	Ps	2,309	1,228
		4,259	3,121

F. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Other accounts payable and accrued expenses of the Parent Company as of December 31, 2004 and 2005 consist of:

		2004	2005
Accounts payable and accrued expenses	Ps	1	1
Interests payable		212	256
Taxes payable		178	190
Dividends payable		5	5
Valuation of derivative instruments (1)		278	-
	Ps	674	452

(1) See notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report

Short-term provisions primarily consist of: (i) accruals for insurance payments and (ii) accruals related to the portion of legal assessments to be settled in short-term. Commonly, these amounts are revolving in nature and are to be settled and replaced by similar amounts within the next 12 months.

G. SHORT-TERM AND LONG-TERM BANK LOANS AND NOTES PAYABLE

The maturities of long-term debt of the Parent Company as of December 31, 2005 are as follows:

		Parent
2007	Ps	2,930
2008		8,383
2009		11,776
2010		5,522
2011 and thereafter	Ps	1,502
		30,113

As of December 31, 2004 and 2005, 90% and 41%, respectively of the Parent Company's short-term debt is denominated in dollars. Relating to long-term debt, 84% and 62% is denominated in dollars in 2004 and 2005, respectively. The remaining debt, in both years, is primarily denominated in Mexican pesos.

In the Parent Company's balance sheet at December 31, 2004 and 2005, there were short-term debt transactions, classified as long-term debt, for U.S.$350 (Ps3,717) and U.S.$125 (Ps1,328), respectively, due to the Company's ability and the intention to refinance such indebtedness with the available amounts of committed long-term lines of credit.

H. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main balances of accounts receivable from and accounts payable of the Parent Company with related parties as of December 31, 2004 and 2005 are as follows:

		Assets		Liabilities	
2004		Short term	Long term	Short term	Long term
CEMEX Mexico, S.A. de C.V.	Ps	-	11,158	6,433	275
CEMEX International Finance Co.		-	-	62	20,538
Empresas Tolteca de Mexico, S.A. de C.V.		73	22,879	-	-
CEMEX Irish Investments Company Limited		-	-	23	3,981
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	33	139
CEMEX Manila Investments B.V.		607	-	-	-
CEMEX Venezuela, S.A.C.A.		19	-	-	-
Others		13	-	3	-
	Ps	712	34,037	6,554	24,933

		Assets		Liabilities	
2005		Short term	Long term	Short term	Long term
CEMEX Mexico, S.A. de C.V.	Ps	-	-	314	7,754
CEMEX International Finance Co.		-	-	44	8,833
Empresas Tolteca de Mexico, S.A. de C.V.		-	20,913	-	-
CEMEX Irish Investments Company Limited		-	-	36	3,726
CEMEX UK Limited		461	-	-	-
CEMEX Venezuela, S.A.C.A.		30	-	-	-
Latin Asia Investments, Pte. Ltd		5	-	-	-
Others		3	-	11	-
	Ps	499	20,913	405	20,313

The main operations with related parties are:

Parent	2003	2004	2005

Rental income..	Ps	299	287	273
License fees...		561	689	724
Financial expenses.....................................		(861)	(968)	(1,984)
Management service expense.............................		(1,549)	(958)	(837)
Financial income.......................................		3,330	1,533	1,586
Dividends received.....................................	Ps	6,020	292	-

I. STOCKHOLDERS' EQUITY AND COMPREHENSIVE NET INCOME (LOSS)

See note 15 to our consolidated financial statements included elsewhere in this annual report.

J. EXECUTIVE STOCK OPTION PROGRAMS

See note 16 to our consolidated financial statements included elsewhere in this annual report.

K. INCOME TAX (IT) AND BUSINESS ASSETS TAX (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 Mexican GAAP. See note 18 to our consolidated financial statements included elsewhere in this annual report.

The IT benefit (income), presented in the income statement is integrated as follows:

		2003	2004	2005
Received from subsidiaries.................	Ps	1,452	1,398	1,656
Deferred IT................................		(594)	(1,085)	(1,021)
	Ps	858	313	635

CEMEX has accumulated IT loss carryforwards which, restated for inflation, can be amortized against taxable income in the succeeding ten years according to income tax law:

Year in which tax loss occurred		Amount of carryforwards	Year of expiration
1998.......................................	Ps	3,614	2008
2001.......................................		1,812	2011
2002.......................................		5,870	2012
2003.......................................		4,281	2013
2004.......................................		42	2014
2005.......................................		295	2015
	Ps	15,914	

The Company must generate taxable income to preserve the benefit of the tax loss carryforwards generated beginning in 2002.

The BAT Law establishes a 1.8% tax levy on assets, restated for inflation in the case of inventory and fixed assets, and deducting certain liabilities. CEMEX, S.A. de C.V. is a Parent Company, authorized by Mexican Tax Authorities to consolidate for tax purposes in accordance with the Income Tax Law; as a result, the Company is obliged in terms of the BAT law to calculate and file the consolidated asset value for the exercise.

L. EARNINGS PER SHARE

See note 21 to our consolidated financial statements included elsewhere in this annual report.

M. CONTINGENCIES AND COMMITMENTS

See note 22 to our consolidated financial statements included elsewhere in this annual report.

SCHEDULE II

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
December 31, 2003, 2004 and 2005
(Millions of constant Mexican Pesos as of December 31, 2005)

Valuation and Qualifying Accounts as of December 31, 2003, 2004 and 2005, 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, 2003:					
Allowance for doubtful accounts.......... Ps	539	358	286	34	645
Year ended December 31, 2004:					
Allowance for doubtful accounts..........	645	401	341	20	725
Year ended December 31, 2005:					
Allowance for doubtful accounts..........	725	279	256	494	1,242

(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 Ps462 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. de C.V. (a)
2.1	Form of Trust Agreement between CEMEX, S.A. de C.V., as founder of the trust, and Banco Nacional de Mexico, S.A. regarding the CPS. (b)
2.2	Amendment Agreement, dated as of November 21, 2002, amending the

	Trust Agreement between CEMEX, S.A. 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. 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. de C. V. (b)
2.7	Form of Certificate for shares of Series B Common Stock of CEMEX, S.A. de C.V. (b)
4.1	Note Purchase Agreement dated June 23, 2003, by and among CEMEX Espana Finance, LLC, as issuer, CEMEX Espana, Sandworth Plaza Holding B.V., Cemex Caracas Investments 13.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. and Cemex Egyptian Investments B.V., as guarantors, 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)
4.2	$1,150,000,000 Term Loan Agreement, dated October 15, 2003, by and among New Sunward Holding B.V. as borrower, CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V. as guarantors, and the several lenders named therein. (d)
4.3	Term and Revolving Facilities Agreement, dated as of March 30, 2004, by and among CEMEX Espana, as borrower, Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments E.V. and Centex Egyptian Investments, E.V., as guarantors, 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, for an aggregate amount of E250,000,000 and V19.308,000,000. (d)
4.4	(euro)250,000,000, (Y)19,308,000,000 Term and Revolving Facilities Agreement, dated March 30, 2004, for CEMEX ESPANA, S.A., as Borrower, CEMEX Caracas Investments B.V., CEMEX Caracas II Investments B.V., CEMEX Egyptian Investments B.V., CEMEX Manila Investments B.V. and Sandworth Plaza Holding B.V., as Guarantors, arranged by Banco Bilbao Vizcaya Argentaria, S.A. and Societe Generale, S.A., with Banco Bilbao Vizcaya Argentaria, S.A. acting as Agent. (d)
4.5	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)
4.6	U.S.$800,000,000 Credit Agreement, dated as of June 23, 2004, among CEMEX, S.A. 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. (e)
4.7	U.S.$1,250,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for New Sunward Holding B.V., as Borrower, CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca De Mexico, S.A. de C.V., as Guarantors, arranged by

Exhibit No.	Description

	Citigroup Global Markets Limited and Goldman Sachs International, with Citibank International PLC acting as Agent. (e)
4.8	U.S.$3,800,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for CEMEX Espana, S.A., as Borrower, CEMEX Espana, S.A., CEMEX Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Egyptian Investments B.V., CEMEX Manila Investments B.V., CEMEX American Holdings B.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International with Citibank International PLC acting as Agent. (e)
4.9	Implementation Agreement, dated September 27, 2004, by and between CEMEX UK Limited and RMC Group p.l.c. (e)
4.10	Scheme of Arrangement, dated October 25, 2004, pursuant to which CEMEX UK Limited acquired the outstanding shares of RMC Group p.l.c. (e)
4.11	Asset Purchase Agreement by and between CEMEX, Inc. and Votorantim Participacoes S.A., dated as of February 4, 2005. (e)
4.11.1	Amendment No. 1 to Asset Purchase Agreement, dated as of March 31, 2005, by and between CEMEX, Inc. and Votorantim Participacoes S.A. (e)
4.12	(pound)1,000,000,000 Amended and Restated Term and Revolving Credit Agreement, dated March 16, 2005, by and among RMC Group Limited, CEMEX Espana, S.A., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Egyptian Investments B.V., Cemex Manila Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V., as Original Guarantors, RMC Group Limited, as Original Borrower, Banc of America Securities Limited, BNPParibas, HSBC Investment Bank plc, the Royal Bank of Scotland plc, West LB AG, London Branch, as Mandated Lead Arrangers and the Royal Bank of Scotland plc, as Agent. (e)
4.13	U.S.$1,000,000,000 Term Credit Agreement, dated as of April 5, 2005, among CEMEX, S.A. 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, Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner, Barclays Bank plc, Citibank, N.A., and Citibank, N.A., Nassau, Bahamas Branch as Lenders. (e)
4.14	U.S.$1,200,000,000 Term Credit Agreement, dated as of May 31, 2005, among CEMEX, S.A. 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)
4.15	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. 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)
4.16	Note Purchase Agreement, dated as of June 13, 2005, among CEMEX Espana Finance LLC, as issuer, CEMEX Espana, Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V., Cemex Egyptian Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V., as guarantors, 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)
4.17	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)

Exhibit No.	Description
4.17.1	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)
4.18	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)
4.18.1	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)
4.19	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)
4.20	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)
4.21	Asset Purchase Agreement, dated as of September 1, 2005, between Ready Mix USA, LLC and RMC Mid-Atlantic, LLC. (f)
8.1	List of subsidiaries of CEMEX, S.A. de C.V. (f)
12.1	Certification of the Principal Executive Officer of CEMEX, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)
12.2	Certification of the Principal Financial Officer of CEMEX, S .A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)
12.3	Certification of the Principal Executive Officer of CEMEX Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)
12.4	Certification of the Principal Financial Officer of CEMEX Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)
12.5	Certification of the Principal Executive Officer of Empresas Tolteca de Mexico, S.A. de CV. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)
12.6	Certification of the Principal Financial Officer of Empresas Tolteca de Mexico, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (f)
13.1	Certification of the Principal Executive and Financial Officers of CEMEX, S. 1. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (f)
13.2	Certification of Principal Executive and Financial Officers of CEMEX Mexico, S.A. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (f)
13.3	Certification of Principal Executive and Financial Officers of Empresas Tolteca de Mexico, S.A. de C.V. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (f)
14.1	Consent of KPMG Cardenas Dosal, S.C. to the incorporation by reference into the effective registration statements of CEMEX, S.A. de C.V. under the Securities Act of 1933 of their report with respect to the consolidated financial statements of CEMEX, S.A. de C. V, which appears in this Annual Report on Form 20-F. (f)

(a) Incorporated by reference to Post-Effective Amendment No. 4 to the

Registration Statement on Form F-3 of CEMEX, S.A. 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 Font F-4 of CEMEX, S .A. de C.V. (Registration No. 333-10682), tiled 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. 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. de C.V. filed with the Securities and Exchange Commission on May 11, 2004.

(e) Incorporated by reference to the 2005 annual report on Form 20-F of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on May 27, 2005.

(f) Filed herewith.

Exhibit 4.14

CREDIT AGREEMENT

among

CEMEX, S.A. de C.V.,
as Borrower

and

CEMEX MEXICO, S.A. de C.V.,
as Guarantor

and

EMPRESAS TOLTECA de MEXICO, S.A. de C.V.,
as Guarantor

and

The Several Lenders Party Hereto,
as Lenders

and

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent

and

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

US$1,200,000,000

Dated as of May 31, 2005

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of May 31, 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 MEXICO, 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 MEXICO, 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

WHEREAS, the Borrower entered into a term credit agreement, dated as of April 5, 2005 (the "Term Credit Agreement"), among the Borrower, the Guarantors, the several lenders party thereto, 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;

WHEREAS, the Borrower proposes to terminate the Term Credit Agreement and enter into a new five-year multi-currency revolving credit facility; and

WHEREAS, the Guarantors are willing to guaranty all of the Obligations of the Borrower.

NOW, THEREFORE, each of the Parties hereto hereby agrees as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Subsidiary" means any Subsidiary acquired by the Borrower or any other Subsidiary after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary of the Borrower or any one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, the Borrower or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Adjusted Consolidated Net Tangible Assets" means, with respect to any Person, the total assets of such Person and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), including any write-ups or restatements required under Mexican 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 Barclays Bank PLC, in its capacity as administrative agent for the 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 3.09(a).

"Affiliate" means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company.

"Aggregate Committed Amount" means the aggregate amount of all of the Commitments.

"Aggregate Exposure" means the Dollar Amount of the aggregate principal amount of all Loans outstanding.

"Agreement" means this Credit Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable Margin" means, at any date, 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	0.50%	0.50%	0.50%
Less than 3.00 to 1, but greater than or equal to 2.50 to 1	0.45%	0.45%	0.45%
Less than 2.50 to 1, but greater than or equal to 2.00 to 1	0.40%	0.40%	0.40%
Less than 2.00 to 1	0.35%	0.35%	0.35%

; provided, however, the initial Applicable margin shall be 0.50%.

"Assignee" has the meaning specified in Section 13.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit D.

"Available Commitments" means, as of any date, the Aggregate Committed Amount minus the Aggregate Exposure.

"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 Citigroup Global Markets Inc., 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.

"Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City are authorized or required by law to close and

(i) (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, Japanese Yen) a day on which the Tokyo interbank market is also open for dealings in Japanese Yen; or

(ii) (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, Sterling) a day on which the London interbank market is also open for dealings in Sterling; or

(iii) (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, 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 Dollar 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 3.02.

"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 the period of four consecutive fiscal quarters immediately preceding, which shall be calculated based on the most recently available consolidated financial statements of the Borrower and its Subsidiaries as of such date.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any indenture, mortgage, deed of trust, loan agreement or other agreement to which such Person is a party or by which it or any of its property or assets is bound.

"Credit Party" means 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 the date on which such Loan is made by the Lenders.

"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.

"Dollar Amount" shall mean, at any time with respect to any Loan, (a) with respect to Dollars or an amount denominated in Dollars, such amount and (b) with respect to an amount of any Foreign Currency or an amount denominated in a Foreign Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent on the basis of the Spot Rate as of the most recent Revaluation Date for the purchase of Dollars with such Foreign Currency.

"Dollars", "$" and "U.S.$" each means the lawful currency of the United States.

"EBITDA" means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (a) operating income (utilidad de operacion), (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.

"Effective Date" has the meaning specified in Section 4.01.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (norma tecnica 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.

"Euro" shall mean the single currency of Participating Member States.

"Euribor" means, in relation to any Loan in Euro:

(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 Administrative Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of approximately 11:00 a.m. (New York City time) on the Quotation Day for the offering of deposits in Euro and for a period comparable

to the Interest Period for that Loan.

"Euribor Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City are authorized or required by law to close that is also a TARGET Day.

"Euribor Loan" means any Loan made or maintained at a rate of interest calculated with reference to Euribor.

"Event of Default" has the meaning specified in Section 10.01.

"Federal Funds Rate" means, for any relevant day, the overnight Federal funds rate as published for such day in the Federal Reserve Statistical Release H.15 (519) or any successor publication, or, if such rate is not published for any day, the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotation for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotation" for such day under the caption "Federal Funds Effective Rate"). If on any relevant day the appropriate rate for such previous day is not yet published in either H.15 (519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the 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 Letter" means the fee letter entered into by the Borrower and the Lenders dated as of April 5, 2005.

"Foreign Currency" means each of (a) Euros, (b) Japanese Yen and (c) Sterling.

"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).

"Funding Losses" has the meaning specified in Section 3.06.

"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 13.05.

"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, and, if applicable, any Euribor 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. 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 or, if applicable, Euribor Loans, where the next succeeding Business Day falls in the next succeeding calendar month, then on the immediately preceding Business Day.

"Interest Period" means, with respect to each Borrowing of LIBOR Loans, and, if applicable, Euribor Loans, the period (i) commencing (A) on the date of such Borrowing or conversion of Base Rate Loans into LIBOR Loans and, if applicable, Euribor Loans, or (B) in the case of the continuation of LIBOR Loans and, if applicable, Euribor 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 stated by the Borrower 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 or, if applicable, a Euribor Business Day, shall, subject to paragraph (3) below, be extended to the next succeeding LIBOR Business Day or, if applicable, the next succeeding Euribor Business Day, unless such LIBOR Business Day or, if applicable, Euribor Business Day, falls in another calendar month, in which case such Interest Period shall end on the immediately preceding LIBOR Business Day or, if applicable, Euribor Business Day;

(2) any Interest Period which begins on the last LIBOR Business Day or, if applicable, Euribor 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 or, if applicable, Euribor 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.

"Japanese Yen" means the lawful currency of Japan.

"Joint Bookrunners Fees" has the meaning specified in Section 3.02(b).

"Lender" means each financial institution designated as such on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 13.06(b), 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.

"LIBOR" means, in relation to any Loan (other than a Loan

denominated in Euros):

(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 Administrative Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of approximately 11:00 a.m. (New York City 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.

"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).

"Loans" has the meaning specified in Section 2.01(a) hereof.

"Mandatory Cost" means the percentage rate per annum calculated by the Administrative Agent in accordance with Exhibit G.

"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) 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 7.14.

"Mexican GAAP" means, generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Section 8.01, 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 7.01. 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.

"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).

"Note" means a promissory note of the Borrower in substantially the form of Exhibit A, evidencing the obligation of the Borrower to repay the Loans made by a Lender.

"Obligations" means, (a) with respect to the Borrower, all of its indebtedness, obligations and liabilities to the 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 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.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges, imposts, duties,

fees, or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery, registration, performance or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document and which are imposed, levied, collected or withheld by any Governmental Authority.

"Participant" has the meaning specified in Section 13.06(d).

"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.

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which any Credit Party or any of its ERISA Affiliates has any liability.

"Permitted Liens" has the meaning specified in Section 8.02.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Prime Rate" means the average of the rate of interest publicly announced by each of the Reference Banks from time to time as its Prime Rate in New York City, the Prime Rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent or any Lender in connection with extensions of credit to debtors of any class, or generally.

"Process Agent" has the meaning specified in Section 13.12(a).

"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.

"Quotation Day" means, in relation to any period in 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.

"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" means two banks in the London interbank market, initially Barclays Bank PLC, 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, equal or exceed 50.01% of the Aggregate Committed Amount (or, if the Commitments shall have terminated, the Aggregate Exposure) minus the Total Exposure of any Defaulting Lender 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.

"Revaluation Date" means each of the following: (a) in connection with the making of any Loan, the Business Day which is the earliest of the date such Loan is made or the date the rate is set, as applicable; (b) in connection with any extension or conversion or continuation of an existing Loan, the Business Day that is the earlier of the date such Loan is extended, converted or continued, or the date the rate is set, as applicable, in connection with any extension, conversion or continuation; (c) the date of any reduction of the Aggregate Committed Amount; and (d) such additional dates as the Administrative Agent or the Required Lenders shall deem necessary.

"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 service ceases to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

"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.

"Spot Rate" means, on any date, with respect to any Foreign Currency, the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of such Foreign Currency with Dollars through its principal foreign exchange trading office at approximately 11:00 a.m. (New York City time) on the date two Business Days prior to the date as of which the foreign exchange computation is made.

"Sterling" means the lawful currency of the United Kingdom.

"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 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.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means any day on which TARGET is open for the settlement of payments in Euro.

"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 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 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 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 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).

"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].

"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.

"Term Credit Agreement" has the meaning specified in the recitals hereto.

"Termination Date" means the date which is the earliest of (a) the date five years following the Effective Date, or (b) if no Loans 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

Dollar Amount of the sum of the aggregate outstanding principal amount of such Lender's Loans.

"Transaction Documents" means a collective reference to this Credit Agreement, the Notes, any Assignment and Assumption Agreement, the Fee Letter, and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"Up-Front Fee" has the meaning specified in Section 3.02(c).

"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, LIBOR Business Days, Euribor Business Days or TARGET 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 any other Lender, agrees to make revolving credit loans in Dollars and/or in Foreign Currencies (as specified by the Borrower) (the "Loans") to the Borrower from time to time in an aggregate principal Dollar Amount at any one time outstanding not to exceed such Lender's Commitment; provided that (i) with regard to the Lenders collectively, the aggregate principal amount of Loans outstanding at any one time shall not exceed the Aggregate Committed Amount, and (ii) with regard to each Lender individually, the aggregate principal Dollar Amount of such Lender's Commitment Percentage of all the Loans outstanding at any time shall not exceed the Commitment of such Lender. Loans may consist of Base Rate Loans, LIBOR Loans, Euribor 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 (A) Loans denominated in Japanese Yen or Sterling shall consist solely of LIBOR Loans, subject to Section 3.07 and Section 3.09, (B) Loans denominated in Euro shall consist solely of Euribor Loans, subject to Section 3.07 and Section 3.09, and (C) if any Loan shall be made on the Effective Date or within three (3) Business Days thereafter such Loan may be a LIBOR Loan or Euribor 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 Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their Commitment Percentage. The failure of any Lender to make any 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 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 denominated in Dollars, on the Business Day prior to the day the Borrower designates therein as the Disbursement Date, and (2) in the case of a request for a LIBOR Loan or Euribor Loan, on the fourth LIBOR Business Day or Euribor Business Day, as applicable, 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 a duly authorized representative of 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 Loan is requested;

(2) the requested Disbursement Date, which shall be a Business Day;

(3) the currency and the aggregate principal amount to be borrowed; and

(4) whether the Borrowing shall be composed of Base Rate Loans, LIBOR Loans, Euribor Loans, or a combination thereof, and if LIBOR Loans or Euribor 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 or Euribor Loan, then such notice shall be deemed to be a request for an Interest Period of

one (1) month, (ii) the type of Loan requested, then such notice shall be deemed to be a request for a LIBOR Loan hereunder, provided, however, that if the notice requests Euro, then such notice shall be deemed to be a request for a Euribor Loan hereunder, or (iii) the currency requested, then such notice shall be deemed to be a request for a Loan in Dollars.

(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 Loan to be made as part of the requested Borrowing.

(ii) Minimum Amounts. Each Loan shall be in a minimum aggregate principal Dollar Amount of $5,000,000, in the case of LIBOR Loans or Euribor Loans, or $1,000,000 (or the remaining Aggregate Committed Amount, if less), in the case of Base Rate Loans, and integral multiples of $1,000,000 in excess thereof.

(iii) Exchange Rate. For purposes of determining availability hereunder, the rate of exchange for any Foreign Currency shall be the Spot Rate.

(d) Funding of Borrowings. Each Lender shall make each 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 designated by the Borrower in the applicable Notice of Borrowing (the "Funding Account"). 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 3.02 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 Loans into a subsequent permissible Interest Period or to convert Loans denominated in Dollars into Loans of another interest rate type or to convert Loans in Foreign Currencies into Dollars or to convert Loans in Dollars into Foreign Currencies; provided, however, that (i) Loans in Foreign Currencies may be converted into Dollars and Loans in Dollars may be converted into Foreign Currencies only on the last day of the Interest Period applicable thereto, (ii) except as provided in Section 3.06, LIBOR Loans and Euribor 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, (iii) LIBOR Loans and Euribor Loans may be extended, and Base Rate Loans may be converted into LIBOR Loans or Euribor Loans, only if the conditions in Section 4.02 have been satisfied, (iv) Loans extended as, or converted into, LIBOR Loans or Euribor 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 (v) any request for extension or conversion of a LIBOR Loan or Euribor 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 or the Euribor Business Day of, as applicable, in the case of the conversion of a LIBOR Loan or Euribor Loan into a Base Rate Loan, and on the third LIBOR Business Day prior to or the third Euribor Business Day prior to, as applicable, in the case of the extension of a LIBOR Loan as, or conversion of a Base Rate Loan into, a LIBOR Loan or the extension of a Euribor Loan as, or conversion of a Base Rate Loan into, a Euribor 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 Loans into which such Loans are to be converted, (D) if appropriate, the applicable Interest Periods with respect thereto, and (E) the currency of such Loans. Each Notice of Extension/Conversion shall be irrevocable and shall constitute a representation and warranty by the Borrower of the matters specified in Sections 4.02(a) through (d). 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 or Euribor Loan in accordance with this Section, or any such conversion or extension is not required by this Section, then such LIBOR Loan or Euribor 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 or Euribor

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 or a Euribor Loan into a Base Rate Loan shall also constitute a representation and warranty by the Borrower of the matters specified in Sections 4.02(a) through (d). In the event any LIBOR Loans or Euribor Loans are not permitted to be converted into another LIBOR Loan or Euribor Loan hereunder, such LIBOR Loans or Euribor 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 Loans shall be due and payable in full on the Termination Date in the same currency denomination as the Loan was made or if different converted into and outstanding.

(g) Voluntary Prepayment. Loans may be repaid in whole or in part without premium or penalty in the same currency denomination as the Loan was made or if different converted into and outstanding; 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 or Euribor Loans must be accompanied by payment of any Funding Losses under Section 3.06, and (iii) partial prepayments shall be in minimum principal Dollar Amounts of $10,000,000.

(h) Mandatory Prepayment. If on any date the Administrative Agent notifies the Borrower that the Aggregate Exposure (determined as of the most recent Revaluation Date) shall exceed 103% of the Aggregate Committed Amount, the Borrower shall as soon as practicable, but in any event no later than five Business Days after receipt of such notice, prepay the outstanding principal amount of any Loans owing by the Borrower in an aggregate amount sufficient to reduce such sum to an amount not to exceed 100% of the Aggregate Committed Amount on such date together with any interest accrued to the date of such prepayment on the aggregate principal amount of the Borrowing prepaid. The Administrative Agent shall give prompt notice of any prepayment required under this Section 2.01(h) to the Borrower, and shall provide prompt notice to the Borrower of any such notice of required prepayment the Administrative Agent receives from any Lender. Any such prepayment shall be allocated at the Lender's discretion.

(i) Revolving Notes. Each Lender's Commitment Percentage of the Loans shall be evidenced by a duly executed revolving note in favor of such Lender in the form of Exhibit A attached hereto.

(j) Maximum Number of LIBOR Loans and Euribor Loans. The Borrower will be limited to a maximum number of ten (10) LIBOR Loans and Euribor Loans outstanding at any time. For purposes hereof, LIBOR Loans and Euribor Loans with separate or different Interest Periods will be considered as separate LIBOR Loans, or, as applicable, Euribor Loans even if their Interest Periods expire on the same date.

2.02 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. (i) Each LIBOR Loan (other than LIBOR Loans denominated in Sterling) shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin. (ii) Each LIBOR Loan denominated in Sterling shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin, plus Mandatory Costs, if any.

(c) Euribor Loans. Each Euribor Loan shall bear interest at a rate per annum equal to Euribor plus the Applicable Margin, plus Mandatory Costs, if any.

(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 2.02(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) 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 (ii) in the event of any conversion of any LIBOR Loan or Euribor Loan prior to the end of the Interest Period therefore, accrued interest on such Loan shall be payable on the effective date of such conversion. Interest with respect to each Loan shall be paid in the currency in which such Loan is denominated.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) 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 (ii) where the interest is to accrue in respect of any amount denominated in Sterling, interest shall be computed on the basis of a year of 365 days, 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, LIBOR or Euribor shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

ARTICLE III
TERMINATION AND REDUCTION OF COMMITMENTS; FEES, TAXES, PAYMENT PROVISIONS

3.01 Termination or Reduction of Commitments.

(a) Mandatory Termination. The Commitments shall terminate on the Termination Date.

(b) Voluntary Termination. Upon at least five Business Days' notice to the Administrative Agent and the Joint Bookrunners, but no sooner than six months after the Effective Date, the Borrower may terminate the existing Commitments; provided, however, that the existing Commitments may not be terminated so long as (i) any Loan is outstanding or (ii) any interest, fee or expenses remain unpaid.

3.02 Fees.

(a) 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 is not a Business Day, then the Commitment Fee shall be payable on the next succeeding Business Day.

(b) 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 Fee Letter.

(c) Up-Front Fee. The Borrower will pay to the Administrative Agent, for the account of the Lenders, an up-front fee (the "Up-front Fee") as agreed to by the Borrower and the Joint Bookrunners.

3.03 Computation of Fees. All fees calculated on a per annum basis shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed.

3.04 Taxes.

(a) Any and all payments by the Borrower or a Guarantor, as the case may be, to any Lender, 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 3.04(c), the Borrower and the Guarantors jointly and severally agree to indemnify and hold harmless each Lender 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 3.04) paid by or assessed against any Lender 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 or Administrative Agent, as the case may be. Payment under this indemnification shall be made within 30 days after the date any Lender or the Administrative Agent makes written demand therefor, setting forth in reasonable detail the basis and calculation of such amounts (such written demand shall be presumed correct, absent significant error).

(c) If 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 or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 3.04, but excluding in each case United States backup withholding Taxes imposed because of payee underreporting) such Lender or the Administrative Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made; provided, that, the Borrower shall not be required to increase any amounts payable to such Lender 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 the Administrative Agent had such Lender or Administrative Agent complied with the requirements of Section 3.04(f) or to the extent provided in Section 3.04(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 or any Lender pursuant to Section 3.04(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 Secretaria de Hacienda y Credito Publico as a Foreign Financial Institution for the purposes of Article 195, Section I of the Mexican Income Tax law, then the Administrative Agent or such Lender 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 Guarantors, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify the Administrative Agent or such Lender in the future, if such change in the reasonable judgment of the Administrative Agent or such Lender is not otherwise disadvantageous to such Lender.

(f) Each Lender and the Administrative Agent shall, from time to time at the request of the Borrower or the Administrative Agent (as the case may be), promptly furnish to the Borrower and the Administrative Agent (as the case may be), such forms, documents or other information (which shall be accurate and complete) as may be reasonably required to establish any available exemption from, or reduction in the amount of, applicable Taxes; provided, however, that none of any Lender or the Administrative Agent shall be obliged to disclose information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f), it being understood that the identity of any Person shall not be considered for these purposes as information regarding its tax affairs or computations. Each of the Borrower and the Administrative Agent shall be entitled to rely on the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have 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 [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 3.04 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 3.11 or to the extent of increases in such amounts resulting from a change in applicable law occurring after such event.

(h) If 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 3.04(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) 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 the Administrative Agent or such Lender, as the case may be, shall return the amount of such refund or the benefit of such credit to the Administrative Agent or such Lender, as the case may be, if the Administrative Agent or such Lender, as the case may be, is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six years of the date the Borrower or such Guarantor, as the case may be, is paid such amount by the Administrative Agent or such Lender, as the case may be.

(i) The agreements in this Section 3.04 shall survive the termination of this Credit Agreement and the payment of the Borrower's Obligations.

3.05 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 at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 3:30 p.m. (New York City time) on the dates specified herein. The Administrative Agent will promptly distribute to each Lender its 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 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 each Lender, as the case may be, on such due date an amount equal to the amount then due to such Lender. If and to the extent that the Borrower shall not have made such payment, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with accrued interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by any Lender for more than five Business Days after the Administrative Agent has made a demand for such amount, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 1%, and, provided further, that if any such amount remains unpaid by any Lender for more than ten Business Days, such Lender shall, commencing on the day next following such tenth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 2.00%.

(d) Currency of account.

(i) Subject to paragraphs (ii) through (v) below, Dollars are the currency of account and payment for any sum due from parties under any Transaction Document.

(ii) A repayment of an Obligation or a part of an Obligation shall be made in the currency in which that Obligation is denominated on its due date.

(iii) 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.

(iv) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(v) Any amount expressed to be payable in a currency other than

Dollars shall be paid in that other currency.

(e) Change of currency.

Unless otherwise prohibited by law or regulation, if more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then:

(A) any reference in the Transaction Documents to, and any Obligations arising under the Transaction Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country as agreed by the Administrative Agent and the Borrower; and

(B) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Administrative Agent (acting reasonably).

If a change in any currency of a country occurs, this Agreement will, to the extent the Administrative Agent and the Borrower deem 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.

3.06 Funding Losses. If the Borrower makes any payment of principal with respect to any LIBOR Loan or Euribor 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 or Euribor 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 or Euribor 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 or Euribor 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 or Euribor 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.

3.07 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any LIBOR Loan or Euribor Loan:

(a) the Administrative Agent determines that by reason of circumstances affecting the London interbank market or the European interbank market, as the case may be, reasonably adequate means do not exist for ascertaining LIBOR or Euribor applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market or the European interbank market, as the case may be, for such Interest Period, or

(b) the Required Lenders advise the Administrative Agent that LIBOR or Euribor 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.

3.08 Capital Adequacy.

If any Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule, or regulation regarding capital adequacy, or compliance by such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of increasing such Lender's cost of maintaining its Commitment or making or maintaining any Loans or reducing the rate of return on such Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Lender could have achieved but for such adoption, effectiveness, change, or compliance (taking into consideration such Lender's policies with respect to capital adequacy), then, upon notice from such Lender to the Borrower, the Borrower shall be obligated to pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received. Each determination by any such Lender of amounts owing under this Section shall, absent manifest error, be conclusive and binding on the parties hereto. The relevant Lender will, upon request, provide a certificate in reasonable detail as to the amount of such increased cost or reduction in amount received and method of calculation.

Upon any Lender's making a claim for compensation under this Section 3.08, (i) such Lender shall use commercially reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office or assign its rights and obligations hereunder to another of its offices, branches or affiliates so as to eliminate or reduce any such additional payment by the Borrower which may thereafter accrue, if such change is not otherwise disadvantageous to such Lender, and (ii) the Borrower may replace such Lender in accordance with Section 3.11.

3.09 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 Agreement, then such Lender, together with Lenders giving notice under Section 3.07, 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 or a Euribor 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 and Euribor Loans, made by it be converted to Base Rate Loans, in which event all such LIBOR Loans and Euribor 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 or the Euribor Loans that would have been made by such Lender or the converted LIBOR Loans or the converted Euribor 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 or Euribor Loans.

(b) For purposes of this Section 3.09, 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.

3.10 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 LIBOR or Euribor 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 Euribor 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 and Euribor 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.

3.11 Substitute Lenders. If any Lender has demanded compensation (or if the Borrower is required to increase amounts payable hereunder) pursuant to Sections 3.04, 3.08, or 3.10 or has exercised its rights pursuant to Section

3.09(a)(iii), and such Lender does not waive its right to future additional compensation pursuant to Sections 3.04, 3.08 or 3.10, the Borrower shall have the right (i) to replace such Lender with a Substitute Lender or Substitute Lenders that shall succeed to the rights of such Lender under this Agreement upon execution of an Assignment and Assumption Agreement and payment by the Borrower of the related processing fee of U.S.$3,500 to the Administrative Agent; or (ii) to remove such Lender, reduce the Commitments by the amount of the Commitment of such Lender, and adjust the Commitment Percentage of each Lender such that the percentage of each other Lender shall be increased to equal the percentage equivalent of a fraction. The numerator of which is the Commitment of such other Lender and the denominator of which is the Commitments of the Lenders minus the Commitments of the Lender who demanded payment pursuant to Sections 3.04, 3.08 or 3.10 or exercised its rights pursuant to Section 3.09(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 3.06 and 3.08) unless any such amount is being contested by the Borrower in good faith.

3.12 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 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 3.12 and will in each case notify the Lenders following any such purchases.

(b) If any Lender shall commence any action or proceeding in any court to enforce its rights hereunder after consultation with the other Lenders and, as a result thereof or in connection therewith, it shall receive any excess payment, then such Lender shall not be required to share any portion of such excess payment with any Lender which has the legal right to, but does not, join in any such action or proceeding or commence and diligently prosecute a separate action or proceeding to enforce its rights in another court.

(c) The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 3.12 may exercise all its rights of set-off with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE IV
CONDITIONS PRECEDENT

4.01 Conditions to Effectiveness. The obligations of the Lenders under this Agreement are subject to the satisfaction or waiver of the following conditions precedent (the date on which all such conditions precedent are satisfied or waived being the "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 Lenders, and (ii) the opinion of Sullivan & Cromwell LLP, New York counsel to the 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 13.12.

(g) Fees and Expenses. The Borrower shall have paid all fees and expenses owing to the Lenders, the Joint Bookrunners 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 Letter 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 Lender through the Administrative Agent.

(l) Fees, Costs and Expenses under the Term Credit Agreement. The Borrower shall have paid all accrued and unpaid fees payable under the Term Credit Agreement to the extent due and payable on or before the Effective Date of this Agreement.

(m) Term Credit Agreement. The Term Credit Agreement shall have been cancelled or terminated in accordance with its respective terms; any promissory notes issued thereunder shall have been cancelled or returned to the Borrower; and all outstanding indebtedness for money borrowed under the Term Credit Agreement shall have been, or will be simultaneously with the Borrowings hereunder, repaid in full. The parties hereto agree that a Notice of Borrowing may be given under this Agreement simultaneously to repay all outstanding obligations under the Term Credit Agreement.

4.02 Conditions Precedent to Borrowings and Continuation or Conversion of the Loans. The obligation of any Lender to make a Loan on the occasion of any Borrowing or to continue or convert any Loan 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 or a Notice of Extension/Conversion as required by Section 2.01(c) or 2.01(e), respectively;

(b) Availability. Immediately after such Borrowing or the continuation or conversion of any Loan, the Total Outstandings for such Lender shall not exceed the Commitment of such Lender;

(c) No Default. Immediately before and after giving effect to such Borrowing or the continuation or conversion of any Borrowing, no Default or Event of Default shall have occurred and be continuing and such Borrowing or continuation or conversion of any Loan 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 or continuation or conversion of any Loan.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

5.01 Corporate Existence and Power. .

(a) The Borrower is a corporation (sociedad anonima de capital variable) duly incorporated, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Borrower has been validly

issued and is fully paid and non-assessable.

5.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Borrower of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action pursuant to the estatutos sociales of the Borrower.

(b) This Agreement and the other Transaction Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

5.03 Compliance with Law and Other Instruments. The execution, delivery of and performance under this Agreement and each of the other Transaction Documents to which the Borrower is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Borrower pursuant to, any Contractual Obligation of the Borrower or (b) result in any violation of the estatutos sociales of the Borrower or any provision of any Requirement of Law applicable to the Borrower.

5.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Borrower of this Agreement and the other Transaction Documents to which the Borrower is a party or the taking of any action contemplated hereby or by any other Transaction Document.

5.05 Financial Information. The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 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.

5.06 Litigation. Except as set forth in Schedule 5.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the litigation described in Schedule 5.06.

5.07 No Immunity. The Borrower is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of

this Agreement or any such other Transaction Document by the Borrower constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither the Borrower nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

5.08 Governmental Regulations. 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.

5.09 Direct Obligations; Pari Passu; Liens.

(a) (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Borrower, and (ii) the Loans, when made, will constitute direct, unconditional unsubordinated and unsecured obligations of the Borrower.

(b) 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.

5.10 Subsidiaries. As of March 31, 2005, all Material Subsidiaries of the Borrower are listed on Schedule 5.10, without giving effect to the acquisition of RMC Group p.l.c.

5.11 Ownership of Property. (a) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except Permitted Liens and (b) each Credit Party maintains insurance as required by Section 7.05.

5.12 No Recordation Necessary.

(a) This Agreement and the Notes are in proper legal form under the law of Mexico for the enforcement thereof against the Borrower under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement, unless such stamp or similar taxes have been paid by the Borrower; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(b) It is not necessary (i) in order for the Administrative Agent or any Lender to enforce any rights or remedies under the Transaction Documents or (ii) solely by reason of the execution, delivery and performance of this Agreement by the Administrative Agent or any Lender, that the Administrative Agent or such Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

5.13 Taxes.

(a) Each 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 3.04.

5.14 Compliance with Laws. The Borrower and its Subsidiaries are in compliance in all material respects with all applicable Requirements of Law (including with respect to the licenses, certificates, permits, franchises, and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, antitrust laws or Environmental Laws and the rules and regulations and laws with respect to social security, workers' housing funds, and pension funds obligations), except where the failure to so comply would not have a Material Adverse Effect.

5.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

5.16 Full Disclosure. All information heretofore furnished by the Borrower to the Administrative Agent, the Joint Bookrunners or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by the Borrower) is, and all such information hereafter furnished by the Borrower to the Administrative Agent, the Joint Bookrunners or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Borrower has disclosed to the Lenders in writing any and all facts which may have a Material Adverse Effect.

5.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Borrower arising out of or relating to this Agreement in any Mexican court or tribunal, any 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 13.10, 13.11 and 13.13.

5.18 Aggregate Exposure. The Aggregate Exposure does not exceed the Aggregate Committed Amount.

5.19 Pension and Welfare Plans. During the consecutive twelve-month period prior to the date of the execution and delivery of this Agreement and prior to the date of 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.

5.20 Environmental Matters.

Except as would not have or be reasonably expected to have a Material Adverse Effect:

(a) Each of the properties owned or leased by a Credit Party or any of its Subsidiaries (the "Real Properties") and all operations at the Real Properties are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Real Properties or the businesses operated by the Credit Parties or any of their Subsidiaries (the "Businesses"), and there are no conditions relating to the Businesses or Real Properties that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) No Credit Party has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance or liability regarding Hazardous Materials or compliance with Environmental Laws with regard to any of the Real Properties or the Businesses, nor, to the knowledge of a Credit Party or any of its Subsidiaries, is any such notice being threatened.

(c) Hazardous Materials have not been transported or disposed of from the Real Properties, or generated, treated, stored or disposed of at, on or under any of the Real Properties or any other location, in each case by, or on behalf or with the permission of, a Credit Party or any of its Subsidiaries in a manner that would give rise to liability under any applicable Environmental Laws.

(d) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of a Credit Party or any of its Subsidiaries, threatened, under any Environmental Law to which a Credit Party or any of its Subsidiaries is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to a Credit Party or any of its Subsidiaries, the Real Properties or the Businesses.

(e) There has been no release (including disposal) or to the Borrower's knowledge, threat of release of Hazardous Materials at or from the Real Properties, or arising from or related to the operations of a Credit Party or any of its Subsidiaries in connection with the Real Properties or otherwise in connection with the Businesses where such release constituted a violation of, or would give rise to liability under, any applicable Environmental Laws.

(f) None of the Real Properties contains any Hazardous Materials at, on or under the Real Properties in amounts or concentrations that, if released, constitute a violation of, or could give rise to liability under, Environmental Laws.

(g) No Credit Party, nor any of its Subsidiaries, has assumed any liability of any Person (other than another Credit Party or one of its Subsidiaries) under any Environmental Law.

(h) This Section 5.20 constitutes the only representations and warranties of the Credit Parties with respect to any Environmental Law or Hazardous Substance.

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, or for the purpose of purchasing or carrying or trading in any securities. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation

U. No indebtedness being reduced or retired out of the proceeds of the 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 the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or regulations issued pursuant thereto, or Regulation T, U, or X.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

6.01 Corporate Existence and Power.

(a) Such Guarantor is a corporation (sociedad anonima 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.

6.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by such Guarantor of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within such Guarantor's corporate powers and have been duly authorized by all necessary corporate action pursuant to the estatutos sociales of such Guarantor.

(b) This Agreement and the other Transaction Documents to which such Guarantor is a party have been duly executed and delivered by such Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable in accordance with their respective terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principals.

6.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which such Guarantor is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of such Guarantor pursuant to, any Contractual Obligation of such Guarantor or (b) result in any violation of the estatutos sociales of such Guarantor or any provision of any Requirement of Law applicable to such Guarantor.

6.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by such Guarantor of this Agreement and the other Transaction Documents to which such Guarantor is a party or the taking of any action contemplated hereby or by any other Transaction Document.

6.05 Litigation; Material Adverse Effect. Except as set forth in Schedule 6.05, 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 6.05.

6.06 No Immunity. Such Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by such Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither such Guarantor nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

6.07 Governmental Regulations. 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.

6.08 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.

6.09 No Recordation Necessary. This Agreement is in proper legal form under the law of Mexico for the enforcement thereof against such Guarantor under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by 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.

6.10 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving such Guarantor arising out of or relating to this Agreement in any Mexican court or tribunal, the Lenders, the 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 13.10, 13.11 and 13.13.

ARTICLE VII
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid or any Lender has any Commitment hereunder:

7.01 Financial Reports and Other Information. The Borrower will deliver to the Administrative Agent (with a copy for each Lender):

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the 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 5.05 and provided further that all such documents will be prepared in English; and

(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 5.05 and provided further that all such documents will be prepared in English; and

(c) Together with the financials delivered pursuant to Section 7.01(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.

7.02 Notice of Default and Litigation. The Borrower will furnish to the Administrative Agent (and the Administrative Agent will notify each Lender):

(a) as soon as practicable and in any event within five 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 5.06 or the receipt of written notice by the Borrower or any of its subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation (including Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

7.03 Compliance with Laws and Contractual Obligations, Etc. The Borrower will comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable Requirements of Law (including with respect to the licenses, approvals, certificates, permits, franchises, notices, registrations and other governmental authorizations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all material Contractual Obligations, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

7.04 Payment of Obligations. The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Lien upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

7.05 Maintenance of Insurance. The Borrower will maintain, and cause each of its Subsidiaries to maintain, insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

7.06 Conduct of Business and Preservation of Corporate Existence. The Borrower will continue to engage in business of the same general type as now conducted by the Borrower and will preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that neither the Borrower nor any of its Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 8.03; and provided, further that neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise if the Borrower or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of the Borrower or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

7.07 Books and Records. The Borrower will keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with Mexican GAAP, consistently applied.

7.08 Maintenance of Properties, Etc. The Borrower will:

(a) maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and

(b) maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licenses and

permits, material to the business of the Borrower or its Subsidiaries, provided neither paragraph (a) nor this paragraph (b) shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.09 Use of Proceeds. The Borrower will use the proceeds of all Loans made hereunder for general corporate purposes (including the repayment of existing indebtedness).

7.10 Aggregate Exposure. The Borrower will ensure that at no time shall the Aggregate Exposure of the Lenders exceed the Aggregate Committed Amount then in effect.

7.11 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.

7.12 Transactions with Affiliates. The Borrower will conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of its Affiliates on terms that are commercially reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

7.13 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.

7.14 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 are delivered pursuant to Section 7.01 (each such date a "Measurement Date").

7.15 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 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 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 VIII
NEGATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid or any Lender has any Commitment hereunder:

8.01 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 for any period of four consecutive fiscal quarters to be less than 2.5 to 1.

(c) Concurrently with the delivery by the Borrower of any financial statements pursuant to Section 7.01, the Borrower shall deliver to the Administrative Agent (with a copy to each Lender) a certificate from a Responsible Officer containing all information and calculations necessary for determining compliance by the Borrower with Sections 8.01 (a) and (b) above.

8.02 Liens. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of the Borrower or any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which adequate reserves or other appropriate provision, if any, as shall be required by Mexican 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 8.02(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 8.02(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 8.04; and provided, further that such Liens may not secure Debt of the Borrower or any Subsidiary (unless permitted under another clause of this Section 8.02);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any 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.

8.03 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 Lender and the Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Lender and/or the Administrative Agent solely as a consequence of such transaction with respect to payments under the Transaction Documents;

(c) immediately after giving effect to such transaction, including for purposes of this clause (c) the substitution of any Successor to the Borrower for the Borrower or the substitution of any Successor to a Guarantor for such Guarantor and treating any Debt or Lien incurred by the Borrower or any Successor to the Borrower, or by a Guarantor of the Borrower or any Successor to such Guarantor, as a result of such transactions as having been incurred at the time of such transaction, no Default or Event of Default shall have occurred and be continuing; and

(d) the Borrower shall have delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a written agreement is required in connection with such transaction, such written agreement comply with the relevant provisions of this Article VIII and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

8.04 Sales of Assets, Etc. The 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.

8.05 Change in Nature of Business. The Borrower shall not make, or permit any of its Material Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

8.06 Margin Regulations. The Borrower shall not use any part of the proceeds of the Loans for any purpose which would result in any violation (whether by the Borrower, the Administrative Agent or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. The Borrower shall not engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

ARTICLE IX
OBLIGATIONS OF GUARANTORS

9.01 The Guaranty. Each of the Guarantors jointly and severally hereby unconditionally and irrevocably guarantees (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Borrower to each Lender, the Administrative Agent and the Joint Bookrunners under this Agreement and the other Transaction Documents and the Fee Letter, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

9.02 Nature of Liability. The obligations of the Guarantors hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full and 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.

9.03 Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction other than the State of New York, the obligations of each of the Guarantors hereunder shall be unconditional, irrevocable and absolute and, without limiting the generality of the foregoing, shall not be impaired, terminated, released, discharged or otherwise affected by the following:

(a) the existence of any claim, set-off or other right which either of the Guarantors may have at any time against the Borrower, the Administrative Agent, any Lenders or any other Person, whether in connection with this transaction or with any unrelated transaction;

(b) any invalidity or unenforceability of this Agreement or any other Transaction Document relating to or against the Borrower or either of the Guarantors for any reason;

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the Borrower under this Agreement or any of the other Transaction Documents or the payment, observance, fulfillment or performance of any other Obligations;

(d) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of the Borrower;

(e) any amendment, waiver or modification of any Transaction Document in accordance with the terms hereof and thereof; or

(f) any other act or omission to act or delay of any kind by the Borrower, the Administrative Agent, the Lenders or any other Person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to either of the Guarantors' obligations hereunder.

9.04 Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Borrower's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Administrative Agent and the Lenders may neglect or forbear to enforce payment hereunder, under any Transaction Document or under any guaranty or security, without in any way affecting or impairing the liability of each Guarantor hereunder. The Administrative Agent or the Lenders shall not be obligated to exhaust recourse or take any other action against the Borrower or under any agreement to purchase or security which the Administrative Agent or the Lenders may hold before being entitled to payment from the Guarantors of the obligations hereunder or proceed against or have resort to any balance of any deposit account or credit on the books of the Administrative Agent or the Lenders in favor of the Borrower or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent or the Lenders shall have the right to bring suit directly against either of the Guarantors, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower and/or the other Guarantor.

9.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this ARTICLE IX and notice of any liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any such liability, suit or the taking of other action by the Administrative Agent or the Lenders against, and any other notice, to the Guarantors.

9.06 Waiver of Defenses. To the extent permitted by New York law and notwithstanding any contrary principles under the laws of any other jurisdiction, each of the Guarantors hereby waives any and all defenses to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this ARTICLE IX, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Borrower, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for any additional

endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Administrative Agent and the Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part, (a) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this ARTICLE IX shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Borrower or others (including the Guarantors) or otherwise act or refrain from acting, (c) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of the Borrower to creditors of the Borrower other than the Administrative Agent and the Lenders and the Guarantors, (d) apply any sums by whomsoever paid or howsoever realized, other than payments of the Guarantors of the Obligations, to any liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Administrative Agent and the Lenders regardless of which of such liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantors under this ARTICLE IX, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof. 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, excusion 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.

9.07 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 Lenders.

(c) The obligations of each of the Guarantors under this ARTICLE IX shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, 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 9.07(c) (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of the Obligations if said proceedings or actions had not been commenced) shall be included in the Obligations, it being the intention of the Guarantors, the Administrative Agent, and the Lenders that the Obligations which are to be guaranteed by the Guarantors pursuant to this ARTICLE IX shall be determined without regard to any rule of law or order which may relieve the Borrower of any portion of such Obligations. The Guarantors will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Administrative Agent, or allowing the claim of the Administrative Agent, for the benefit of the Administrative Agent, and the Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the Obligations are paid by or on behalf of the Borrower, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Administrative Agent and/or the Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this ARTICLE IX, to the extent permitted by applicable law.

9.08 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

9.09 Right of Contribution. Subject to Section 9.08, each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. The provisions of this Section 9.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Joint Bookrunners and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Joint Bookrunners and the Lenders for the full amount guaranteed by such Guarantor hereunder.

9.10 General Limitation on Guaranty. In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy,

insolvency, reorganization, concurso mercantil or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Section 9.10 would otherwise, taking into account the provisions of Section 9.09, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 9.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

9.11 Covenants of the Guarantors. Each Guarantor hereby covenants and agrees that, so long as any Obligations under this Agreement and any other Transaction Document remains unpaid or any Lender has any Commitment hereunder, it shall comply with the covenants contained or incorporated by reference in this Agreement to the extent applicable to it as a Subsidiary of the Borrower.

ARTICLE X
EVENTS OF DEFAULT

10.01 Events of Default. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Borrower shall (i) fail to pay any principal of any Loan when due in accordance with the terms hereof or (ii) fail to pay any interest on 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 7.01, 7.02(a), 7.06 (with respect to the Borrower's and each Guarantor's existence only), 7.11 or 7.15 or ARTICLE VIII; 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, the Notes, the Fee Letter, any Notice of Borrowings, any certificates, waivers, or any other agreement delivered pursuant to this Agreement (other than as provided in paragraphs (a) and (c) above) and such failure shall continue unremedied for a period of 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 suspension 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 IX 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 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, the Notes, the Fee Letter, any Notice of Borrowings, any certificates, waivers, or any other agreement delivered pursuant to this Agreement; or

(m) Moratorium; Availability of Foreign Exchange. A moratorium shall be agreed or declared in respect of any Debt of the Borrower or 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, the Notes, the Fee Letter, any Notice of Borrowings, any certificates, waivers, or any other agreement delivered pursuant to this Agreement; or

(n) Change of Ownership or Control. The beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities 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.

10.02 Remedies. If any Event of Default has occurred and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders:

terminate the Commitments and/or 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; provided, however, that in the case of any Event of Default specified in Section 10.01(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;

10.03 Notice of Default. The Administrative Agent shall give notice to the Borrower of any event occurring under Section 10.01(a), (b), (c) or (d) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

10.04 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 2.02(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 XI
THE ADMINISTRATIVE AGENT

11.01 Appointment and Authorization. Each Lender hereby irrevocably designates and appoints Barclays Bank PLC as the Administrative Agent of such Lender under this Agreement, and each Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement or any other Transaction Document, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent.

11.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

11.03 Liability of Administrative Agent. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action taken or omitted to be taken by it or any such Person under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby (except for its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by 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 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.

11.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or teletype message, statement, order or other document or telephone conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders as it 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. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Lenders (or when expressly required hereby, all the Lenders) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter sent by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction on or before the Effective Date.

11.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders) unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement and describing such Default or Event of Default and stating that such notice is a "Notice of Default". The Administrative Agent shall promptly notify the Lenders of its

receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

11.06 Credit Decision. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, the Guarantors, or any of their Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender acknowledges to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Guarantors, and their Affiliates and all applicable Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of 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.

11.07 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.

11.08 Administrative Agent in Individual Capacity. Barclays Bank PLC 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 Barclays Bank PLC were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Barclays Bank PLC 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, Barclays Bank PLC 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 Barclays Bank PLC in its individual capacity.

11.09 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders shall, resign as Administrative Agent upon 30 days' notice to the Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which appointment shall be subject to the approval of the Borrower, such approval not to be unreasonably withheld (unless a Default or Event of Default shall have occurred and be continuing, in which case such approval shall not be required). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act on the part of such retiring Administrative Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this ARTICLE XI and Sections 13.04 and 13.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor 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 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 XII
THE JOINT BOOKRUNNERS

12.01 The Joint Bookrunners. The Borrower hereby confirms the designation of Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and Citigroup Global Markets Inc., as arrangers and Joint Bookrunners for this revolving credit 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 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 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.

12.02 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.

12.03 Joint Bookrunners in their respective Individual Capacities. Each of Barclays Capital, the Investment Banking Division of Barclays Bank PLC 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.

12.04 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 Joint Bookrunners or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XIII
MISCELLANEOUS

13.01 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder 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 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 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 or XI shall not be effective until received.

13.02 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 Lender;

(ii) extend the maturity of any of the Obligations, extend the time of payment of interest thereon, or 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, or change the provisions of Section 3.05(a);

in each case without the consent of the Borrower and each Lender directly affected thereby;

(b) (i) amend, modify or waive any provision of this Section 13.02;

(ii) change the percentage specified in the definition of Required Lenders or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement; or

(iii) amend, modify or waive any provision of Section 4.01; or

(iv) amend, modify or waive any provision of Section 13.06;

in each case without the consent of the Borrower and all the Lenders;

(c) amend, modify or waive any provision of ARTICLE XI without the written consent of the Administrative Agent; and

(d) amend, modify or waive any provision of ARTICLE XII without the consent of the Joint Bookrunners.

13.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13.04 Payment of Expenses, Etc. The Borrower agrees to pay on demand

(a) all reasonable and documented out-of-pocket costs and expenses (including reasonable legal fees and disbursements of special Mexican and New York 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 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

(c) all reasonable and documented, out-of-pocket costs and expenses incurred by the Administrative Agent or any Lender in connection with the enforcement of and/or preservation of any rights under this Agreement or any other Transaction Document (whether through negotiations, legal proceedings or otherwise), including the reasonable fees and reasonable and documented out-of-pocket expenses of special Mexican and New York counsel to the Administrative Agent and such Lender.

13.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Joint Bookrunners, the Administrative Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel 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 13.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower and each Guarantor also agrees not to assert any claim against the Joint Bookrunners, the Administrative Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. Neither the Joint Bookrunner, the Administrative Agent, nor any Lender shall be deemed to have any fiduciary relationship with the Borrower or any Guarantor.

13.06 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon the Borrower, the Guarantors, their successors and assigns and shall inure to the benefit of the 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 may at any time, and any Lender, if demanded by the Borrower pursuant to Section 2.01(d) or Section 3.09 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); 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; 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 3.10, the Borrower), without prejudice to any claims the Borrower may have against any Defaulting Lender, shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of U.S.$3,500.

(c) Nothing herein shall prohibit any Lender from pledging or assigning any Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 13.06; provided, however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

(d) Any Lender may, without any consent of the Borrower, the Administrative Agent or any other third party at any time grant to 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. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder, including the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such

participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement extending the maturity of any Obligation in respect of which the participation was granted, or reducing the rate or extending the time for payment of interest thereon or reducing the principal thereof, or reducing the amount or basis of calculation of any fees to accrue in respect of the participation, without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 3.04, 3.06 and 3.10 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 13.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the Assignee or Participant or proposed Assignee or Participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

13.07 Right of Set-off. In addition to any rights and remedies of the Lenders provided by law, each such Lender shall have the right, without prior notice to the 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), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, or any branch or agency thereof to or for the credit or the account of the Borrower or the Guarantors. Each 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 Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.08 Confidentiality. Neither the Administrative Agent nor any Lender shall disclose any Confidential Information to any other Person without the prior written consent of the Borrower, other than (a) to the Administrative Agent's, or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 13.06(e), to actual or prospective Assignees and Participants, and then only on a confidential basis, (b) as required by any law, rule or regulation (including as may be required in connection with an audit by the Administrative Agent's, or such Lender's independent auditors, and as may be required by any self-regulating organizations) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking.

13.09 Use of English Language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language (other than the documents required to be provided pursuant to Section 4.01(e)(iii), Section 7.01 and Section 7.02 which shall be in the English language or in the Spanish language accompanied by an English translation or summary). Except in the case of the laws of, or official communications of, Mexico, the English language version of any such document shall control the meaning of the matters set forth therein.

13.10 GOVERNING LAW. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE

STATE OF NEW YORK.

13.11 Submission to Jurisdiction

(a) Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court located in the Borough of Manhattan in New York City and any appellate court thereof for purposes of any suit, legal action or proceeding arising out of or relating to this Agreement, any other Transaction Document or the transactions contemplated hereby, and each of the parties hereto hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such federal or New York State court 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 OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

13.12 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 13.11 or in this Section 13.12 shall affect the right of any party hereto to serve process in any manner permitted by law or limit any right that any party hereto may have to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

13.13 Waiver of Sovereign Immunity. To the extent that 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 13.13 shall have force and effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

13.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars unless specified otherwise herein. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower in one currency ("Currency X") into another currency ("Currency Y"), the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent or each Lender, as the case may be, could purchase Currency X with Currency Y at or about 11:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given.

(b) The Obligations in respect of any sum due to any Lender or the Administrative Agent hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than the applicable Currency X, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent of any sum adjudged to be so due in Currency Y such Lender or the Administrative Agent may in accordance with normal banking procedures purchase Currency X with Currency Y. If the amount of Currency X so purchased is less than the sum originally due to 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 Lender or the Administrative Agent against such resulting loss.

13.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. 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.

13.16 USA PATRIOT Act. The Lenders, to the extent that they are subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notify the 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 Lenders to identify the Borrower in accordance with the Act.

13.17 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

13.18 Survival of Agreements and Representations.

(a) All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) The covenants and agreements contained in Sections 3.04, 3.05, 3.06, 3.07, 3.08, 13.04, 13.05, 13.08, 13.09, 13.11, 13.12 and 13.14, and the obligations of the Lenders under Section 11.07, shall survive the

termination of the Commitments and the payment of all Obligations and, in the case of any Lender that may assign any interest in its Commitment or obligations hereunder, with respect to matters occurring before such assignment, shall survive the making of such assignment to the extent any claim arising thereunder relates to any period prior to such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder.

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

CEMEX, S.A. DE C.V.,
as Borrower

By /s/ Hector Vela

Name: Hector Vela
Title: Attorney-in-fact

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

CEMEX MEXICO, S.A. DE C.V.,
as Guarantor

By /s/ Hector Vela

Name: Hector Vela
Title: Attorney-in-fact

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V.,
as Guarantor

By /s/ Hector Vela

Name: Hector Vela
Title: Attorney-in-fact

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF
BARCLAYS BANK PLC,
as Joint Lead Arranger and Joint Bookrunner

By /s/ Vidal H. Ramirez

Name: Vidal H. Ramirez
Title: Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

CITIGROUP GLOBAL MARKETS INC., as Documentation
Agent, Joint Lead Arranger and Joint Bookrunner

By /s/ Carlos A. Corona

Name: Carlos A. Corona
Title: Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

CITIBANK, N.A. NASSAU, BAHAMAS BRANCH
as a Lender

By /s/ Leslie Munroe

Name: Leslie Munroe
Title: Attorney-in-fact

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent and Lender

By /s/ Vidal H. Ramirez

Name: Vidal H. Ramirez
Title: Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BANCO SANTANDER CENTRAL HISPANO, S.A., NEW YORK BRANCH,
as a Lender

By /s/ Ruben Perez-Romo

Name: Ruben Perez-Romo
Title: Vice President
Global Corporate Banking

By /s/ Dom J. Rodriguez

Name: Dom J. Rodriguez
Title: Vice President - Relationship Manager
Global Corporate Banking

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

THE BANK OF NOVA SCOTIA
as a Lender

By /s/ Tim Lorimer

Name: Tim Lorimer
Title: Vice President, International
Corporate and Commercial Banking

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. - NEW YORK BRANCH
as a Lender

By /s/ Jay Levit

Name: Jay Levit
Title: Vice President

By /s/ John Martini

Name: John Martini
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BNP PARIBAS PANAMA BRANCH,
as a Lender

By /s/ Raul Ardito-Barletta

Name: Raul Ardito-Barletta
Title: Executive Vice President

BNP PARIBAS PANAMA BRANCH,
as a Lender

By /s/ Nair Gonzalez

Name: Nair Gonzalez
Title: Senior Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

CALYON NEW YORK BRANCH,
as a lender

By /s/ Pierre Debray

Name: Pierre Debray
Title: Managing Director

By /s/ David Rigaud

Name: David Rigaud
Title: Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

ING BANK N.V., acting through its Curacao branch,
as a lender

By /s/ Zulia, A.C.

Name: Zulia, A.C.
Title: Senior Management Transaction Processing

By /s/ Felipa-Ventura, A.A.

Name: Felipa-Ventura, A.A.
Title: Manager Credit Administration

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

WACHOVIA BANK, NATIONAL ASSOCIATION
as a lender

By /s/ Kathleen H. Reedy

Name: Kathleen H. Reedy
Title: Managing Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

FORTIS BANK S.A./N.V., Connecticut Branch
as a lender

By /s/ Douglas Riahi

Name: Douglas Riahi
Title: Managing Director

By /s/ Steven Silverstein

Name: Steven Silverstein
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

HSBC BANK PLC SURCUSAL EN ESPANA,
as a lender

By /s/ Illegible

Name: Illegible
Title: Illegible

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

THE ROYAL BANK OF SCOTLAND PLC,
as a lender

By /s/ Inaki Basterreche

Name: Inaki Basterreche
Title: Senior Director

By /s/ Antonio Casteleiro

Name: Antonio Casteleiro
Title: Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

SOCIETE GENERALE,
as a lender

By /s/ Alejandro Garcia

Name: Alejandro Garcia
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BANK OF AMERICA, N.A.,

as a lender

By /s/ Mauricio Rebolledo

Name: Mauricio Rebolledo
Title: Managing Director

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

The BANK OF TOKYO-MITSUBISHI, LTD.,
as a lender

By /s/ Pamela D. Price

Name: Pamela D. Price
Title: Vice President & Manager

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

JPMORGAN CHASE BANK, N.A.
as a lender

By /s/ Linda M. Meyer

Name: Linda M. Meyer
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

SANPAOLO IMI S.P.A.
as a lender

By /s/ Joshua Koenig

Name: Joshua Koenig
Title: Vice President

By /s/ Renato Carducci

Name: Renato Carducci
Title: General Manager

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BANCA MONTE DEI PASCHI DI SIENA S.P.A.
as a lender

By /s/ Romeo C. Cella

Name: Romeo C. Cella
Title: Senior Vice President & General Manager

By /s/ Brian R. Landy

Name: Brian R. Landy
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

CAJA MADRID MIAMI AGENCY,
as a lender

By /s/ Javier Guzman

Name: Javier Guzman
Title: Deputy General Manager

By /s/ Gema Gamez

Name: Gema Gamez
Title: Head of Capital Markets

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

COMERICA BANK,

as a lender

By /s/ Juan Carlos Sanchez

Name: Juan Carlos Sanchez
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

KBC BANK N.V. NEW YORK BRANCH,
as a lender

By /s/ Stefano Snozzi

Name: Stefano Snozzi
Title: First Vice President

By /s/ Robert Snauffer

Name: Robert Snauffer
Title: First Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

MORGAN STANLEY BANK
as a lender

By /s/ Daniel Twenge

Name: Daniel Twenge
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF MAY 31, 2005.

BAYERISCHE LANDESBANK
as a lender

By /s/ Illegible

Name: Illegible
Title: Illegible

By /s/ Donna M. Quilty

Name: Donna M. Quilty
Title: Vice President

EXHIBIT G
TO CREDIT AGREEMENT

Mandatory Cost Formula

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. For the purposes of this Exhibit G:

"Additional Cost Rate" has the meaning provided in paragraph 3 below;

"Eligible Liabilities" has the meaning provided from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

"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;

"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);

"Special Deposits" has the meaning given to it from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England; and

"Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

3. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative 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 Administrative 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.

4. The Additional Cost Rate for any Lender lending from a Lending Office in a Participating Member State will be the percentage notified by that Lender to the Administrative Agent. This percentage will be certified by that Lender in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Lending Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Lending Office.

5. The Additional Cost Rate for any Lender lending from a Lending

Office in the United Kingdom will be calculated by the Administrative Agent as follows:

in relation to a Loan denominated in Sterling:

$$\frac{AB+C(B-D)+E \times 0.01}{100 - (A+C)} \text{ percent per annum}$$

in relation to a Loan in any currency other than Sterling:

$$\frac{E \times 0.01}{300} \text{ percent per annum}$$

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 Applicable Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Section 2.10 (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 Administrative Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in pounds per (pound)1,000,000.

6. In application of the above formula, A, B, C and D will be included in the formula 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 Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative 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 Sterling 1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Administrative 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:

the jurisdiction of its Lending Office; and

any other information that the Administrative Agent may reasonably require for

such purpose.

Each Lender shall promptly notify the Administrative 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 Administrative 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 Administrative 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 Lender from its jurisdiction of incorporation with a Lending Office in the same jurisdiction as its Lending Office.

10. The Administrative 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 Administrative 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 Administrative Agent pursuant to this Exhibit G 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 Administrative Agent may from time to time, after consultation with the Borrower and the Lenders, determine and notify to all parties to the Agreement any amendments which are required to be made to this Exhibit G in order to comply with any change in law, 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 to the Agreement.

Exhibit 4.15

EXECUTION VERSION

US$700,000,000

FACILITIES AGREEMENT

dated 27 June 2005

for

NEW SUNWARD HOLDING B.V.

as Borrower

CEMEX, S.A. 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, INC.

with

CITIBANK, N.A.

acting as Agent

TERM AND REVOLVING FACILITIES AGREEMENT

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THIS TERM AND REVOLVING FACILITIES AGREEMENT is dated 27 June 2005 and made between:

(1) NEW SUNWARD HOLDING B.V. (the "Borrower");

(2) THE COMPANIES listed in Part IB of Schedule 1 (The Original Obligors) as original guarantors (the " Original Guarantors");

(3) BANCO BILBAO VIZCAYA ARGENTARIA, S.A., BNP PARIBAS AND CITIGROUP GLOBAL MARKETS, INC. as mandated lead arrangers and 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:

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 9 (Form of Accession Letter).

"Acquired Subsidiary" means any Subsidiary acquired by any Obligor or by any Subsidiary of any Obligor 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 formed by any Obligor or by a Subsidiary of any Obligor 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, any Obligor 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 Cost Rate" has the meaning given to it in Schedule 4 (Mandatory Cost Formulae).

"Additional Guarantor" means a company which becomes an Additional Guarantor in accordance with Clause 24 (Changes to the Obligors).

"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 Applicable GAAP (other than with respect to items referred to in clause (b) below), minus (a) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (b) all goodwill, trade names, trademarks, licenses, concessions, patents, un-amortised debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Applicable GAAP.

"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.

"Agency Fee Letter" means the dated 25 May 2005 between Citigroup Global Markets, Inc., the Agent, the Borrower and Cemex Parent setting out certain of the fees referred to in Clause 12.2 (Agency fee).

"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. London time on a particular day.

"Applicable GAAP" means, with respect to any Person, Mexican GAAP or other generally accepted accounting principles required to be applied to such Person in the jurisdiction of its incorporation or organisation and used in preparing such Person's financial statements.

"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:

(a) in respect of Facility A, the date falling 10 Business Days after the date of this Agreement; and

(b) in respect of Facility B, the day which falls one month before the Termination Date relating to Facility B.

"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 relation to any proposed Utilisation under Facility B only, any participation in Facility B 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 Borrower 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) as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation.

"Board" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"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 (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 Amsterdam 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) London and 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, 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 Applicable GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with Applicable GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cemex Parent" means CEMEX, S.A. de C.V., a company (sociedad anonima de capital variable) incorporated in Mexico.

"Cemex Spain" means Cemex Espana, S.A., a company (sociedad anonima) incorporated under the laws of Spain, No. Hoja-Registro Mercantil, Madrid: M -156542, NIF A46/004214.

"Commitment" means a Facility A Commitment and/or Facility B Commitment.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 6 (Form of Compliance Certificate).

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 7 (Form of LMA Confidentiality Undertaking) or in any other form agreed between the Borrower and the Agent.

"Consolidated Fixed Charge Coverage Ratio" means, for any Relevant Period, the ratio of (a) EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for any Relevant Period, and (b) to the extent not included in (a) above, payments during such periods in respect of the financing costs of financial derivatives in the form of equity swaps.

"Consolidated Interest Expense" means, for any period, the total gross interest expense of Cemex Parent and its consolidated Subsidiaries allocable to such period in accordance with Mexican GAAP.

"Consolidated Leverage Ratio" means, at any time during any fiscal quarter, the ratio of (a) Consolidated Net Debt at such time to (b) EBITDA for the Relevant Period immediately preceding such fiscal quarter, which shall be calculated based on the most recently available consolidated financial statements of Cemex Parent and its Subsidiaries at such date.

"Consolidated Net Debt" means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of Cemex Parent and its Subsidiaries at such date, plus (b) to the extent not included in Debt, the aggregate amount of all derivative financing in the form of equity swaps outstanding at such date (save to the extent cash collateralised), minus (c) all Temporary Investments of Cemex Parent and its Subsidiaries at such date.

"Contractual Obligation" as to any Person, any provision of any security issued or guaranteed by such Person or of any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Person is a party or by which it or any of its property is bound.

"CTW" means Cemex Trademarks Ltd., a commercial company organised and existing under the laws of Switzerland.

"Debt" means, as to any Person at any time, without duplication:

(a) all obligations of such Person for borrowed money;

(b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) 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;

(d) all obligations of such Person as lessee under Capital Leases;

(e) all Debt of others secured by a Lien on any asset or property of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet;

(f) all obligations of such Person with respect to product invoices incurred in connection with export financing; and

(g) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person;

For the avoidance of doubt, this definition of Debt does not include Derivatives. With respect to the Cemex Parent and its Subsidiaries, the aggregate amount of Debt outstanding shall be adjusted by the Value of Debt Currency Derivatives solely for the purposes of calculating the Consolidated Leverage Ratio. If the Value of Debt Currency Derivatives is a positive mark-to-market valuation for Cemex Parent and its Subsidiaries, then Debt shall decrease accordingly, and if the Value of Debt Currency Derivatives is a negative mark-to-market valuation for Cemex Parent and its subsidiaries, then Debt shall increase by the absolute value thereof.

"Debt Currency Derivatives" means derivatives of the Cemex Parent and its Subsidiaries related to currency entered into for the purposes of hedging exposures under outstanding Debt of the Cemex Parent and its Subsidiaries, including, but not limited to, cross-currency swaps and currency forwards.

"Default" means an Event of Default or any event or circumstance specified in Clause 22 (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.

"Derivatives" means any type of derivative obligations, including, without limitation, equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swaptions.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dutch Banking Act" means the Dutch Act of the Supervision of Credit System of 1992 (Wet toezicht kredietwezen 1992), as amended or re-enacted from time to time.

"Dutch Central Bank" means the central bank of The Netherlands (De Nederlandsche Bank).

"Dutch Exemption Regulation" means the Exemption Regulation of the Dutch Minister of Finance of 26 June 2002 (Vrijstellingsregeling Wtk 1992), as amended or re-enacted from time to time.

"Dutch Policy Guidelines" means the Dutch Central Bank's policy guidelines of 2 January 2005 issued in relation to the Dutch Exemption Regulation (beleidsregel kernbegrippen markttoetreding en handhaving Wtk 1992), as amended or restated from time to time.

"EBITDA" means, for any period, the sum for Cemex Parent and its Subsidiaries, determined on a consolidated basis of (a) operating income (utilidad de operacion), (b) cash interest income and (c) depreciation and amortisation expense, in each case determined in accordance with Mexican GAAP consistently applied for such period. For the purposes of calculating EBITDA for any Relevant Period pursuant to any determination of Consolidated Leverage Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if, at any time during such Relevant Period, Cemex Parent or any of its Subsidiaries shall have made any Material Disposition, the EBITDA for such Relevant 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 Relevant 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 the EBITDA) and (ii) if, at any time during such Relevant Period, Cemex Parent or any of its Subsidiaries shall have made any Material Acquisition, the EBITDA for such Relevant 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 Relevant Period. Additionally, if since the beginning of such Relevant Period any Person that subsequently shall have become a Subsidiary of Cemex Parent or was merged or consolidated with Cemex Parent or any of its Subsidiaries as a result of a Material Acquisition occurring during such Relevant 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 Cemex Parent or any of its Subsidiaries during such Relevant Period, the 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 Relevant Period.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for

damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (norma tecnica 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, licence or other authorization required under any Environmental Law.

"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 11.00 a.m. (Brussels 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 22 (Events of Default).

"Exchange Act" means the U.S. Securities Exchange Act of 1943, as amended.

"Existing NSH Facility Agreement" means the US$1,150,000,000 term loan agreement dated October 15, 2003 and made between, amongst others, the Borrower as borrower, the Guarantors as guarantors and Citibank N.A. as administration agent.

"Facility" means Facility A or Facility B.

"Facility A" means the multicurrency term loan facility 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 Lenders) 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 Note" means a promissory note of the Borrower substantially in the form of Part I of Schedule 13 (Form of Facility A Note) relating to amounts to be drawn under Facility A and reflecting the terms of

this Agreement.

"Facility A Repayment Date" means the day falling 24 Months after the date of this Agreement.

"Facility B" means the multicurrency revolving 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 Lenders) 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 B Note" means a promissory note of the Borrower substantially in the form of Part II of Schedule 13 (Form of Facility B Note) relating to amounts to be drawn under Facility B and reflecting the terms of this Agreement.

"Facility Office" means the office or offices notified by a 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.

"FAS 140" means Financial Accounting Standards Board Statement No. 140 or any Statement replacing the same, in each case as amended, modified or supplemented from time to time.

"Fee Letter" means the fee letter dated 25 May 2005 between the Arrangers, the Borrower and Cemex Parent setting out certain of the fees referred to in Clause 12 (Fees).

"Finance Document" means this Agreement, any Note, any Accession Letter, the Fee Letter, the Agency Fee Letter and any other document designated as a "Finance Document" by the Agent and the Borrower.

"Finance Party" means the Agent, the Arranger or a Lender.

"First Utilisation Date" means the date on which the first Utilisation is made under this Agreement.

"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.

"Group" means the Borrower and each of its Subsidiaries for the time being.

"Guarantors" means the Original Guarantors and any Additional Guarantor other than any such Original Guarantor or Additional Guarantor which

has ceased to be a Guarantor pursuant to Clause 24.3 (Resignation of Guarantor) and has not subsequently become an Additional Guarantor pursuant to Clause 24.2 (Additional Guarantors) and "Guarantor" means any of them.

"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 corporation, any other company or corporation in respect of which it is a Subsidiary.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under Mexican, multinational or foreign laws or otherwise, including copyrights, copyright licences, patents, patent licences, trademarks, trademark licences, technology, know-how and processes, trade secrets, any applications associated with the foregoing, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 10 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (Default interest).

"International Accounting Standards" means the accounting standards approved by the International Accounting Standards Board from time to time.

"Lender" means:

(a) any Original Lender; and

(b) any bank, financial institution, securitisation trust or fund or other entity which has become a Party in accordance with Clause 23 (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 11.00 a.m. (New York 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.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. Any member of the Group shall be deemed to own, subject to a Lien, any asset which 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 agreement relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a hold back or similar arrangement that effectively imposes the risk of collectability on the transferor).

"LMA" means the Loan Market Association.

"Loan" means a Facility A Loan or a Facility B Loan.

"Majority Lenders" means:

(a) if there are no Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than 51% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 51% of the Total Commitments immediately prior to the reduction); or

(b) at any other time, a Lender or Lenders whose undrawn Commitments and participations in the Loans then outstanding aggregate more than 51% of all the undrawn Commitments and Loans then outstanding. "Mandatory Cost" means the percentage rate per annum calculated in accordance with Schedule 4 (Mandatory Cost Formulae).

"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	0.35
Facility B	0.425

(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	0.35	0.425
Less than 3.0:1 but greater than or equal to 2.5:1	0.30	0.375
Less than 2.5:1 but greater than or equal to 2.0:1	0.25	0.325
Less than 2.0:1	0.20	0.275

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.

"Material Acquisition" means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary of Cemex Parent or any Person which becomes a Subsidiary of Cemex Parent or is merged or consolidated with any member of the Group, in each case, which involves the payment of aggregate consideration by any one or more members of the Group in excess of US$25,000,000 (or the equivalent thereof 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 Group taken as a whole;

(b) the validity or enforceability of this Agreement or any of the Notes or the rights and remedies of any Finance Party under the Finance Documents; or

(c) the ability of any Obligor to perform its obligations under Finance Documents.

"Material Debt" means Debt (other than the Loans) of Cemex Parent and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount outstanding exceeding US$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 any one or more members of the Group in excess of US$50,000,000 (or the equivalent thereof in other currencies).

"Material Subsidiary" means, at any date:

(a) Cemex Spain, each Trademark Company and each Obligor that is a Subsidiary of Cemex Parent; and

(b) each other Subsidiary of any Obligor (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute five per cent. or more of the consolidated assets of Cemex Parent and its Subsidiaries as of the end of the then most recently ended fiscal quarter or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis without duplication, constitutes five per cent. or more of the consolidated operating profits of Cemex Parent and its Subsidiaries for the then most recently ended fiscal quarter for which quarterly financial statements have been prepared.

"Mexican GAAP" means generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Clause 21.13 (Financial condition covenants), Mexican GAAP shall be determined on the basis of such principles in effect as of the date of, and applied in the preparation of, the audited financial statements of Cemex Parent and its consolidated Subsidiaries as of and for the year ended 31 December 2004. 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 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 financial condition of Cemex Parent and its consolidated Subsidiaries shall be the same after such change as if such change had not been made. Until such time 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.

"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; and

(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.

The above rules will only apply to the last Month of any period. "Monthly" shall be construed accordingly.

"New Lender" has the meaning set out in Clause 23.1 (Assignments and transfers by the Lenders).

"Note" means a Facility A Note or a Facility B Note as the case may be.

"Obligations" means:

(a) as to the Borrower, all of its indebtedness, obligations and liabilities of the Borrower to the Lenders and the Agent now or in the future existing under or in connection with the Finance Documents, whether direct or indirect, absolute or contingent, due or to become due; and

(b) as to each Guarantor, all of its indebtedness, obligations and liabilities of such Guarantor to the Lenders and the Agent now or in the future existing under or in connection with the Finance Documents, in each case, whether direct or indirect, absolute or contingent, due or to become due.

"Obligors" means the Borrower and the Guarantors and "Obligor" means any of them.

"Off-Balance-Sheet Transaction" means any financing transaction of any Person not reflected as Debt on the balance sheet of such Person, but being structured in a way that may result in payment obligations by such Person.

"Optional Currency" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (Conditions relating to Optional Currencies).

"Original Financial Statements" means:

(a) in relation to the Borrower, its audited unconsolidated financial statements for its financial year ended 31 December 2004;

(b) in relation to each Guarantor, its respective audited unconsolidated (and, to the extent available, its audited consolidated) financial statements for its financial year ended 31 December 2004 (if available); and

(c) in relation to any other Obligor, its most recent audited financial statements prior to its becoming a Party.

"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 Lien" has the meaning given to that term in Clause 21.14 (Liens).

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other business entity, or Governmental Authority, whether or not having a separate legal personality.

"Process Agent" means Cemex UK Limited of Cemex House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TO, Fax: (+44) 01932 568933, Attn: The Secretary.

"Professional Market Party" means a professional market party (professionele marktpartij) as defined from time to time under the Dutch Exemption Regulation. As of the date hereof, only the following are Professional Market Parties:

(a) banks, insurance companies, securities firms, investment institutions and pension funds that are (i) supervised or licensed under Dutch law or (ii) established and acting under supervision in a European Union member state (other than The Netherlands), Hungary, Monaco, Poland, Puerto Rico, Saudi Arabia, Slovakia, Czech Republic, Turkey, South Korea, the United States, Japan, Australia, Canada, Mexico, New Zealand or Switzerland;

(b) investment institutions that offer their participation rights exclusively to professional market parties and are not required to be supervised or licensed under Dutch law;

(c) the State of The Netherlands, the Dutch Central Bank, a foreign central government body, a foreign central bank, Dutch regional and local governments and comparable foreign de-centralised government bodies, international treaty organisations and supranational organisations;

(d) enterprises or entities with total assets of at least (euro)500,000,000 (or the equivalent thereof in other currencies) as per the balance sheet of such entity as of the year-end preceding the date of the making of, or acceptance of an assignment of (as the case may be), any Loan hereunder;

(e) enterprises, entities or individuals with net assets (eigen vermogen) within the meaning of the Dutch Exemption Regulation of at least (euro)10,000,000 (or the equivalent thereof in other currencies) as of the year-end preceding the date of the making of, or acceptance of an assignment of (as the case may be), any Loan hereunder and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;

(f) subsidiaries of the entities referred to under paragraph (a)

above, provided that such subsidiaries are subject to supervision; and

(g) an enterprise or institution that has a rating from or that issues securities having a rating from a rating agency recognised for such purposes by the Dutch Central Bank.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by any member of the Group pursuant to which such member of the Group may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by Cemex Parent 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 Cemex Parent or any other Seller or (ii) is recourse to or obligates Cemex Parent or any other Seller in any way such that the requirements for off balance sheet treatment under FAS 140 are not satisfied; and

(b) Cemex Parent 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.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is sterling) one Business Day before 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).

"Receivables" means all rights of Cemex Parent 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 Cemex Parent 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 in 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 Cemex Parent, another Seller and/or a Special Purpose Vehicle, and

(b) each other instrument, agreement and other document entered into by Cemex Parent, 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 Cemex Parent, 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 Cemex Parent, a Subsidiary of Cemex Parent or a Special Purpose Vehicle (including, without limitation, rights in respect of interest or yield hedging obligations, breach of warranty or covenant claims and expense reimbursement and indemnity provisions).

"Receivables Related Assets" means with respect to any Receivables:

(a) any rights arising under the documentation governing or relating to such Receivables (including rights in respect of Liens securing such Receivables);

(b) any proceeds of such Receivables; and

(c) other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitisation transactions involving accounts receivable.

"Reference Banks" means, the principal London offices of Citibank N.A., BNP Paribas and Banco Bilbao Vizcaya Argentaria, S.A.or such other banks as may be appointed by the Agent in consultation with the Borrower.

"Regulation T, U or X" means Regulation T, U or X, respectively, of the Board as in effect from time to time and any successor to all or a portion thereof.

"Relevant Interbank Market" means, in relation to euro, the European interbank market, and, in relation to any other currency, the London interbank market.

"Relevant Period" means the last four consecutive fiscal quarters of Cemex Parent and its Subsidiaries.

"Repeating Representations" means each of the representations set out in Clauses 19.1 (Corporate Existence and Power) to Clause 19.4 (Consents/Approvals), Clause 19.8 (Direct Obligations: Pari Passu) to Clause 19.11 (No default) and Clause 19.13 (Financial statements/condition).

"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.

"Restricted Payments" has the meaning given to that term in Clause 21.17 (Restricted Payments).

"Restricted Subsidiary" means at any time, any of:

(a) Cemex Mexico, S.A. de C.V.;

(b) Empresas Tolteca de Mexico, S.A. de C.V.;

(c) any Trademark Company;

(d) any Material Subsidiary of Cemex Parent that, as of the date hereof, (i) is incorporated or organised in Mexico, (ii) has its principal place of business in Mexico or (iii) conducts a majority of its business or holds a majority of its assets in Mexico; and

any Subsidiary of Cemex Parent that at such time owns or operates any portion, beyond a de minimis amount, of the assets owned or operated as of the date hereof by the Persons described in clauses (a) through (d).

"Revaluation Date" means each of the following: (a) in connection with the making of any Loan, each Quotation Date relating to that Loan; (b) the date of on which any prepayment is made pursuant to Clause 8.6 (Mandatory prepayment) and (c) such additional dates as the Agent or the relevant Lender shall deem necessary.

"Rollover Loan" means one or more Facility B Loans:

(a) made or to be made on the same day that a maturing Facility B Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the maturing Facility B Loan;

(c) in the same currency as the maturing Facility B 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 B Loan.

"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 service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

"SEC" means the U.S. Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Selection Notice" means a notice substantially in the form set out in Part II of Schedule 3 (Selection Notice) given in accordance with Clause 10 (Interest Periods) in relation to Facility A.

"Seller" means Cemex Parent or any Subsidiary of Cemex Parent or other Affiliate of Cemex Parent (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 any member of the Group to implement a Qualified Receivables Transaction.

"Specified Time" means a time determined in accordance with Schedule 8 (Timetables).

"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 (i) such Person, (ii) such Person and one or more of its other Subsidiaries or (iii) 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.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means any day on which TARGET is open for the settlement of payments in euro.

"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).

"Taxes Act" means the Income and Corporation Taxes Act 1988.

"Temporary Investments" means, at any date, all amounts that would, in conformity with Mexican GAAP consistently applied, be set forth opposite the captions "cash and cash equivalents" ("efectivo y equivalentes de efectivo") and/or "temporary investments" ("inversiones temporales") on the consolidated balance sheet of Cemex Parent at such date.

"Termination Date" means:

(a) in relation to Facility A, the day which is 24 Months after the date of this Agreement;

(b) in relation to Facility B, the day which is 48 Months after the date of this Agreement,

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.

"Total Commitments" means the aggregate of the Total Facility A

Commitments, the Total Facility B Commitments.

"Total Facility A Commitments" means the aggregate of the Facility A Commitments, being US$250,000,000 at the date of this Agreement.

"Total Facility B Commitments" means the aggregate of the Facility B Commitments, being US$250,000,000 at the date of this Agreement.

"Total Borrowings" means, without duplication, in respect of any Person, the amount of all Debt of such Person plus the aggregate amount of all payment obligations, contingent or otherwise, of such Person in respect of Off-Balance-Sheet Transactions entered into by such Person.

"Total Net Worth of Cemex Spain" means, at any date, the shareholders' equity of Cemex Spain and its Subsidiaries (including minority interests) at such date, in accordance with Spanish GAAP.

"Trademark Companies" means collectively, CTW and any other Person at any time conducting business or servicing a purpose similar to the business and purposes of CTW as of the date hereof, with respect to Intellectual Property owned or held under license by CTW as of the date hereof, and any of their Successors or transferees in the event of a merger or consolidation of any such Person or the transfer, conveyance, sale, lease or other disposition of all or substantially all of its properties or assets in accordance with Clause 21.15 (Consolidations and mergers).

"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 Borrower.

"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.

"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.

"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 (Utilisation Request).

"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 Cemex Parent and its Subsidiaries) or as a negative number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed by Cemex Parent and its Subsidiaries).

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

"Verifiable Professional Market Party" means a Professional Market Party whose status as such may be determined on the basis of:

(a) its entry in a public register (including on-line registers available on the internet) of the Dutch Central Bank;

(b) its rating as provided by a rating agency recognised for such purposes by the Dutch Central Bank and as it appears from any public register and/or written statement of such rating agency;

(c) its balance sheet, as confirmed by an auditor's statement showing a value of its assets as per the last day of the preceding calendar year of at least (euro)500,000,000 (or such other amount and/or at such other time as may be required pursuant to the Dutch Exemption Regulation); or

(d) its entry in a public register published by a regulatory (other than the Dutch Central Bank) of a country as referred to in Section 1(e)(11) of the Dutch Exemption Regulation, exercising supervision over the Professional Market Party.

1.2 Construction

(a) Unless a contrary indication appears any reference in this Agreement to:

(i) the "Agent", the "Arranger", any "Finance Party", any "Lender", any "Obligor" or any "Party" 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 Borrower 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 or novated;

(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 "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;

(ix) 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, suspension de pagos, quiebra, concurso or any other situacion concursal and, in The Netherlands faillissement and surseance van betaling) 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;

(x) a provision of law is a reference to that provision as amended or re-enacted without material modification;

(xi) a time of day is a reference to New York City time; and

(xii) a reference to a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause, 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 21.13 (Financial condition 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 21.13 (Financial condition covenants), there is no breach thereof.

(e) As used herein and in the other Finance Documents and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any member of the Group not defined in Clause 1.1 (Definitions) and accounting terms partly defined in Clause 1.1 (Definitions), to the extent not defined, shall have the respective meanings given to them under the Applicable GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume or otherwise become liable in respect of (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and rights, and (v) reference to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified form time to time.

(f) In this Agreement, whenever pro forma effect is to be given to any Material Acquisition or Material Disposition by any member of the Group for purposes of including or excluding (as the case may be) the amount of income or earnings or other amounts relating thereto in any calculation under the definition of EBITDA, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Borrower; provided that such pro forma calculations shall not include any pro forma expense or cost reductions except to the extent calculated on a basis consistent with Regulation S-X

under the U.S. Securities Act of 1933, as amended.

1.3 Currency Symbols and Definitions

"(pound)" and "sterling" denote the lawful currency of the United Kingdom, "(euro)", "EUR" and "euro" mean the single currency unit of the Participating Member States, "JPY" and "yen" denote the lawful currency of Japan and "US$", "$" and "dollars" denote the 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 and conditions of this Agreement, the Lenders make available to the Borrower:

(a) a two year multicurrency term loan facility in an aggregate amount equal to the Total Facility A Commitments; and

(b) a four year multicurrency revolving loan facility in an aggregate amount equal to the Total Facility B 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.

3. PURPOSE

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under each Facility towards:

(a) repayment of all amounts due and payable under the Existing NSH Facility Agreement on the First Utilisation Date;

(b) repayment of Debt of the Borrower; and

(c) its general corporate purposes.

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 Borrower 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). The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (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 19.27 (Repetition) are true in all material respects.

The Lenders will only be obliged to comply with Clause 28.9 (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 are true in all material respects.

4.3 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 on the Quotation Day and the Utilisation Date for that Utilisation; and

(ii) it is sterling, euro or yen 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 for that Utilisation.

(b) The Lenders will only be obliged to comply with Clause 28.9 (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 are true in all material respects.

(c) If the Agent has received a written request from the Borrower for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Borrower 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.

4.4 Maximum number of Loans

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(a) 2 or more Facility A Loans would be outstanding; or

(b) 7 or more Facility B Loans would be outstanding.

4.5 Promissory Notes

Each Loan made by each Lender shall be evidenced by a Facility A Note or Facility B Note, as the case may be, executed by the Borrower and each Guarantor, as "avalista," and representing the obligation of the Borrower to pay to such Lender the unpaid principal amount of such Loan, plus interest thereon as provided in Clause 9 (Interest). No Lender shall, in connection with the enforcement of any Note, be required to introduce into evidence or prove the existence of this Agreement or the other Finance Documents (other than such Note) or the making of Loans. In addition, the Borrower and each Guarantor shall, from time to time at its expense, execute and/or deliver to each Lender such amendments to the Notes, or replacement Notes, that may, in the judgment of such Lender, be necessary and desirable in order to ensure that the Notes duly reflect the terms of this Agreement. In addition, and without limiting the foregoing, in the event that (i) any Interest Period of a different duration from the prior Interest Period shall be selected with respect to any Facility pursuant to Clause 10 (Interest Periods) or (ii) the Termination Date of any Facility shall be extended for any reason or (iii) any Lender assigns any of its rights and benefits in respect of any Utilisation or transfers by novation any of its rights, benefits and obligations in respect of any Utilisation pursuant to Clause 23 (Changes to the Lenders), the Borrower and each Guarantor shall, at its expense, execute and deliver to each Lender under such Facility a replacement Note, which shall be subscribed in the same manner and on the same terms and conditions as the Note theretofore held by such Lender, and shall be delivered to each such Lender no later than date on which any such change shall become effective.

SECTION 3
UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower 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 complies with

Clause 5.3 (Currency and amount); and

(iv) the proposed Interest Period complies with Clause 10 (Interest Periods).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) Unless the Agent otherwise agrees, 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$10,000,000 or, if less, the relevant Available Facility; and, if more, an integral multiple of US$1,000,000 or

(ii) if the currency selected is sterling, euro or yen, a minimum of the equivalent in the relevant Optional Currency of US$10,000,000 (calculated at the Agent's Spot Rate of Exchange) or, if less, the relevant Available Facility and, if more, an integral multiple of US$1,000,000; or

(iii) if the currency selected is an Optional Currency other than sterling, euro or yen, the minimum amount specified by the Agent pursuant to paragraph (c)(ii) of Clause 4.3 (Conditions relating to Optional Currencies) or, if less, the relevant Available Facility.

5.4 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

The Borrower shall select the currency of each Loan in a Utilisation Request.

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 Borrower 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 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (Lenders' participation).

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

7. REPAYMENT

7.1 Repayment of Facility A Loan

The Borrower shall repay the Facility A Loans in full on the Termination Date.

7.2 Repayment of Facility B Loans

The Borrower shall repay each Facility B Loan on the last day of the Interest Period relating to such Loan and, in any event, in full on the Termination Date.

8. PREPAYMENT AND CANCELLATION

8.1 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 and in any event at a time which permits the Borrower to repay that Lender's participation on the date such repayment is required to be made;

(b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and

(c) the Borrower shall on the last day of the Interest Period for each Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) repay that Lender's participation in the Loans together with accrued interest on and all other amounts owing to that Lender under the Finance Documents.

8.2 Voluntary cancellation

The Borrower may if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders in respect of the Facility B to which such cancellation relates may agree) prior notice, cancel the whole or any part (being a minimum amount of US$10,000,000 and, if more, an integral multiple of US$1,000,000) of Facility B. Any cancellation under this Clause 8.2 shall reduce rateably the Commitments of the Lenders under Facility B.

8.3 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.

8.4 Voluntary prepayment of Loans

The Borrower may, if it gives the Agent not less than three Business Days' (or such shorter period as the Majority Lenders in respect of the relevant Facility 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$10,000,000 and, if more, an integral multiple of US$1,000,000).

8.5 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 13.2 (Tax gross-up) solely as a result of the application of a withholding tax rate higher than the lowest withholding tax rate applicable in the relevant jurisdiction; or

(ii) any Lender claims indemnification from an Obligor under Clause 13.3 (Tax indemnity) or Clause 14.1 (Increased costs),

the Borrower 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 Borrower has given notice under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loans to which such Interest Period relates.

8.6 Mandatory prepayment

If on any date the Agent notifies the Borrower that the Base Currency Amount in relation to Facility B (determined as of the most recent Revaluation Date) shall exceed 103% of the Total Commitments, the Borrower shall as soon as practicable, but in any event no later than five Business Days after receipt of such notice, prepay the outstanding principal amount of any Loans owing by the Borrower in an aggregate amount sufficient to reduce such sum to an amount not to exceed 100% of the Total Facility B Commitments on such date, together with any interest and other amounts accrued to the date of such prepayment on

the aggregate principal amount of the Loan(s) prepaid. The Agent shall give prompt notice of any prepayment required under this Clause 8.6 to the Borrower, and shall provide prompt notice to the Borrower of any such notice of mandatory prepayment the Agent receives from any Lender. Any such prepayment shall be allocated at the Lender's discretion.

8.7 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 8 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, without premium or penalty.

(c) The Borrower may not reborrow any part of Facility A which is prepaid.

(d) Unless a contrary indication appears in the Agreement, any part of Facility B which is prepaid may be re-borrowed in accordance with the terms of this Agreement.

(e) The Borrower shall not 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 8 it shall promptly forward a copy of that notice to either the Borrower or the affected Lenders, as appropriate.

SECTION 5
COSTS OF UTILISATION

9. INTEREST

9.1 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.

9.2 Payment of interest

On the last day of each Interest Period relating to a Loan, the 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).

9.3 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 9.3 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.

9.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

10. INTEREST PERIODS

10.1 Selection of Interest Periods

(a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Facility A Loan and has already been borrowed) in a Selection Notice.

(b) Each Selection Notice 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 10, the Borrower may select an Interest Period of one, two, three or six Months, or any other period agreed between the Borrower 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 its Facility.

(f) Each Interest Period for a Facility A Loan shall start on the Utilisation Date or (if a Loan has already been made) on the last day of its preceding Interest Period.

(g) A Facility B Loan has one Interest Period only.

10.2 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).

10.3 Consolidation and division of Facility A Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods relate to Facility A Loans:

(i) in the same currency;

(ii) of the same period; and

(iii) ending on the same date,

those Facility A Loans will, unless the Borrower specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and be treated as, a single Facility A Loan on the last day of the Interest Period.

(b) Subject to Clause 4.4 (Maximum number of Loans), and Clause 5.3 (Currency and amount) if the Borrower requests in a Selection Notice that a Facility A Loan be divided into two or more Facility A Loans, that Facility A 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 Facility A Loan immediately before its division.

11. CHANGES TO THE CALCULATION OF INTEREST

11.1 Absence of quotations

Subject to Clause 11.2 (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.

11.2 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 New York 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.

11.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower 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 Borrower, be binding on all Parties.

11.4 Break Costs

(a) The 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 the 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.

12. FEES

12.1 Arrangement fee

The Borrower shall pay to the Arranger an arrangement fee in the amount and at the times agreed in the Syndication and Fees Letter.

12.2 Agency fee

The Borrower 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 Syndication and Fees Letter.

12.3 Commitment fee

(a) The Borrower shall pay to the Agent (for the account of each Lender under Facility B) a commitment fee computed at the rate of 30 per cent. of the applicable Margin from time to time in relation to Facility B on that Lender's Average Available Commitment (as defined below) for each successive period of three Months during the Availability Period and for any shorter period of availability ending by the cancellation or termination of Facility B.

(b) The accrued commitment fees 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.

(c) In this Clause 12.3:

"Average Available Commitment" means, in respect of each Lender during the relevant period, the Aggregate Available Commitment divided by the number of actual days elapsed during that Availability Period; and

"Aggregate Available Commitment" means, in respect of each Lender during any Availability Period, the sum of such Lender's Available Commitment in relation to Facility B at the start of each day during that period.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

13. TAX GROSS UP AND INDEMNITIES

13.1 Definitions

(a) In this Clause 13:

"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.

"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 13.2 (Tax gross-up) or a payment under Clause 13.3 (Tax indemnity).

(b) Unless a contrary indication appears, in this Clause 13 a reference to "determines" or "determined" means a determination made in the absolute good faith discretion of the person making the determination.

13.2 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 Borrower 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 Borrower 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) 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.

(e) 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.

13.3 Tax indemnity

(a) The Borrower 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 13.3 shall not apply with respect to any Tax assessed on a Finance Party:

(i) 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

(ii) 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 (but not on any sum deemed to be received or receivable in respect of any payment made under Clause 13.2 (Tax gross-up)) of that Finance Party.

(c) A Protected Party making, or intending to make a claim pursuant to paragraph (a) of this Clause 13.3 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 Borrower.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 13.3, notify the Agent.

13.4 Tax Exemptions

A Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or under any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Agent), upon the Borrower's reasonable request, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced withholding tax rate; provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's reasonable judgment such completion, execution or submission would not cause such Lender or its lending office(s) to suffer any economic, legal or regulatory disadvantage.

13.5 Stamp taxes

The Borrower 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 entry into of a Transfer Certificate.

13.6 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 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 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.

14. INCREASED COSTS

14.1 Increased costs

(a) Subject to Clause 14.2 (Increased Cost Claims) and Clause 14.3 (Exceptions) the Borrower 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.

14.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (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 Borrower and provide the Borrower 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.

14.3 Exceptions

(a) Clause 14.1 (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 13.3 (Tax indemnity) (or would have been compensated for under Clause 13.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 13.3 (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.

(b) In this Clause 14.3, a reference to a "Tax Deduction" has the same meaning given to the term in Clause 13.1 (Definitions).

15. OTHER INDEMNITIES

15.1 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.

15.2 Other indemnities

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:

(a) the occurrence of any Event of Default;

(b) 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 27

(Sharing among the Finance Parties);

(c) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower 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

(d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

15.3 Indemnity to the Agent

The Borrower 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 Borrower) 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.

16. MITIGATION BY THE LENDERS

16.1 Mitigation

(a) Each Finance Party shall, in consultation with the Borrower, 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 8.1 (Illegality of a Lender), Clause 13 (Tax gross-up and indemnities), Clause 14 (Increased costs) or paragraph 3 of 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.

16.2 Limitation of liability

(a) The Borrower 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 16.1 (Mitigation).

(b) A Finance Party is not obliged to take any steps under Clause 16.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17. COSTS AND EXPENSES

17.1 Transaction expenses

The Borrower shall promptly on demand pay the Agent and the Arrangers the amount of all documented costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of:

(a) this Agreement and any other documents referred to in this Agreement; and

(b) any other Finance Documents executed after the date of this Agreement.

17.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 28.9 (Change of currency), the Borrower shall, within three 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.

17.3 Enforcement costs

The Borrower 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

18. GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever the 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.

18.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

If any payment by the Borrower or any discharge given by a Finance Party (whether in respect of the obligations of the 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 the 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 the Borrower, as if the payment, discharge, avoidance or reduction had not

occurred.

18.4 Waiver of defences

The obligations of each Guarantor under this Clause 18 will not be affected by an act, omission, matter or thing which, but for this Clause 18, would reduce, release or prejudice any of its obligations under this Clause 18 (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, the Borrower or other person;

(b) the release of the 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, the 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 the 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.

18.5 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 18 and waives any similar or additional rights that may be granted by applicable law. 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.

18.6 Appropriations

Until all amounts which may be or become payable by the 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 18,

provided that the operation of this Clause 18.6 shall not be deemed to create any Liens.

18.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the 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 the Borrower;

(b) to claim any contribution from any other guarantor of the 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.

18.8 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
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in Clause 19.1 (Corporate Existence and Power) to Clause 19.11 (No default) (inclusive) to each Finance Party.

Each of the Borrower and Cemex Parent makes the representations and warranties set out in Clauses 19.12 (No misleading information) to Clause 19.16 (Intellectual property) (inclusive) to each Finance Party.

Cemex Parent makes the representations and warranties set out in Clauses 19.17 (Financial information) to Clause 23.24 (Environmental Matters) (inclusive) to each Finance Party.

Each Guarantor makes the representations and warranties set out in Clause 19.26 (Mutual Benefits) to each Finance Party.

19.1 Corporate Existence and Power

(a) Each Obligor is a corporation duly incorporated, validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority (including all governmental licences, permits and other approvals except for such licences, 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 Obligor has been validly issued and is fully paid and non-assessable.

(c) The Borrower is in full compliance with the applicable provisions of the Dutch Banking Act and any implementing

regulations, including, but not limited to, the Dutch Exemption Regulation and the Dutch Policy Guidelines. The Borrower has verified the status of each Lender and each such Lender is either (i) a Professional Market Party or (ii) exempted from the requirement to be a Professional Market Party because it forms a closed circle (besloten kring), within the meaning of the Dutch Exemption Regulation, with the Borrower.

19.2 Power and Authority; Enforceable Obligations

(a) The execution, delivery and performance by each Obligor of each Finance Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within such Obligor's corporate powers and have been duly authorised by all necessary corporate action pursuant to the statuten or, as the case may be, estatutos sociales of such Obligor.

(b) This Agreement and the other Finance Documents to which each Obligor is a party have been duly executed and delivered by such Obligor and constitute legal, valid and binding obligations of such Obligor 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.

19.3 Compliance with Law and Other Instruments

The execution, delivery and performance of this Agreement and any of the other Finance Documents to which such Obligor 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 Obligor pursuant to, any Contractual Obligation of such Obligor or (b) result in any violation of the statuten or, as the case may be, estatutos sociales of such Obligor or any provision of any Requirement of Law applicable to such Obligor.

19.4 Consents/Approvals

No order, permission, consent, approval, licence, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorise, or is required in connection with, the execution, delivery and performance by such Obligor of this Agreement and the other Finance Documents to which such Obligor is a party or the taking of any action contemplated hereby or by any other Finance Document.

19.5 Litigation; Material Adverse Effect

Except as set forth in Schedule 11 (Litigation), there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting Cemex Parent 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 Finance Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on Cemex Parent or any of its Subsidiaries, of the litigation described in Schedule 11 (Litigation).

19.6 No Immunity

Each Obligor is subject to civil and commercial law with respect to its

obligations under this Agreement and each other Finance Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Finance Document by such Obligor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico or The Netherlands (as applicable) neither such Obligor 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).

19.7 Governmental Regulations

Each Obligor 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.

19.8 Direct Obligations: Pari Passu

(a) This Agreement constitutes a direct, unconditional, unsubordinated and unsecured obligation of such Obligor.

(b) The obligations of such Obligor under this Agreement rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of such Obligor.

19.9 No Recordation Necessary

This Agreement is in proper legal form under the laws of Mexico and of The Netherlands for the enforcement thereof against such Obligor under the law of Mexico or, as the case may be, The Netherlands. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Finance Document in Mexico and in The Netherlands, it is not necessary that this Agreement or any other Finance Document be filed or recorded with any Governmental Authority in Mexico or any Governmental Authority in The Netherlands or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by the Borrower 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.

19.10 Governing law

In any action or proceeding involving any Finance Party arising out of or relating to any Finance Document in any Mexican or Dutch court or tribunal, the Lenders and the Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Clause 36 (Governing Law), Clause 37.1 (Jurisdiction of English Courts) and Clause 38 (Waiver of Sovereign Immunity).

19.11 No default

No Default or Event of Default has occurred and is continuing.

19.12 No misleading information

All material written information supplied by any member of the Group is true, complete and accurate in all material respects as at the date it was given and is not misleading in any material respect.

19.13 Financial statements/condition

(a) The financial statements delivered pursuant to Clause 20.1 (Financial statements) are complete and correct in all material respects and present fairly (i) the consolidated financial condition of each of Cemex Parent and its Subsidiaries and Cemex Spain and its Subsidiaries as at the dates thereof, and the consolidated results of its operations and its consolidated cash flows for the periods then ended (subject, in the case of quarterly financial statements, to normal year end audit adjustments) and (ii) the financial condition of the Borrower and each of the Guarantors other than Cemex Parent as at the dates thereof, and the results of each of their operations and cash flows for the periods then ended, subject, in the case of quarterly financial statements, to normal year end audit adjustments. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with Applicable GAAP applied consistently throughout the periods involved.

(b) No member of the Group has any guarantee obligations, contingent liabilities, liabilities for taxes, or any long term leases or unusual forward or long term commitments, including without limitation any interest rate or foreign currency swap or exchange transaction or other obligation in respect of Derivatives Obligations, which is material and is not reflected in the most recent financial statements referred to in paragraph (a) above.

(c) Since 31 December 2004, (i) there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect and (ii) there has been no Disposition by any member of the Group which has had or would reasonably be expected to have a Material Adverse Effect.

19.14 Full Disclosure

All information heretofore furnished by the Borrower to the Agent, the Arrangers or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by the Borrower) is, and all such information hereafter furnished by the Borrower to the Agent, the Arrangers or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Borrower has disclosed to the Lenders in writing any and all facts which may have a Material Adverse Effect.

19.15 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 Lender or the Agent, the Borrower will furnish to the Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U. No indebtedness being reduced or retired out of the proceeds of the 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 Cemex Parent 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 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.

19.16 Intellectual Property

Each member of the Group owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of Liens, conditions, adverse claims or other restrictions. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity, enforceability or effectiveness of any Intellectual Property owned by any member of the Group, nor does any Obligor know of any valid basis for any such claim. The use of Intellectual Property by each member of the Group does not infringe on the rights of any Person in any material respect.

19.17 Financial Information.

The consolidated balance sheet of Cemex Parent and its Subsidiaries as at December 31, 2004, and the related consolidated statements of income and cash flows of Cemex Parent and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, and the consolidated balance sheet of Cemex Parent and its Subsidiaries as at March 31, 2005, and the related consolidated statements of income and cash flows of Cemex Parent and its Subsidiaries for the three months then ended, duly certified by the chief financial officer of Cemex Parent, copies of which have been furnished to the Agent, 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 Cemex Parent and its Subsidiaries as at such dates and the consolidated results of the operations of Cemex Parent and its Subsidiaries for the periods ended on such dates, all in accordance with Mexican GAAP, consistently applied.

19.18 Liens

There are no Liens on the property of Cemex Parent or any of its Subsidiaries other than Permitted Liens.

19.19 Subsidiaries

As of 31 March 2005, all Material Subsidiaries of the Borrower are listed in Schedule 12 (Material Subsidiaries), without giving effect to the acquisition of RMC Group p.l.c.

19.20 Ownership of Property and insurance

(a) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of Cemex Parent and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except Permitted Liens.

(b) Each Obligor maintains insurance as required by Clause 21.3 (Maintenance of insurance).

19.21 Enforcement

It is not necessary (a) in order for the Agent, any Lender or any other Finance Party to enforce any rights or remedies under the Finance Documents or (b) solely by reason of the execution, delivery and performance of this Agreement by the Agent, any Lender or any other

Finance Party, that the Agent, such Lender or such other Finance Party be licensed or qualified with any Mexican Governmental Authority or any Dutch Governmental Authority or be entitled to carry on business in Mexico or, as the case may be, The Netherlands.

19.22 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 Cemex Parent, 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 Cemex Parent, 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 Finance Documents or (ii) on any payment to be made by the Borrower pursuant to this Agreement or any of the other Finance Documents. The Borrower and each Guarantor is permitted to pay any additional amounts payable pursuant to Clause 13 (Tax Gross Up and Indemnities).

19.23 Compliance with Laws

Cemex Parent and its Subsidiaries are in compliance in all material respects with all applicable Requirements of Law (including with respect to the licences, 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.

19.24 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 Utilisation 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 Obligor, 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 Obligor, 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.

19.25 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 an Obligor 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 Obligors or any of their respective 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 Obligor 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 an Obligor 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, an Obligor 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 an Obligor or any of its Subsidiaries, threatened, under any Environmental Law to which an Obligor 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 an Obligor or any of its Subsidiaries, the Real Properties or the Businesses.

(e) There has been no release (including disposal) or to Cemex Parent's knowledge, threat of release of Hazardous Materials at or from the Real Properties, or arising from or related to the operations of an Obligor 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 Obligor, nor any of their respective Subsidiaries, has assumed any liability of any Person (other than another Obligor or one of its Subsidiaries) under any Environmental Law. This Clause 19.23 constitutes the only representations and warranties of the Obligors with respect to any Environmental Law or Hazardous Substance.

19.26 Mutual Benefits

Each Guarantor represents and warrants to each Finance Party as follows: having taken into account the financial interdependence and mutual reliance between each Guarantor, its subsidiaries, and the Borrower, the continuing financial and other assistance from time to time given by each Guarantor to the Borrower and the other Obligors and vice versa, each Guarantor expects to derive material benefits, directly or indirectly (through the financing provided to its subsidiaries), from the financing obtained under this Facility, both in its separate capacity, as shareholder in various subsidiaries and as

member of the Group, since the successful operation and condition of each Guarantor is dependent on the continued successful performance of the functions of the Group as a whole.

19.27 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

(a) the date of each Utilisation Request and the first day of each Interest Period; and

(b) in the case of an Additional Guarantor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Guarantor.

20. INFORMATION UNDERTAKINGS

The undertakings in this Clause 20 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.

20.1 Financial statements

The Borrower shall supply to the Agent:

(a) as soon as the same become available, but in any event within:

(i) 120 days after the end of each of the financial years of Cemex Parent:

(A) a copy of the annual audit report for such year for Cemex Parent and its Subsidiaries containing consolidated and consolidating balance sheets of Cemex Parent and its Subsidiaries, as of the end of such financial year and consolidated statements of income and cash flows of Cemex Parent and its Subsidiaries, for such financial year, in each case accompanied by an opinion acceptable to the Majority Lenders (acting reasonably) by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognised standing acceptable to the Majority Lenders, together with a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of Cemex Parent 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

(B) the audited unconsolidated financial statements of each Guarantor (other than Cemex Parent) for that financial year (if available and upon request by the Agent); and

(ii) 183 days after the end of the financial year of the Borrower, its audited unconsolidated financial statements for that financial year; and

(iii) 183 days after the end of the financial year of Cemex Spain, its audited consolidated financial statements for that financial year (if available); and

(b) as soon as the same become available, but in any event within:

(i) 60 days after the end of each of the first three quarterly periods of each of the financial years of Cemex Parent:

(A) consolidated balance sheets of Cemex Parent and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of Cemex Parent and its Subsidiaries for the period commencing at the end of the previous financial year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by an Authorised Signatory of Cemex Parent as having been prepared in accordance with Mexican GAAP and together with a certificate of an Authorised Signatory of Cemex Parent, as to compliance with the terms of this Agreement; and

(B) together with the financial statements delivered with respect to the fiscal quarter ended 30 June 2005, a schedule of all Material Subsidiaries of the Borrower, after giving effect to the acquisition of RMC Group PLC.

(ii) 90 days after the end of each of the first three quarterly periods of each of the financial years of the Borrower, its unconsolidated financial statements for that period; and

(iii) 90 days after the end of each of the first half of each of the financial years of Cemex Spain, its consolidated financial statements for that period (if available).

20.2 Compliance Certificate

(a) The Borrower shall supply to the Agent, 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), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21.13 (Financial condition covenants) as at the date as at which those financial statements were drawn up.

(b) Each Compliance Certificate shall be signed by an Authorised Signatory of Cemex Parent or the Borrower, as the case may be.

20.3 Requirements as to financial statements

(a) Each set of financial statements delivered by the Borrower pursuant to Clause 20.1 (Financial statements) shall be certified by an Authorised Signatory of the relevant company as fairly representing its financial condition as at the date as at which those financial statements were drawn up.

(b) The Borrower shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 20.1 (Financial statements) is prepared using Applicable 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 Applicable GAAP or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (c) of this Clause 20.3 its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:

(i) a description of any change necessary for those financial statements to reflect the Applicable 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 21.13 (Financial condition 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.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

(c) If the Borrower adopts International Accounting Standards or, subject to paragraph (b) above, there are changes to the Applicable GAAP, or the accounting practices or reference periods the Borrower and the Agent shall, at the Borrower's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 21.13 (Financial condition 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 Borrower not adopted International Accounting Standards or there had not been a change in the Applicable 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 Borrower subject to the consent of the Majority Lenders. If no such agreement is reached within 90 days of the Borrower's request, the Borrower will remain subject to the obligation to deliver the information specified in paragraph (b) of this Clause 20.3.

20.4 Information: miscellaneous

The Borrower shall supply to the Agent:

(a) within five days after the same are sent, copies of all financial statements and reports that Cemex Parent sends to the holders of any class of its debt securities; and

(b) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request.

20.5 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 and in any event within five

days after becoming aware of the occurrence of such Default (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Borrower 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).

20.6 "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, such as the checks required by the US Patriot Act (Title III of Pub. L. 107-56 (signed into law 26 October 2001) 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 Borrower shall, by not less than 5 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 24 (Changes to the Obligors).

(c) Following the giving of any notice pursuant to paragraph (b) above, the Borrower 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.

20.7 Notices

Give notice to the Agent and each Lender as soon as practicable after the occurrence of:

(a) 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 Clause 19.5 (Litigation; Material Adverse Effect) or the receipt of written notice by the Borrower or any of its subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation (including Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect;

(b) any development or event that has had or could reasonably be expected to have a Material Adverse Effect; and

(c) any increase of the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Spain above 0.35 to 1.00.

Each notice pursuant to this Clause 20.7 shall be accompanied by a certificate signed by an Authorised Signatory setting forth details of the occurrence referred to therein and stating what action the relevant member of the Group proposes to take with respect thereto.

21. GENERAL UNDERTAKINGS

The Borrower and the Guarantors hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or Agent hereunder, the Borrower and the Guarantors shall and, in the case of Cemex Parent only, shall cause each of its Subsidiaries to:

21.1 Compliance with laws and Contractual Obligations, etc.

(a) Comply, in all material respects, with all applicable Requirements of Law (including with respect to the licences, approvals, certificates, permits, franchises, notices, registrations and other governmental authorisations 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 result in a Material Adverse Effect.

(b) In the case of the Borrower, comply with any applicable provisions of the Dutch Banking Act and any implementing regulations including, without limitation, the Dutch Exemption Regulation and the Dutch Policy Guidelines.

(c) In the case of the Borrower, for so long as it is a requirement of Dutch law that each Lender hereunder be a Professional Market Party at the time such Lender enters into this Agreement, the Borrower shall represent and warrant to each Lender, as of each date that any New Lender becomes a Lender hereunder, that the Borrower has verified that on such date such New Lender is either (i) a Professional Market Party or (ii) exempted from the requirement to be a Professional Market Party because it forms a closed circle (besloten kring), within the meaning of the Dutch Exemption Regulation, with the Borrower.

21.2 Payment of obligations

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 that no member of the Group 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.

21.3 Maintenance of insurance

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 Cemex

Parent or such Subsidiary of Cemex Parent operates.

21.4 Conduct of business and preservation of corporate existence

Continue to engage in business of the same general type as now conducted by members of the Group and preserve and maintain its corporate existence, rights (charter and statutory), licences, consents, permits, notices or approvals and franchises deemed material to its business; provided that no member of the Group shall be required to maintain its corporate existence in connection with a merger or consolidation permitted by Clause 21.15 (Consolidations and Mergers), and provided further that no member of the Group shall be required to preserve any right or franchise if that member of the Group shall in its good faith judgment determine that the preservation thereof is no longer in the best interests of Cemex Parent or that member of the Group and the loss thereof could not reasonably be expected to have a Material Adverse Effect.

21.5 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 Agent or any of the Lenders or any agents or representatives thereof to examine and make abstracts from the records and books of account of, and visit the properties of, each of the Obligors, and to discuss the affairs, finances and accounts of such Obligors with any of its officers or directors and with its independent certified public accountants. All expenses associated with such inspection shall be borne by the inspecting Lenders; provided that if a Default or an Event of Default shall have occurred and be continuing, any expenses associated with such inspection shall be borne by the Obligors.

21.6 Books and records

Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of such member of the Group in accordance with Applicable GAAP, consistently applied.

21.7 Maintenance of properties, etc.

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 maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licences and permits material to the business of Cemex Parent or any Subsidiary of Cemex Parent; provided that none of the foregoing shall prevent any member of the Group from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licences or permits the discontinuance of which 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.

21.8 Maintenance of Government approvals

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 (a) the conduct of its business (including, without limitation, antitrust laws or Environmental Laws); (b) the performance of each Obligors' obligations hereunder and under the other Finance Documents by such Obligors and (c) for the validity or enforceability hereof and thereof,

except where in each case, failure to maintain any such approvals or fillings could not reasonably be expected to have a Material Adverse Effect.

21.9 Pari passu ranking

Ensure that at all times the obligations of each Obligor under the Finance 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.

21.10 Transactions with Affiliates

Conduct each transaction otherwise permitted under this Agreement with any of its Affiliates on terms that are commercially reasonable and no less favourable to that member of the Group than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

21.11 Use of Proceeds

The Borrower will use the proceeds of all Loans made hereunder for general corporate purposes (including the repayment of existing Debt of Cemex Parent or any of its Subsidiaries).

21.12 Further assurances

From time to time, do and perform any and all acts and execute any and all documents as may be necessary or as reasonably requested by any Lender in order to effect the purposes of this Agreement or to protect the rights or interests of the Lenders under any of the Finance Documents.

Negative Covenants - all Obligors

The Borrower and the Guarantors hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Agent hereunder, the Borrower and the Guarantors shall not, and shall not permit any of their Subsidiaries to, directly or indirectly:

21.13 Financial condition covenants

(a) Permit the Consolidated Leverage Ratio of Cemex Parent at any time to exceed 3.50 to 1.00.

(b) Permit the Consolidated Fixed Charge Coverage Ratio of Cemex Parent for any period of four consecutive fiscal quarters of Cemex Parent to be less than 2.50 to 1.00.

(c) At the time of any entry into or incurrence of any Debt or other obligation constituting a portion of Total Borrowings of the Borrower, and after giving effect thereto, permit the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Spain, to exceed 0.35 to 1.0.

(d) Concurrently with the delivery by Cemex Parent of any financial statements pursuant to Clause 20 (Information Undertakings), Cemex Parent shall deliver to the Agent (with sufficient copies for each Lender) a certificate from an Authorised Signatory containing all information and calculations necessary for determining compliance by the Borrower with paragraphs (a), (b) and (c) of this Clause 21.13.

21.14 Liens

Create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any member of the Group, whether now owned or held or hereafter acquired, other than the following ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges

the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which adequate reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(c) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(d) any attachment or judgment Lien, unless the judgment it secures shall not, within 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 PLC) as described in Part I of Schedule 10 and liens existing as of 31 March 2005 (including liens with respect to the acquisition of RMC Group PLC) as described in Part II of Schedule 10 (Permitted Liens);

(f) any Lien on property acquired by the Borrower or any Guarantor or any of their Subsidiaries 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 any member of the Group after the date hereof; provided, further that (i) any such Lien 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 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 (ii) 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 paragraph (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 Cemex Parent or any of its Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares constitute the sole assets; provided that (i) any shares of Subsidiary stock held in such trust, corporation or entity could be sold by Cemex Parent; and (ii) 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 any member of the Group's interest in such trust, corporation or entity are applied as provided under Clause 21.16 (Sales of assets, etc); and provided further that such Liens may not secure Debt of any member of the Group (unless permitted under another clause of this Clause 21.14);

(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 Cemex Parent and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of Cemex Parent;

unless, in each case, Cemex Parent has made or caused to be made effective provision whereby the Obligations hereunder are secured equally and ratably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

21.15 Consolidations and mergers

With respect to the Obligors only, in one or more related transactions (a) consolidate with or merge into any other Person or permit any other Person to merge into it, or (b) 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 (a) or (b) above:

(a) immediately after giving effect to such transaction, the Person formed by any such consolidation or merger, if it was not an Obligor, or the Person that acquires by transfer, conveyance, sale, lease or other disposition all or substantially all of the properties or assets of such Obligor (any such Person, a "Successor") (i) shall be a company organised and validly existing under the laws of its place of incorporation, which in the case of a Successor to the Borrower or any Guarantor, shall be any of 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) shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Majority Lenders, all of the obligations of that Obligor, under each of the Finance Documents to which that Obligor is party;

(b) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Lender and the Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Lender and/or the Agent solely as a consequence of such transaction with respect to any payments under the Finance Documents;

(c) immediately after giving effect to such transaction, including for purposes of this paragraph (c), the substitution of any Successor to any Obligor for such Obligor (treating any Debt or Lien incurred by any Obligor or any Successor to such Obligor, 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 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 shall comply with the relevant provisions of this Clause 21, and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

21.16 Sales of assets, etc.

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 Cemex Parent or any Subsidiary of Cemex Parent 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 Cemex Parent or such Subsidiary, as the case may be, and, as promptly as practicable after such sale (but in any event within 180 days of such sale), the proceeds are applied to (i) expenditures for property, plant and equipment usable in the cement industry or related industries; (ii) the repayment of senior Debt of Cemex Parent or any Subsidiary of Cemex Parent, whether secured or unsecured; or (iii) investments in companies engaged in the cement industry or related industries.

21.17 Restricted payments

In the case of Cemex Parent only, declare or pay any dividend (other than dividends payable solely in common stock of Cemex Parent) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of Cemex Parent (other than any cash payment in respect of pre-existing scheduled obligations under forward purchase agreements for stock of Cemex Parent entered into by Cemex Parent or its Subsidiaries with third-party financial institutions) whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly,whether in cash or property or obligations of any Person (collectively, "Restricted Payments") (a) while any Event of Default described in paragraph (a) or (b) of Clause 22 (Events of Default) or any Default or Event of Default described in paragraph (d) of Clause 22 (Events of Default) (but only with respect to Clause 21.13 (Financial condition covenants)) shall have occurred and be continuing or (b) if any Default or Event of Default would exist after giving effect to such Restricted Payment.

21.18 Accounting changes

(a) Make or permit any change in accounting policies or reporting practices, except as required or permitted by Applicable GAAP or (b) permit the fiscal year of any Obligor to end on a day other than 31 December or change any Obligor's method of determining fiscal quarters, unless, in the case of paragraph (b), the Borrower shall have entered into negotiations with the Agent in order to amend the relevant provisions of this Agreement so as to equitably reflect such change in the Borrower's fiscal year end or method of calculating fiscal quarters 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 (and until such time as such an amendment shall have been executed and delivered by the Borrower, the Agent and the Majority Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such change had not occurred).

21.19 Clauses restricting Subsidiary distributions

Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary

to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Debt owed to, any Obligor or any other such Restricted Subsidiary, (b) make loans or advances to, or other investments in, any Obligor or any other such Restricted Subsidiary or (c) transfer any of its assets to any Obligor or any other such Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of any restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary; provided, however, that nothing in this Clause 21.19 shall prevent CTW from paying declaring or paying any dividend to the Borrower.

21.20 Change in nature of business

With respect to the Obligors and all Material Subsidiaries only, make any material change in the nature of its business as carried on at the date hereof.

21.21 Margin regulations

Use any part of the proceeds of the Loans for any purpose which would result in any violation (whether by the Borrower, any Guarantor, the Agent or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose, or 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).

21.22 Ownership of Cemex Spain

Permit the Borrower at any time to own less than an 80% direct (or indirect if solely through intermediate holding companies which have no indebtedness and no restrictions on their ability to pay dividends) voting and equity ownership interest in Cemex Spain, or its successors or transferees in the event of the merger or consolidation of Cemex Spain or the transfer, conveyance, sale, lease or other disposition of all or substantially all its properties and assets in Clause 21.15 (Consolidations and mergers).

21.23 Ownership of the Borrower

Permit Cemex Parent at any time to cease to control, or to own less than a 90% direct or indirect equity ownership interest in, the Borrower, or its Successors or transferees in the event of the merger or consolidation of the Borrower or the transfer, conveyance, sale, lease or other disposition of all or substantially all its properties and assets in accordance with Clause 21.15 (Consolidations and mergers).

21.24 Ownership of Trademark Companies

(a) Permit the Borrower, at any time after 31 December 2003, to own less than a 99.9% direct voting and equity ownership interest in CTW and each other Trademark Company, provided that such interest may be indirect in the case of any Trademark Company in which CTW owns a 99.9% direct voting and equity ownership interest.

(b) Permit Cemex Parent at any time to own less than 99.9% direct or indirect voting and equity ownership interest in each Trademark Company.

21.25 Incurrence of Debt by Trademark Companies

Permit any Trademark Company at any time to assume, incur or suffer to exist any Debt or other monetary liability of any kind to any Person other than any member of the Group except, in the case of any monetary

liability not constituting Debt, in the ordinary course pursuant to its day to day business activities.

22. EVENTS OF DEFAULT

22.1 Events of Default

If any of the following specified events (each an "Event of Default") shall occur:

(a) any principal of any Loan is not paid when due in accordance with the terms hereof; or

(b) any interest on any Loan, any fee or other amount payable hereunder or under any other Finance Document, is not paid within three Business Days after any such interest or other amount becomes due and payable in accordance with the terms hereof; or

(c) any representation or warranty made or deemed made by any Obligor herein or in any other Finance Document or that 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 Finance Document shall prove to have been incorrect in any material respect on or as of the date made or deemed to be made and, if remediable, such failure shall remain unremedied for thirty days after the earlier of the date on which (i) written notice thereof shall have been given to the Borrower by the Agent and (ii) a director of any Obligor becomes aware of such incorrectness; or

(d) any Obligor shall fail to perform or observe any term, covenant or agreement contained in Clause 20.1 (Financial Statements), paragraph (a) of Clause 20.5 (Notification of default), Clause 21.4 (Conduct of business and preservation of corporate existence) (with respect to the Borrower's or any Guarantor's existence only), Clause 21.5 (Inspection of Property), Clause 21.9 (Pari passu ranking) or Clauses 21.13 (Financial condition covenants) to Clause 21.25 (Incurrence of debt by trademark companies) of this Agreement; or

(e) any Obligor shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any other Finance Document (other than as provided in paragraphs (a) to (d) of this Clause 22.1), and such default shall continue unremedied for a period of 30 days after the earlier of the date on which (i) written notice shall have been given to the Borrower by the Agent at the request of any Lender and (ii) a director of any Obligor becomes aware of such failure; or

(f) the occurrence of a default or event of default under any indenture, agreement or instrument relating to any Material Debt of any Cemex Parent or any of its Subsidiaries and (unless any principal amount of such Material Debt is otherwise due and payable) such default or event of default results in the acceleration of the maturity of any principal amount of such Material Debt prior to the date on which it would otherwise become due and payable; or

(g) the Borrower, any Guarantor or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganisation, concurso mercantil or other relief with respect to itself or its debts under any bankruptcy, insolvency, reorganisation 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 authorise any of the foregoing or the equivalent thereof under Mexican law (including the Ley de Concursos Mercantiles) or under Dutch law; or

(h) an involuntary case or other proceeding shall be commenced against the Borrower, any Guarantor or any Material Subsidiary seeking liquidation, reorganisation 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, any Guarantor or any Material Subsidiaries under any bankruptcy, insolvency suspension de pagos or other similar law as now or hereafter in effect; or

(i) 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, Cemex Parent and/or one or more of the Subsidiaries of Cemex Parent that are neither discharged nor bonded in full within 30 days thereafter; or

(j) the obligations of the Borrower under this Agreement or of any Obligor under this Agreement shall fail to rank at least pari passu with all other senior unsecured Debt of the Borrower or such Obligor, as the case may be; or

(k) the Borrower shall contest the validity or enforceability of any Finance Document or shall deny generally the liability of the Borrower under any Finance Documents or any Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of any Guarantor under Clause 18 (Guarantee and Indemnity) hereof shall not be (or is claimed by either Guarantor not to be) in full force and effect;

(l) any governmental or other consent, license, approval, permit or authorisation 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 any Guarantor of any Finance Document to which it is a party or to make such Finance 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 Agent or the Lenders; or

(m) any Governmental Authority shall condemn, nationalise, seize or otherwise expropriate all or any substantial portion of the property of, or capital stock issued or owned by, the Borrower or any Guarantor or take any action that would prevent the Borrower or any Guarantor from performing its obligations under this Agreement or the other Finance Documents; or

(n) a moratorium shall be agreed or declared in respect of any Debt of the Borrower or any 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 any Guarantor for the purpose of performing any material obligation under any Agreement or any other Finance Document; or

(o) the beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC 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 any other Guarantor is acquired by any Person; provided that the acquisition of beneficial ownership of capital stock of Cemex Parent or any other Guarantor by Lorenzo H. Zambrano or any member of his immediate family shall not constitute an Event of Default,

then, and in any such event:

(i) if such event is an Event of Default specified in paragraphs (h) or (i) above with respect to any Obligor, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Finance Documents shall immediately become due and payable; and

(ii) if such event is any other Event of Default, either of the following actions may be taken:

(A) with the consent of the Majority Lenders, the Agent may, or upon the request of the Majority Lenders, the Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and

(B) with the consent of the Majority Lenders, the Agent may, or upon the request of the Majority Lenders, the Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Finance Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable.

Except as expressly provided above in this Clause, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9
CHANGES TO PARTIES

23. CHANGES TO THE LENDERS

23.1 Assignments and transfers by the Lenders

Subject to this Clause 23, 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 Utilisation,

to another bank or financial institution or to a securitisation trust

or fund or (subject to paragraph (a) of Clause 23.2 (Conditions of assignment or transfer)) other entity (the "New Lender").

23.2 Conditions of assignment or transfer

(a) The Borrower must be given prior notification of any assignment or transfer becoming effective under Clause 23.1 (Assignments and transfers by the Lenders) and the consent of the Borrower is required for an assignment or transfer to an entity which is not a bank or financial institution or a securitisation trust or fund.

(b) The consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly refused by the Borrower within that time.

(c) An assignment will only be effective 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.

(d) A transfer will only be effective if the procedure set out in Clause 23.5 (Procedure for transfer) is complied with.

(e) An assignment or transfer will be effective upon surrender for registration of assignment or transfer, by way of an endorsement (endoso) and delivery of the Notes held by the Existing Lender evidencing such Loan accompanied by a duly executed Transfer Certificate, and thereupon one or more new Notes shall be issued to the New Lender.

(f) 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 13 (Tax gross-up and indemnities) or Clause 14 (Increased costs),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses 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.

(g) Notwithstanding any of the preceding provisions of this Clause 23 to the contrary, for so long as it is a requirement of Dutch law that each Lender be a Professional Market Party (i) any Existing Lender shall, at least five Business Days prior to the date of any proposed assignment, provide to the Borrower and the Agent information in respect of the

prospective New Lender sufficient to enable the Borrower to verify the Professional Market Party status of such New Lender and (ii) no such assignment shall be permitted unless the New Lender is a Verifiable Professional Market Party or unless the Borrower determines that such New Lender qualifies as a Professional Market Party; provided that the Borrower shall be deemed to have made such determination if, on or prior to the fifth Business Day after the Existing Lender has provided the information described in section (i) above, the Borrower has not made a good faith determination, based on an opinion of reputable Dutch counsel, and notified the Agent and the Existing Lender thereof (together with a copy of such opinion of counsel) in writing, that (x) the Assignee does not qualify as a Professional Market Party or (y) the Borrower is unable to determine whether the New Lender qualifies as a Professional Market Party.

(h) 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 Clause 23.2 provided however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

23.3 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 $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.

23.4 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 23; 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.

23.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 23.2 (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 Borrower.

(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".

23.6 Copy of Transfer Certificate to Borrower

The Agent shall, as soon as reasonably practicable after it has received a Transfer Certificate, send to the Borrower a copy of that Transfer Certificate.

23.7 Disclosure of information

Any Lender may disclose to any of its Affiliates and any other person:

(a) 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;

(b) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation (provided that, for so long as it is a requirement of Dutch law, such sub-participant qualifies as a Professional Market Party) in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents; or

(c) 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 the person to whom the information is to be given has entered into a Confidentiality Undertaking.

23.8 Interest

All interest accrued in the Interest Period in which a transfer is effective shall be paid to the Existing Lender.

23.9 Existing Lenders

No person may become a Lender under this Agreement until it has confirmed at the date of this Agreement that it is either (i) a Professional Market Party or (ii) exempted from the requirement to be a Professional Market Party because it forms a closed circle (besolten kring), within the meaning of the Dutch Exemption Regulation, with the Borrower.

24. CHANGES TO THE OBLIGORS

24.1 Assignments and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

24.2 Additional Guarantors

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 20.6 ("Know your client" checks), the Borrower may request that any of its wholly owned Subsidiaries become an Additional Guarantor.

(b) The Borrower shall procure that in respect of (i) each of its Subsidiaries to whom a sale, lease, transfer or other disposal is made by an Obligor in accordance with the terms of this Agreement; (ii) each of its Subsidiaries which is or which is deemed to be a Material Subsidiary in accordance with the terms of this Agreement, such Subsidiary or the Holding Company of such Material Subsidiary (at the election of the Borrower) or such person respectively become an Additional Guarantor (unless such Subsidiary or such Material Subsidiary (in the case of (i) and (ii) respectively) is already a Guarantor) by:

(A) the Borrower delivering to the Agent a duly completed and executed Accession Letter; and

(B) the Agent receiving from the Borrower all of the documents and other evidence referred to in Part II of Schedule 2 (Conditions

Precedent required to be delivered by an Additional Guarantor) in relation to that Additional Guarantor.

(c) The Agent shall notify the Guarantors 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 Guarantor).

(d) For the purposes of this Clause 24.2 only, a "Holding Company" means, in relation to a Material Subsidiary, any company or corporation in respect of which it is a Subsidiary and which is not in turn a Subsidiary of a Holding Company (as defined in Clause 1.1 (Definitions)).

24.3 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 paragraph (a) (i) of Clause 24.2 (Additional Guarantors); or

(b) its Holding Company becomes a Guarantor,

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 24.3; and

(iii) the Borrower may not resign as a Guarantor without the consent of all Lenders.

24.4 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

25. ROLE OF THE AGENT AND THE ARRANGER

25.1 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.

25.2 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 Borrower'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.

25.3 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.

25.4 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.

25.5 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.

25.6 Rights and discretions of the Agent

(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 34.1 (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 paragraphs (a) or (b) of Clause 22 (Events of Default));

(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 Borrower (other than a Utilisation Request or Selection Notice) 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.

25.7 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.

25.8 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.

25.9 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 or any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 25 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.

25.10 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).

25.11 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 Borrower.

(b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) 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 Borrower) 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 25. 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 Borrower, 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.

25.12 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.

25.13 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).

25.14 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.

25.15 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 Borrower) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

25.16 Agent's Management Time

Any amount payable to the Agent under Clause 15.3 (Indemnity to the Agent) and Clause 25.10 (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 Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 12 (Fees).

25.17 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.

26. 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.

27. SHARING AMONG THE FINANCE PARTIES

27.1 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 28 (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 28 (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 28.5 (Partial payments).

27.2 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 28.5 (Partial payments).

27.3 Recovering Finance Party's rights

(a) On a distribution by the Agent under Clause 27.2 (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.

27.4 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 27.2 (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.

27.5 Exceptions

(a) This Clause 27 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 27, 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

28. PAYMENT MECHANICS

28.1 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.

28.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 28.3 (Distributions to an Obligor), Clause 28.4 (Clawback) and Clause 25.17 (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).

28.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 29 (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.

28.4 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.

28.5 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.

28.6 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.

28.7 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 Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

28.8 Currency of account

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and 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.

28.9 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 Borrower); 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 Borrower) 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.

29. 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.

30. NOTICES

30.1 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 30.5 (Electronic Communication)) by email.

30.2 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 Borrower, 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.

30.3 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,

and, if a particular department or officer is specified as part of its address details provided under Clause 30.2 (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 Borrower 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 Borrower in accordance with this Clause 30.3 will be deemed to have been made or delivered to each of the Obligors.

30.4 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 30.2 (Addresses) or changing its own address or fax number, the Agent shall notify the other Parties.

30.5 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.

30.6 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.

30.7 Obligor Agent

(a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Accession Letter (as the case may be) irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises (i) the Borrower 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, Renewal Requests or Selection Notices), 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 Borrower 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, Renewal Requests or Selection Notices) 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 Borrower, or given to the Borrower, in its capacity as agent in accordance with paragraph (a) of this Clause 30.7, 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 Borrower and any other Obligor, those of the Borrower shall prevail.

30.8 Use of Websites

(a) The Borrower 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 Borrower 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 Borrower 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 Borrower 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 Borrower accordingly and the Borrower shall supply the information to the Agent in paper form. In any event the Borrower 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 Borrower and the Agent.

(c) The Borrower 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 Borrower 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 Borrower notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Borrower 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 Borrower shall comply with any such request within ten Business Days.

31. CALCULATIONS AND CERTIFICATES

31.1 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.

31.2 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.

31.3 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.

31.4 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.

32. 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.

33. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any 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.

34. AMENDMENTS AND WAIVERS

34.1 Required consents

(a) Subject to Clause 34.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrower 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.

(c) The Borrower may effect, as agent of each Obligor, any amendment or waiver permitted by this Clause 34.

34.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

- (i) the definition of "Majority Lenders" or "Optional Currency" in Clause 1.1 (Definitions);

- (ii) an extension to the date of payment 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 Borrower or any of the Guarantors other than in accordance with Clause 24 (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 18 (Guarantee and Indemnity), Clause 23 (Changes to the Lenders), Clause 24 (Changes to the Obligors) or this Clause 34,

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.

35. 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

36. GOVERNING LAW

36.1 This Agreement is governed by English law.

36.2 If the Borrower or any of the Original Guarantors 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 and regulations of a particular jurisdiction, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws and regulations shall govern the existence and extent of such attorney's or attorney's authority and the effects of the exercise thereof.

37. ENFORCEMENT

37.1 Jurisdiction of English Courts

(a) Each of the parties hereto irrevocably submits to the jurisdiction of the courts of England and to the jurisdiction of the courts of its own domicile with respect to any action initiated against it, 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 such courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) To the extent allowed by law or regulation, the Finance Parties may take proceedings related to a Dispute in any other

courts with jurisdiction or concurrent proceedings in any number of jurisdictions.

37.2 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.

38. WAIVER OF SOVEREIGN IMMUNITY

To the extent that Cemex Parent or any Obligor has acquired 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, Cemex Parent or the relevant Obligor, 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, Cemex Parent and each Obligor agrees that the waivers set forth in this Clause 38 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 the purposes of such Act.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

THE ORIGINAL PARTIES

Part I
The Original Obligors

Part IA

Name of Borrower	Registration number (or equivalent, if any)
New Sunward Holding B.V.	34133556

Address for delivery of Notices:

Amsteldijk 166,
1079LH Amsterdam,
The Netherlands

Tel: (31) 20 642-2048
Fax: (31) 20 644-4095
Attn: Managing Director(s)

Part IB

Name of Original Guarantors Registration numbers (or equivalent,

	if any)
CEMEX, S.A. de C.V.	numero 21, folios 157 a 186 vuelta, volumen 16, Libro No. 3, Segundo Auxiliar Escrituras de Sociedades Mercantiles, Seccion de Comercio, 11 de junio de 1920, Registro Publico de la Propiedad y del Comercio de Monterrey, Nuevo Leon

Address for delivery of Notices:

Ave. Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico, 66265

Tel: (52 81) 8888-4115
Fax: (52 81) 8888-4415
Attn: Humberto Lozano

Cemex Mexico, S.A. de C.V.	Numero 55, folio 127, volumen 186, Libro No. 3, Segundo Auxiliar Escrituras de Sociedades Mercantiles, Seccion de Comercio, 23 de agosto de 1968, Registro Publico de la Propiedad y del Comercio de Monterrey, Nuevo Leon

Address for delivery of Notices:

Ave. Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico, 66265

Tel: (52 81) 8888-4115
Fax: (52 81) 8888-4415
Attn: Humberto Lozano

Empresas Tolteca de Mexico, S.A. de C.V.	Numero 1508, folio 241, volumen 321, Libro No. 3, Segundo Auxiliar Escrituras de Sociedades Mercantiles, Seccion de Comercio, 22 de septiembre de 1989, Registro Publico de la Propiedad y del Comercio de Monterrey, Nuevo Leon

Address for delivery of Notices:

Ave. Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Tel: (52 81) 8888-4115
Fax: (52 81) 8888-4415
Attn: Humberto Lozano

Part II

The Original Lenders

Name of Original Lender	Facility A Commitment	Facility B Commitment

	US$	US$
Banco Bilbao Vizcaya Argentaria, S.A.	31,166,666.66	31,166,666.66
BNP Paribas	31,166,666.67	31,166,666.67
Citibank, N.A. Nassau Bahamas Branch	31,166,666.67	31,166,666.67
Calyon Sucursal en Espana	24,250,000	24,250,000
ING Bank N.V.	24,250,000	24,250,000
JPMorgan Chase Bank	24,250,000	24,250,000
Lloyds TSB Bank plc	24,250,000	24,250,000
Mizuho Corporate Bank, Ltd	24,250,000	24,250,000
Banco Santander Central Hispano S.A.	24,250,000	24,250,000
The Royal Bank of Scotland plc	24,250,000	24,250,000
Wachovia Bank, National Association	24,250,000	24,250,000
The Bank of Tokyo-Mitsubishi, Ltd	15,000,000	15,000,000
Fortis Bank S.A./N.V.	15,000,000	15,000,000
Banco de Sabadell, S.A.	10,000,000	10,000,000
Bank of America, N.A.	7,500,000	7,500,000
The Governor and Company of the Bank of Ireland	7,500,000	7,500,000
Banco Itau Europa, S.A. Sucursal Financeira Exterior	7,500,000	7,500,000
TOTALS (US$)	350,000,000	350,000,000

SCHEDULE 2

CONDITIONS PRECEDENT

Part I
Conditions Precedent to initial Utilisation

1. Obligors

(a) A copy of the current constitutional documents of each Obligor including copies certified by one director of the relevant company below of:

(i) the akte van oprichting and statuten of the Borrower and a copy of the extract from the trade register of Chamber of Commerce of Amsterdam;

(ii) the estatutos sociales in effect on the First Utilisation Date of each Guarantor; and

(iii) the power-of-attorney of each Person executing any Finance Document on behalf of any Obligor, together with specimen signatures of such Person.

(b) A power of attorney granting a specific individual or individuals sufficient power to sign the Finance Documents on behalf of each Original Obligor and in relation to the Borrower and Cemex Parent, a copy of a resolution of the board of directors of the Borrower and Cemex Parent:

(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 or power of attorney referred to in paragraph (b) above in relation to the Finance Documents.

(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 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. 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, Heather & 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 Borrower, 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 evidencing the Loans to be made on the First Utilisation Date, executed and delivered by the Borrower and each Guarantor, in favour of each Lender.

(c) True and current copies of:

(i) audited consolidated financial statements of each of Cemex Parent and its Subsidiaries and Cemex Spain and its Subsidiaries for the 2004 fiscal year;

(ii) audited unconsolidated financial statements of the Borrower and each Guarantor other than Cemex Parent for the 2004 fiscal year; and

(iii) unaudited unconsolidated interim financial statements of the Borrower and each Guarantor other than Cemex Parent for the quarter ended 31 March 2005.

(d) A notice of prepayment and cancellation relating to all loans outstanding, and facilities available, under the Existing NSH Agreement, specifying the First Utilisation Date as the date

on which such prepayment and cancellation is to take effect.

(e) Evidence that Cemex UK Limited has accepted its appointment as the Obligors' process agent to receive service of process in relation to any proceedings before the English Courts in connection with any Finance Document.

Part II

Conditions Precedent required to be delivered by an Additional Guarantor

1. Obligors

(a) An Accession Letter, duly executed by the Additional Guarantor and the Borrower.

(b) A copy of the constitutional documents of the Additional Guarantor.

(c) A copy of a resolution of the board of directors of the Additional Guarantor:

(i) approving the terms of, and the transactions contemplated by, the Accession Letter and this Agreement and resolving that it execute the Accession Letter;

(ii) authorising a specified person or persons to execute the Accession Letter 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 this Agreement.

(d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (c) above.

(e) 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 Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

(f) A certificate of the Additional Guarantor (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.

(g) A certificate of an Authorised Signatory of the Additional Guarantor 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 Guarantor 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 Guarantor if not Clifford Chance, legal advisers to the Lenders.

3. Other documents and evidence

(a) Evidence that any process agent referred to in Clause 37.2 (Service of process) has accepted its appointment.

(b) 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 Guarantor and the Borrower 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.

(c) The Original Financial Statements of the Additional Guarantor.

SCHEDULE 3

REQUESTS

Part I
Utilisation Request

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Cemex - $700,000,000 Term and Revolving Facilities Agreement
dated __________ 2005 (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the 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 on the following terms:

Proposed Utilisation Date:	[ ] (or, if that is not a Business Day, the next Business Day)
Facility to be utilised:	[Facility A]/[Facility B]*
Currency of Loan:	[ ]
Amount:	[ ] or, if less, the Available Facility
Interest Period:	[ ]

3. We confirm that, to the extent applicable, each condition specified in Clause 4.2 (Further conditions precedent) is satisfied or waived on the date of this Utilisation Request.

4. The proceeds of this Loan should be credited to [account].

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 Agreement shall have the meaning given to those terms in the Agreement.

Yours faithfully

....

authorised signatory for
[New Sunward Holding B.V.]

NOTES:

* delete as appropriate

Part II

Selection Notice

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Cemex - $700,000,000 Term and Revolving Facilities Agreement
dated __________ 2005 (the "Agreement")

1. We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. We refer to the Facility A Loan with an Interest Period ending on [ ].

3. [We request that the above Facility A Loan be divided into [O] term loans with the following Interest Periods:]

   or

   [We request that the next Interest Period for the Facility A Loan is [ ].]

4. This Selection Notice is irrevocable.

5. Terms used in this Selection Notice which are not defined in this Selection Notice but are defined in the Agreement shall have the meaning given to those terms in the Agreement.

Yours faithfully

....

authorised signatory for
[New Sunward Holding B.V.]

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:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum.}$$

(b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum.}$$

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 9.3 (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 6 below and expressed in pounds per (pound)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 (pound)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 Borrower 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 - $700,000,000 Term and Revolving Facilities Agreement
dated __________ 2005 (the "Agreement")

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 23.5 (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 23.5 (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 30.2 (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 23.4 (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. 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 [o].

[Agent]

SCHEDULE 6

FORM OF COMPLIANCE CERTIFICATE

To: [Agent]

From: [Borrower]

Dated:

Dear Sirs

Cemex - $700,000,000 Term and Revolving Facilities Agreement dated __________ 2005 (the "Agreement")

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the 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 21.13 (Financial condition covenants) the financial condition of the Group as of [ ] evidenced by the consolidated financial statements for the financial year/first half/second half of the financial year then ended comply with the following conditions:

   [___]

   (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):

3. We confirm that no Default is continuing.(1)

Signed: ....

Authorised Signatory of New Sunward Holding B.V.

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(1) 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.

SCHEDULE 7

FORM OF LMA CONFIDENTIALITY UNDERTAKING

[Letterhead of Existing Bank]

To:

==
| [insert name of Potential Lender]

==

Re: The Facility

==
Borrower:

Date:

Amount:

Agent:

==

Dear Sirs

We understand that you are considering participating in the Facility. 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

(a) You undertake 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 Facility;

(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 Facility.

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;

(c) with the prior written consent of us and the Borrower.

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)(3) 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 Facility 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 our principal] 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 our principal] 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 hereunder 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 hereunder. The terms of this letter and your obligations hereunder 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 Borrower 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:

(c) 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

(d) 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 [our principal,](4) the Borrower 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 (the "Third Parties Act") is excluded.

(b) Notwithstanding any provisions of this letter, any Relevant Person or any member of the Group may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.

(c) The parties to this letter do not require the consent of the Relevant Persons to rescind or vary this letter at any time.

12. Governing Law and Jurisdiction

(a) This letter (including the agreement constituted by your acknowledgement of its terms) is governed by English law.

(b) The parties submit to the non-exclusive jurisdiction of the English courts.

13. Definitions

In this letter (including the acknowledgement set out below) terms defined in the Agreement shall, unless the context otherwise requires, have the same meaning and:

"Confidential Information" means any information relating to the Borrower, the Group, the Agreement and the Facility 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 thereafter, 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 Borrower 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 Facility.

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 Borrower and each other member of the Group

We acknowledge and agree to the above:

....

For and on behalf of
[Potential New Lender]

SCHEDULE 8

TIMETABLE

	Loans in euro, dollars, yen or sterling	Loans in other currencies
Agent notifies the Borrower if a currency is approved as an Optional Currency in accordance with Clause 4.3 (Conditions relating to Optional Currencies)	-	U-4
Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request)) or a Selection Notice (Clause 10.1 (Selection of Interest Periods))	U-3 11.00am	U-3 11.00am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under paragraph (c) of Clause 5.4 (Lenders' participation) and notifies the Lenders of the Loan in accordance with Clause 5.4 (Lenders' participation)	U-3 3.00pm	U-3 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
LIBOR or EURIBOR is fixed	Quotation Day as of 11:00am New York time in respect of LIBOR and as of 11.00am New York time in respect of EURIBOR	Quotation Day as of 11:00am New York time in respect of LIBOR

"U" = date of utilisation
"U-X" = X Business Days prior to date of utilisation

SCHEDULE 9

FORM OF ACCESSION LETTER

To: [Agent]

From: [Borrower]

Dated:

Dear Sirs

Cemex - $700,000,000 Term and Revolving Facilities Agreement
dated __________ 2005 (the "Agreement")

1. [Additional Guarantor] agrees to become an Additional Guarantor and to be bound by the terms of the Facility Agreement as an Additional Guarantor pursuant to Clause 24 (Changes to the Obligors) of the Facility Agreement. [Additional Guarantor] is a company duly incorporated under the laws and regulations of [name of relevant jurisdiction].

2. [Additional Guarantor's] administrative details are as follows:

   Address:

   Fax No:

   Attention:

3. This Accession Letter is governed by English law and is entered into by deed.

Signed:...........................	Signed:...........................
[Authorised Signatory of Additional Guarantor]	[Authorised Signatory of New Sunward Holding BV]

[____]

SCHEDULE 10

PERMITTED LIENS

CEMEX, S.A. de C.V.
LIEN SCHEDULE

AS OF 06/20/2005
(Figures in millions of US Dollars)

Company	Lender	Lien Concept	Balance
CEMEX, Inc.	GE Capital (FKIT 279,280)	Equipment related with the credit	$0.748
Kosmos Cement Company	First Corp (FKIT 101649)	Equipment related with the credit	$0.014
CEMEX, Inc.	Hampton	Land related with the credit	$0.230
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	$0.158
		TOTAL	$1.149

AS OF 03/31/2005
(Figures in millions of US Dollars)

Company	Lender	Lien Concept	Balance
CEMEX, Inc.	GE Capital (FKIT 279,280)	Equipment related with the credit	$0.821
Kosmos Cement Company	First Corp (FKIT 101649)	Equipment related with the credit	$0.019
CEMEX, Inc.	Hampton	Land related with the credit	$0.236
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	$0.170
Cemex, S.A.	Deutsche Bank	Collateral	$12.000
Cementownia Rudniki S.A.	SOCIETE GENERALE	Plant Equipment	$14.800
BETON PRET DE L'EST	SOCIETE GENERALE	Equipment related with the credit	$0.154
A Beton Viacolor Terko Rt.	Raiffeisen Bank	Mortgage	$1.750
Danubiusbeton Dunantul Kft.	Raiffeisen Bank	Mortgage	$1.500

4K Beton (Cemex) A/S, Denmark	Nordea Leasing; Denmark	Leased equipment	$1.421
Cemex, Latvia	Disko Leasing GMBH	Truck finance lease	$0.226
Transbeton Lieferbeton	Raiffeisen Bank	Equipment related with the credit	$0.510
Transbeton Lieferbeton	Raiffeisen Bank	Equipment related with the credit	$0.445
Transbeton Lieferbeton	Raiffeisen Bank	Equipment related with the credit	$0.320
Betonring Sud	Raiffeisen Bank	Equipment related with the credit	$0.582
Transportbeton Hutten GmbH & Co. KG	Dresdner Bank AG	Land related with the credit	$0.366
X. Buchenrieder GmbH & Co. Transportbeton KG	Raiffeisenbank	Land related with the credit	$1.200
Wunder Kies GmbH & Co. KG (7724)	Kreissparkasse Schwarzenbek	Land related with the credit	$0.313
Wunder Kies GmbH & Co. KG (7725)	Kreissparkasse Schwarzenbek	Land related with the credit	$0.117
Wunder Kies GmbH & Co. KG (7725)	Landesbank Kiel	Land related with the credit	$0.117
Wunder Kies GmbH & Co. KG (7726)	Kreissparkasse Schwarzenbek	Land related with the credit	$0.313
Wunder Kies GmbH & Co. KG (7726)	Landesbank Kiel	Land related with the credit	$0.313
Wunder Kies GmbH & Co. KG (7727)	Kreissparkasse Schwarzenbek	Land related with the credit	$0.210
Quarzsandwerk Wellmersdorf GmbH & Co. KG	Raiffeisenbank	Land related with the credit	$0.300
Wunder Kies GmbH & Co. KG	LGS Sparkassen Leasing	Finance Lease for aggregates washing unit	$0.567
Rudersdorfer Zement GmbH	Rudersdorfer Logistik GmbH	Finance Lease for mixing facility	$0.257
Betonforderung Nordwest	Hanseatische Leasing	Finance Lease for concrete pump	$0.267
Cemex Deutschland AG	KGAL Asset Rental	Equipment related with the credit	$14.615
ROMBUS LEASING/RMC (UK)	ING	HP equipment finance	$1.727
Cemex Co., KG	ING	Equipment related with the credit	$21.807
Cemex Co., KG	ING	Equipment related with the credit	$62.819
Cemex Co., KG	Lloyds TSB	Equipment related with the credit	$6.931
			TOTAL $147.193

SCHEDULE 11

LITIGATION

A description of material regulatory and legal matters affecting Cemex Parent or any of its Subsidiaries is provided below.

Tariffs

U.S. Anti-Dumping Sunset Reviews

Under the U.S. anti-dumping and countervailing duty laws, the Commerce Department and the International Trade Commission, or ITC, are required to conduct "sunset reviews" of outstanding anti-dumping and countervailing duty orders and suspension agreements every five years. At the conclusion of these reviews, the Commerce Department is required to terminate the order or suspension agreement unless the agencies have found that termination is likely to lead to continuation or recurrence of dumping, or a subsidy in the case of countervailing duty orders, and material injury. Under special transition rules, the first sunset reviews commenced in August 1999 for cases involving gray Portland cement and clinker from Mexico and Venezuela (described below), which had orders and agreements issued before 1995, and were concluded by the Commerce Department in July 2000 and by the ITC in October 2000.

In July 2000, the Commerce Department determined not to revoke the anti-dumping order on imports from Mexico. On October 5, 2000, the ITC found likelihood of injury to the U.S. industry and determined not to revoke this anti-dumping order. Thus, the order remains in place. On September 19, 2001, Cemex Parent filed a petition for a "changed circumstances" review. The ITC decided in December 2001 not to initiate such a review. Cemex Parent has appealed the ITC's decision in the "sunset review" and the "changed circumstances" review to NAFTA. In January 2005, a NAFTA Panel was formed to review the ITC's sunset review determination. On April 7, 2005, the NAFTA Panel heard oral arguments, but had not issued its determination as of the date of this annual report.

U.S. Anti-Dumping Rulings--Mexico

Cemex Parent's exports of Mexican gray cement from Mexico to the United States are 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 Cemex Parent's 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.

Mexican importers' deposits are being liquidated in stages, as appeals are exhausted for each annual review period. When the final anti-dumping rate for any review period causes the amount due to exceed the amount that was deposited, the Mexican importers are required to pay the difference with interest. When the final anti-dumping rate for any review period is lower than the amount that was deposited, the U.S. Customs Service refunds the difference, with interest, to the Mexican importers.

As of December 31, 2004, CEMEX Corp., as the parent company of Cemex Parent's U.S. subsidiaries that import Mexican cement into the United States, had accrued liabilities of U.S.$103.6 million, including accrued interest, for the difference between the amount of anti-dumping duties paid on imports and the latest findings by the Commerce Department in its administrative reviews.

The Commerce Department has published its final dumping determinations for the first, second, third, fourth, fifth and seventh review periods. The Commerce Department's final results of its final determinations for the sixth, eighth, ninth, tenth, eleventh, twelfth and thirteenth review periods have also been published, but have been suspended pending review by NAFTA panels.

On October 20, 2003, the NAFTA Extraordinary Challenge Committee upheld the NAFTA Panel reviewing the final results of the fifth administrative review, covering the period August 1, 1994 -- July 1, 1995. The NAFTA Panel upheld the Commerce Department's remand results which lowered the antidumping duty margin for imports during the fifth review period to 44.9% ad valorem. The Customs Service has completed liquidating entries of cement from Mexico made during the fifth review period.

On November 25, 2003, the NAFTA Panel reviewing the final results of the seventh review period upheld the Commerce Department's remand results of the seventh review period. The remand results lowered the antidumping margin for imports made during the seventh review period to 37.3% ad valorem. The Customs Service has begun liquidating all entries of cement from Mexico made during the seventh review period.

On September 16, 2003, the Commerce Department issued its final determination covering the twelfth review period, commencing on August 1, 2001 and ending on July 31, 2002. The Commerce Department determined that the antidumping margin was 80.75% ad valorem. The final results for the twelfth review period established a cash deposit rate for imports of gray Portland cement and cement clinker from Mexico made on or after September 16, 2003. The cash deposit rate was established at $52.41 per ton, which remained in effect until the final results of the thirteenth review period were published.

The latest final determination by the Commerce Department covering the thirteenth review period, commencing on August 1, 2002 and ending on July 31, 2003, was issued on December 29, 2004. The Commerce Department determined that the antidumping margin was 54.97% ad valorem. The final results for the thirteenth review period set the cash deposit rate for imports of gray Portland cement and cement clinker from Mexico made on or after December 29, 2004. The cash deposit rate was set at $32.85 per ton, which will remain in effect until the final results of the fourteenth review period are published.

The status of each period still under review or appeal is as follows:

Period	Cash Deposits	Status
8/1/95-7/31/96	61.85% (effective 5/5/1997)	37.49% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/97-7/31/98	73.69%, 35.88% and 37.49% (effective 5/4/1998)	45.98% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/98-7/31/99	37.49%, 49.58% (effective 3/17/1999)	38.65% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/99-7/31/00	49.58%, 45.98% (effective 3/16/2000)	50.98% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/00-7/31/01	49.58%, 38.65% (effective 5/14/2001)	73.74% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/01-7/31/02	38.65%, 50.98% (effective 3/19/2002)	80.75% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/02 - 7/31/03	50.98%, 73.74% (effective 1/14/2003)	54.97% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA Panel.
8/1/03 - 7/31/04	73.74%, U.S.$52.41 per ton (effective 10/15/2003)	Subject to review by the Commerce Department.
8/01/04 - to date	U.S.$52.41 per ton, U.S.$32.85 per ton (effective 12/29/2004)	Subject to review by the Commerce Department.

U.S. Anti-Dumping Rulings --Venezuela

On May 21, 1991, U.S. producers of gray cement and clinker filed petitions with the Department of Commerce and the ITC claiming that imports of gray cement and clinker from Venezuela were subsidized by the Venezuelan government and were being dumped into the U.S. market. The producers asked the U.S. government to impose anti-dumping and countervailing duties on these imports. The Commerce Department initially found that CEMEX Venezuela had a dumping margin of 49.2%. Rather than proceeding with the final Commerce Department and ITC determinations, CEMEX Venezuela and the Commerce Department entered into an Anti-Dumping Suspension Agreement on February 11, 1992. Under the Anti-Dumping Suspension Agreement, CEMEX Venezuela agreed not to sell gray cement or clinker in the United States at a price less than the "foreign market value." On October 5, 2000, the ITC determined that terminating the Anti-Dumping Suspension Agreement involving imports from Venezuela would not likely lead to a continuation or recurrence of injury to the U.S. market, and voted to terminate such agreement. Consequently, on November 8, 2000, the Commerce Department issued a notice terminating the Anti-Dumping Suspension Agreement covering imports of cement from Venezuela. On July 28, 2003, the United States Court of International Trade, or CIT, upheld the Commerce Department's decision to terminate the Suspension Agreement. The U.S. cement industry appealed the decision of the Court of International Trade to the Court of Appeals for the Federal Circuit. On December 14, 2004, the Court of Appeals for the Federal Circuit upheld the CIT's decision affirming the Commerce Department's termination of the Suspension Agreement. Thus, all litigation involving the Venezuelan Suspension Agreement has been completed and imports of cement from Venezuela are free of all antidumping restrictions.

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 are APO, Rizal and Solid, indirect subsidiaries of CEMEX.

In June 2002, the International Trade Commission under the Ministry of Economic Affairs (ITC-MOEA) notified respondent producers that its final injury investigation concluded that the imports from South Korea and the Philippines have caused material injury to the domestic industry in Taiwan.

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 commencing from July 19, 2002. The duty rate imposed on imports from APO, Rizal and Solid was 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, Cemex Parent received a copy of the decision of the Taipei Administrative High Court, which was adverse to its appeal. The decision has since become final.

Tax Matters

As of December 31, 2004, Cemex Parent and some of its Mexican subsidiaries have been notified of several tax assessments determined by the Mexican tax office with respect to the tax years from 1992 through 1996 in a total amount of Ps3,638.6 million. The tax assessments are based primarily on: (i) recalculations of the inflationary tax deduction, since the tax authorities claim that "Advance Payments to Suppliers" and "Guaranty Deposits" are not by their nature credits, (ii) disallowed restatement of tax loss carryforwards in the same period in which they occurred, (iii) disallowed determination of tax loss carryforwards, and (iv) disallowed amounts of business asset tax, commonly referred to as BAT, creditable against the controlling entity's income tax liability on the grounds that the creditable amount should be in proportion to the equity interest that the controlling entity has in its relevant controlled entities. Cemex Parent has filed an appeal for each of these tax claims before the Mexican federal tax court, and the appeals are pending resolution.

As of December 31, 2004, the Philippine Bureau of Internal Revenue, or BIR, assessed APO and Solid, Cemex Parent's operating subsidiaries in Philippines, for deficiencies in the amount of income tax paid in prior tax years amounting to a total of approximately PhP3,069.1 million (approximately U.S.$54.8 million as of December 31, 2004, based on an exchange rate of PhP56.702 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on December 31, 2004 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The tax assessments result primarily from: (i) the disallowance of APO's income tax holiday related income from 1998 to 2001; and (ii) deficiencies in national taxes paid by APO for the 1999 tax year and by Solid for the 2000 tax year. In the first case, Cemex Parent has contested the BIR's assessment with the Court of Tax Appeal, or CTA. In the second case, both APO and Solid continue to submit relevant evidence to the BIR to contest these assessments and intend to contest these assessments with the CTA in case the BIR issues a final collection letter. In addition, Solid's 1998 tax year and APO's 1997 and 1998 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. Cemex Parent believes that these assessments will not have a material adverse effect on it. However, an adverse resolution of these assessments could have a material adverse effect on the results of its operations in the Philippines.

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 Cemex Parent's

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 Cemex Parent's 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 CoP21,114 million (U.S.$9.09 million as of February 28, 2005, based on an exchange rate of CoP2,323.77 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on February 28, 2005 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. Cemex Parent expects 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 Cemex Parent's Colombian subsidiaries. The plaintiffs content that these subsidiaries are responsible for alleged damages caused by breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP127,242 million (U.S.$54.76 million as of February 28, 2005). This proceeding has reached the evidentiary stage. Typically, proceedings of this nature continue for several years before final resolution.

As of December 31, 2004, CEMEX, Inc. had accrued liabilities specifically relating to environmental matters in the aggregate amount of U.S.$28.3 million. The environmental matters relate to (i) the disposal of various materials in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, in regard to 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. 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.

In March 2003, a lawsuit was filed in the Indonesian province of West Sumatra in the Padang District Court against (i) Gresik, an Indonesian cement producer in which Cemex Parent indirectly owns a 25.5% interest through CAH and the Republic of Indonesia owns a 51% interest, (ii) Semen Padang, a 99.9%-owned subsidiary of Gresik that owns and operates Gresik's Padang cement plant, and (iii) several Indonesian government agencies. The lawsuit, which was filed by a foundation purporting to act in the interest of the people of West Sumatra, challenged the validity of the sale of Semen Padang by the Indonesian government to Gresik in 1995 on the grounds that the Indonesian government did not obtain the necessary approvals for such sale. On May 9, 2003, the Padang District Court issued an interim decision suspending Gresik's rights as a shareholder in Semen Padang on the grounds that ownership of Semen Padang was an issue in dispute. On March 31, 2004, the Padang District Court announced its final decision in favor of the foundation. On April 12, 2004, Gresik filed an appeal of this decision with the Padang District Court, which will in turn forward the appeal to the High Court of the West Sumatra province.

In addition to the case outlined in the preceding paragraph, there are two other formal legal proceedings relating to the change of management at PT Semen Padang in May 2003. In one case, filed by the Employees' Cooperative of PT Semen Padang, the District Court of Padang ruled that the replacement of management at PT Semen Padang was legally valid. An appeal of that decision by the former management is currently pending before the High Court for West Sumatra. In the other proceeding, certain members of the former management of PT Semen Padang have filed a request for consideration with the Supreme Court in

regard to its decision in March 2003 to permit the general meeting of shareholders of PT Semen Padang which led to the replacement of the former management. This request is still pending.

After the failure of several attempts to reach a negotiated or mediated solution to these problems involving Gresik, on December 10, 2003, CAH filed a request for arbitration against the Republic of Indonesia and the Indonesian government before the International Centre for Settlement of Investment Disputes, or ICSID, based in Washington D.C. CAH is seeking, among other things, rescission of the purchase agreement entered into with the Republic of Indonesia in 1998, plus repayment of all costs and expenses, and compensatory damages. ICSID has accepted and registered CAH's request for arbitration and issued a formal notice of registration on January 27, 2004. On May 10, 2004, an Arbitral Tribunal was established to hear the dispute. The Indonesian government has objected to the Tribunal's jurisdiction over the claims asserted in CAH's request for arbitration, and a hearing to resolve these jurisdictional objections is expected to take place during 2005. Cemex Parent cannot predict what effect, if any, this action will have on its investment in Gresik, how the Tribunal will rule on the Indonesian government's jurisdictional objections or the merits of the dispute, or the time-frame in which the Tribunal will rule.

During 2004, four lawsuits filed in protection of the public interest, which include a subsidiary of CEMEX Colombia as a codefendant, were filed; the first was filed on April 14 and the last was filed on December 16. The plaintiffs argue that the use of a base material sold by the ready-mix industry resulted in premature distress of the roads built for the mass public transportation system of Bogota. The lawsuits allege that the base material supplied by CEMEX Colombia and the other suppliers failed to meet technical standards offered by the producers (quality deficiencies) and/or that they provided insufficient or inaccurate information in connection with the product. The four lawsuits seek the repair of the road in a manner which guarantees its service during the 20-year period for which it was originally designed. However, the lawsuits do not estimate the alleged damages, in this case, cost of repairs. CEMEX Colombia has vigorously defended itself and will continue to do so. One of the lawsuits was dismissed based on arguments presented to the court by CEMEX Colombia; each of the others is in the initial stage of proceedings. CEMEX Colombia has timely contested each of the lawsuits of which have been notified. At this early stage it is not possible to estimate the potential damages or the portion thereof which could be borne by CEMEX Colombia. Typically, proceedings of this nature continue for several years before final resolution.

An administrative case is pending with the Philippine Department of Trade and Industry ("DTI") against Solid Cement Corporation ("Solid") for alleged violation of consumer product and quality safety standards. In August 12, 2004, and prior to the trial of the main case, the Philippine Department of Trade and Industry ("DTI") issued a Preliminary Order (hereinafter referred to as the "CDO") enjoining Solid from selling, distributing, delivering and disposing of Island Cement or any brand manufactured by the Solid Cement plant in Antipolo, Rizal, in bulk and in bags, to customers, dealers, and distributors, including but not limited to, batching plants and hardware outlets/stores. It must be emphasized that said CDO is preliminary in nature and was issued by the DTI without a finding of any violation on the part of Solid. Solid has contested the propriety of the issuance of the CDO. Subsequently, the DTI ordered the conduct of a factory/product audit of Solid's plant in Antipolo, Rizal. Several samples of Island Cement were taken by the DTI Audit Group and were sent to a third party laboratory for testing. Soon after the complete results of the tests came out which confirmed the fact that Island Cement indeed complies with the standards set by the DTI, the DTI lifted the CDO. The main case is still pending trial with the Office of Legal Affairs of the DTI, with the prosecution presenting its evidence-in-chief. Notably, despite the allegations hurled against Solid regarding the quality of its Island Cement, no judicial action has yet been filed against Solid to date.

In the ordinary course of their business, Cemex Parent and its Subsidiaries are party to various legal proceedings. Other than as disclosed herein, Cemex Parent and its Subsidiaries are not currently involved in any litigation or arbitration proceedings, including any such proceedings which are pending, which they believe will have, or have had, a material adverse effect on

them, nor, so far as they are aware, are any proceedings of that kind threatened.

SCHEDULE 12

MATERIAL SUBSIDIARIES

NEW SUNWARD HOLDING B.V.
MATERIAL SUBSIDIARIES
As of March 31, 2005

Cemex Espana, S.A.
Cemex Caracas Investments B.V.
Cemex Caracas II Investments B.V.
Cemex Venezuela, S.A.C.A.
Cemex American Holdings B.V.
Cemex Holdings Inc.
Cemex Corp.
Cemex, Inc.
Cemex Cement, Inc.
Sunbelt Cement Holdings Inc.
Cemex Concrete Holdings LLC
Cemex Construction Materials, L.P.
Sunbelt Investments, Inc.

SCHEDULE 13

PROMISSORY NOTES

Part I
FORM OF FACILITY A NOTE

PROMISSORY NOTE

[US$/(pound)/EUR/JPY]

For value received, the undersigned, NEW SUNWARD HOLDING B.V. (the "Borrower"), by this Promissory Note unconditionally promises to pay to the order of ________________, the principal sum of [US$]/[euro]/[insert currency]* __________________ (___________________________, [currency of the United States of America,]/[currency of a member state of the European Union adopted in accordance with the legislation relating to the Economic and Monetary Union]/[other - please describe]* ___/100) on _____________ _____, 20__, (the "Termination Date"), provided that if such day is not a Business Day, the Termination Date shall be the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case the Termination Date shall be the immediately preceding Business Day.

The Borrower further promises to pay interest on the principal amount outstanding hereunder for each day during each Interest Period (as hereinafter defined) at a rate per annum equal to the Screen Rate (as hereinafter defined) for such Interest Period plus [o] [o per cent.)]. Interest shall be payable on the Termination Date.

The Borrower also promises to pay, to the fullest extent permitted by applicable law, default interest on any amount payable hereunder that is not paid when due, payable on demand, at a rate per annum equal to the Screen Rate then in effect plus [o]% (o per cent.) plus o% (o per cent.).

All computations of interest hereunder shall be made on the basis of a year of 360 days for the actual number of days elapsed in the period for which any such interest is payable (including the first day but excluding the last day).

All payments to be made on or in respect of this Promissory Note shall be made not later than 10:00 a.m., London time, to the account number __________, ABA number _____________, Ref.:_______________ in __________________, maintained by the Agent (as hereinafter defined), in [Dollars]/[euro]/[insert currency]* and in immediately available funds.

----

* Please delete as appropriate

All payments hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (as hereinafter defined) ("Taxes"). If any Taxes are required to be deducted or withheld from any amounts payable hereunder, the amounts so payable to the holder hereof shall be increased to the extent necessary so that the holder hereof receives all the amount it would have received had no such deduction or withholding been made.

The undersigned agree to reimburse upon demand, in like manner and funds, all losses, costs and reasonable expenses of the holder hereof, if any, incurred in connection with the enforcement of this Promissory Note (including, without limitation, all reasonable legal costs and expenses).

For purposes of this Note, the following terms shall have the following meanings:

"Agent" means Citibank, N.A.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Amsterdam 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) London and 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.

"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.

"Interest Payment Date" means the last day of each Interest Period.

"Interest Period" shall mean, the period commencing on the execution date of this Promissory Note and ending [one] [two] [three] [six] months thereafter and thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending [one] [two] [three] [six] months thereafter; provided that (i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such extension would carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; (ii) no Interest Period shall extend beyond the Termination Date; and (iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

"Reference Banks" means the principal London offices of Citibank, N.A., BNP

Paribas and Banco Bilbao Vizcaya Argentaria, S.A..

"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 service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

["TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means any day on which TARGET is open for the settlement of payments in euro.]**

This Promissory Note shall in all respects be governed by, and construed in accordance with, the laws of England.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought, in the competent courts of England. The undersigned waive the jurisdiction of any other courts that may correspond for any other reason.

The undersigned hereby waive diligence, presentment, protest or notice of total or partial non- payment or dishonour with respect to this Promissory Note.

This Promissory Note consists of ____ pages.

__________ [PLACE OF EXECUTION] ___________________ ______, 2005.

NEW SUNWARD HOLDING B.V.

By: ----------------------

Title: Attorney-in-Fact

GUARANTORS

CEMEX, S.A. DE C.V.

By: ----------------------

Title: Attorney-in-Fact

CEMEX MEXICO, S.A. DE C.V.

By: ----------------------

Title: Attorney-in-Fact

EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V.

By:

Title: Attorney-in-Fact

** Please delete if the Promissory note is not in euro.

Part II

FORM OF FACILITY B NOTE

PROMISSORY NOTE

[US$/EUR/(pound)/JPY]

For value received, the undersigned, NEW SUNWARD HOLDING B.V. (the "Borrower"), by this Promissory Note unconditionally promises to pay to the order of ________________, the principal sum of [US$]/[euro]/[insert currency]* __________________ (___________________________, [currency of the United States of America,]/[currency of a member state of the European Union adopted in accordance with the legislation relating to the Economic and Monetary Union]/[other - please describe]*___/100) on _____________ _____, 20__, (the "Termination Date"), provided that if such day is not a Business Day, the Termination Date shall be the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case the Termination Date shall be the immediately preceding Business Day.

The Lender is authorized to record the date, type, amount and currency of each Loan made by the Lender pursuant to the US$700,000,000 Facility Agreement dated [o] June 2005, the date and amount of each repayment of principal hereof, and the date and currency of each interest rate conversion and each continuation pursuant to the Facility Agreement and the principal amount subject thereto, the interest rate and interest period with respect thereto on the schedule annexed hereto and made a part hereof or on any other record customarily maintained by the Lender with respect to this Note and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided however that the failure of the Lender to make such recordation (or any error in such recordation) shall not affect the obligations of the Borrower hereunder or under the Facility Agreement.

The Borrower further promises to pay interest on the principal amount outstanding hereunder for each day during each Interest Period (as hereinafter defined) at a rate per annum equal to the Screen Rate (as hereinafter defined) for such Interest Period plus [o%] [(o per cent.)]. Interest shall be payable on each Interest Payment Date (as hereinafter defined).

The Borrower also promises to pay, to the fullest extent permitted by applicable law, default interest on any amount payable hereunder that is not paid when due, payable on demand, at a rate per annum equal to the Screen Rate then in effect plus [o]% [(o per cent.)] plus 2.00% (o per cent.).

All payments to be made on or in respect of this Promissory Note shall be made not later than 10:00 a.m., London time, to the account number __________, ABA number _____________, Ref.:_______________ in __________________, maintained by the Agent (as hereinafter defined), in [Dollars]/[euro]/[insert currency]* and in immediately available funds.

----

* Please delete as appropriate

* Please delete as appropriate.

All payments hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (as hereinafter defined) ("Taxes"). If any Taxes are required to be deducted or withheld from any amounts payable hereunder, the amounts so payable to the holder hereof shall be increased to the extent necessary so that the holder hereof receives all the amount it would have received had no such deduction or withholding been made.

The undersigned agree to reimburse upon demand, in like manner and funds, all losses, costs and reasonable expenses of the holder hereof, if any, incurred in connection with the enforcement of this Promissory Note (including, without limitation, all reasonable legal costs and expenses).

For purposes of this Note, the following terms shall have the following meanings:

"Agent" means Citibank, N.A.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Amsterdam and New York, and:

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(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.

"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.

"Interest Payment Date" means the last day of each Interest Period.

"Interest Period" shall mean, the period commencing on the execution date of this Promissory Note and ending [one] [two] [three] [six] months thereafter and thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending [one] [two] [three] [six] months thereafter; provided that (i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such extension would carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; (ii) no Interest Period shall extend beyond the Termination Date; and (iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

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(b) in relation to EURIBOR, the percentage rate per annum determined by the

Banking Federation of the European Union for the relevant period,

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The undersigned hereby waive diligence, presentment, protest or notice of total or partial non-payment or dishonour with respect to this Promissory Note.

This Promissory Note consists of ____ pages.

__________ [PLACE OF EXECUTION] ___________________ ______, 2005.

NEW SUNWARD HOLDING B.V.

By:

Title: Attorney-in-Fact

GUARANTORS

CEMEX, S.A. DE C.V.

By:

Title: Attorney-in-Fact

CEMEX MEXICO, S.A. DE C.V.

By:

Title: Attorney-in-Fact

EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V.

By:

Title: Attorney-in-Fact

** Please delete if the Promissory note is not in euro.

SCHEDULE TO NOTE

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Currency of Loan	Type of Loan(2)	Interest Rate	Interest Period	Termination Date	Principal Paid or Converted	Principal Balance	Notation Made By

---

(2) The type of Loan may be represented by "L" for LIBOR Loans, "E" for Euribor Loans.

SIGNATURES

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

NEW SUNWARD HOLDING B.V.

Address: Amsteldijk 166
1079LH Amsterdam
The Netherlands

Fax: (31) 20 644-4095
Attention: Managing Director(s)

as Borrower

By: /s/ Hector Vela

Name: Hector Vela

Title: Attorney-in-fact

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

CEMEX, S.A. DE C.V.

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre

San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano

as Original Guarantor

By: /s/ Hector Vela

Name: Hector Vela

Title: Attorney-in-fact

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

CEMEX MEXICO, S.A. DE C.V.

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano

as Original Guarantor

By: /s/ Hector Vela

Name: Hector Vela

Title: Attorney-in-fact

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V.

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano

as Original Guarantor

By: /s/ Hector Vela

Name: Hector Vela

Title: Attorney-in-fact

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

CITIBANK, N.A.

Address: 399 Park Avenue
New York
NY 10043

Fax:
Attention: Medium Term Finance / Agency

as Agent

By: /s/ Mario Espinosa

Name: Mario Espinosa

Title: Vice President

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

CITIGROUP GLOBAL MARKETS, INC.

Address: 390 Greenwich Street, First Floor
New York
NY 10013

Fax: +(212) 723-8543/8541

as Arranger

By: /s/ Mario Espinosa

Name: Mario Espinosa

Title: Managing Director

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Address: Alcala 16, 4a p
28014 Madrid

Fax: + (3491) 537-0624

as Arranger

By: /s/ Jose Maria Sagardoy

Name: Jose Maria Sagardoy

Title: Director

By: /s/ Luis Martinez Nussio

Name: Luis Martinez Nussio

Title: Director de Relacion

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BNP PARIBAS

Address: 10 Harewood Avenue
London NW1 6AA

Fax: + 44 (20) 7595-6597

as Arranger

By: /s/ Illegible

Name: Illegible

Title: Illegible

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BANCO BILBOA VIZCAYA ARGENTARIA, S.A.

as Original Lender

By: /s/ Jose Maria Sagardoy

Name: Jose Maria Sagardoy

Title: Director

By: /s/ Luis Martinez Nussio

Name: Luis Martinez Nussio

Title: Director de Relacion

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BNP PARIBAS

as Original Lender

By: /s/ Illegible

Name: Illegible

Title: Illegible

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

CITIBANK, N.A. NASSAU BAHAMAS BRANCH

as Original Lender

By: /s/ Leslie Munroe

Name: Leslie Munroe

Title: Attorney-in-fact

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

CALYON SUCURSAL EN ESPANA

as Original Lender

By: /s/ Ramon Fernandez

Name: Ramon Fernandez

Title: Executive Director

By: /s/ Javier Alvarez-Rendueles

Name: Javier Alvarez-Rendueles

Title: Executive Director

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

ING BANK N.V.

as Original Lender

By: /s/ A.C. Zulia

Name: A.C. Zulia

Title: Senior Manager Transaction Processing

By: /s/ A.A. Felipa Ventura

Name: A.A. Felipa Ventura

Title: Manager Credit-Administration

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

JPMORGAN CHASE BANK

as Original Lender

By: /s/ Linda Meyer

Name: Linda Meyer

Title: Vice President

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

LLOYDS TSB BANK PLC

as Original Lender

By: /s/ Chris Spedding

Name: Chris Spedding

Title: Corporate Manger

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

MIZUHO CORPORATE BANK, LTD

as Original Lender

By: /s/ Tsukasa Takasawa

Name: Tsukasa Takasawa

Title: Senior Vice President

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BANCO SANTANDER CENTRAL HISPANO S.A.

as Original Lender

By: /s/ Simon Ergas Testa

Name: Simon Ergas Testa

Title: Director

By: /s/ Jose Luis Munoz Cintron

Name: Jose Luis Munoz Cintron

Title: Vice President

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

THE ROYAL BANK OF SCOTLAND PLC

as Original Lender

By: /s/ Inaki Basterreche

Name: Inaki Basterreche

Title: Senior Director

By: /s/ Carmen Alto

Name: Carmen Alto

Title: Head of CIB Iberia

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

WACHOVIA BANK, NATIONAL ASSOCIATION

as Original Lender

By: /s/ Kathleen H. Reedy

Name: Kathleen H. Reedy

Title: Managing Director

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

THE BANK OF TOKYO-MITSUBISHI, LTD

as Original Lender

By: /s/ Pamela D. Price

Name: Pamela D. Price

Title: Vice President and Manager

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

FORTIS BANK S.A./N.V.

as Original Lender

By: /s/ Hans DE LANGHE

Name: Hans DE LANGHE

Title: Corporate Credit Support Manager

By: /s/ Herman Sonck

Name: Herman Sonck

Title: Senior Credit Manager

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF

27 JUNE 2005.

BANCO DE SABADELL, S.A.

as Original Lender

By: /s/ Jose Carlos Hernandez Bertomeu

Name: Jose Carlos Hernandez Bertomeu

Title: Director

By: /s/ Manuel Perez-Pedrero Diaz

Name: Manuel Perez-Pedrero Diaz

Title: Director

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BANK OF AMERICA, N.A.

as Original Lender

By: /s/ John Donnelly

Name: John Donnelly

Title: Managing Director

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND

as Original Lender

By: /s/ Paul Costello

Name: Paul Costello

Title: Deputy Manager

By: /s/ Maurice Healy

Name: Maurice Healy

Title: Senior Manager

THIS IS A SIGNATURE PAGE TO THE US$700,000,000 FACILITIES AGREEMENT, DATED AS OF 27 JUNE 2005.

BANCO ITAU EUROPA, S.A. SUCURSAL FINANCEIRA EXTERIOR

as Original Lender

By: /s/ Jose Francisco Claro

Name: Jose Francisco Claro

Title: Chief Operating Officer

By: /s/ Alejandra Vicoso

Name: Alejandra Vicoso

Title: Director

Exhibit 4.16

==

CEMEX ESPANA FINANCE LLC

$133,000,000 5.18% Senior Notes, Series A, due 2010

$192,000,000 5.62% Senior Notes, Series B, due 2015

NOTE PURCHASE AGREEMENT

Dated as of June 13, 2005

==

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UExhibits

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Exhibit 4.4(a)	Form of Opinion of Counsel to Cemex Espana
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CEMEX ESPANA FINANCE LLC
c/o Cemex Espana, S.A.
c/Hernandez de Tejada, 1
28027 Madrid, Spain

$133,000,000 5.18% Senior Notes, Series A, due 2010

$192,000,000 5.62% Senior Notes, Series B, due 2015

as of June 13, 2005

TO EACH OF THE PURCHASERS LISTED ON
THE ATTACHED SCHEDULE A:

Ladies and Gentlemen:

CEMEX ESPANA, S.A., a corporation organized under the laws of the Kingdom of Spain ("Cemex Espana"), and its wholly owned Subsidiary CEMEX ESPANA FINANCE LLC, a limited liability company organized under the laws of Delaware (the "Company"), agree with the Purchasers listed on the attached Schedule A (the "Purchasers") to this Note Purchase Agreement (as amended, modified or supplemented, this "Agreement") as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of (i) $133,000,000 aggregate principal amount of its 5.18% Senior Notes, Series A, due 2010 (the "Series A Notes"), and (ii) $192,000,000 aggregate principal amount of its 5.62% Senior Notes, Series B, due 2015 (the "Series B Notes"; the Series A

Notes and the Series B Notes are collectively referred to herein as the "Notes", such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement). The Notes shall be substantially in the forms set out in Exhibit 1(a) and Exhibit 1(b), respectively, with such changes therefrom, if any, as may be approved by the Purchasers and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3U, Notes in the principal amount and of the series specified opposite such Purchaser's name on Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of each Purchaser hereunder are several and not joint obligations and no Purchaser shall have any liability to any other Person for the performance or non-performance by any other Purchaser hereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Mayer, Brown, Rowe & Maw LLP, 1675 Broadway, New York, New York 10019, at 10:00 a.m., New York time, at a closing (the "Closing") on June 13, 2005 or on such other Business Day thereafter on or prior to June 13, 2005 as may be agreed upon by the Company and the Purchasers. At the Closing the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least $500,000 as such Purchaser may request) dated the date of the Closing and registered in the name of such Purchaser (or in the name of such Purchaser's nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to Citibank, N.A., ABA: 021000089 for credit to Citibank International, PLC, Madrid Branch, swift: CITIESMX, Beneficiary: Cemex Espana Finance LLC Account number: 0011022014. If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to any Purchaser's reasonable satisfaction, such Purchaser shall, at such Purchaser's election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

The obligation of each Purchaser to purchase and pay for the Notes to be sold to it at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1 Representations and Warranties.

The representations and warranties of Cemex Espana and the Company in this Agreement shall be correct when made and at the time of the Closing (except for such representations and warranties made as of a specific earlier date).

4.2 Performance; No Default.

Cemex Espana and the Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by them prior to or at the Closing, and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. Neither Cemex Espana nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10.1 or 10.3 hereof had such Sections

applied since such date.

4.3 Compliance Certificates.

(a) Officer's Certificate. Each of Cemex Espana and the Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) Secretary's Certificate. Each of the Company, Cemex Espana and each other Guarantor shall have delivered to such Purchaser a certificate, signed by the Secretary of the manager of the Company, the Secretary of Cemex Espana and one or more Managing Directors of the other Guarantors, respectively, certifying as to the resolutions attached thereto and other corporate proceedings taken by it relating to the authorization, execution and delivery of the Financing Documents to which it is a party.

4.4 Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to it, dated the date of the Closing (a) from Juan Pelegri y Giron, counsel for Cemex Espana, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or such Purchaser's counsel may reasonably request (and Cemex Espana and the Company hereby instruct such counsel to deliver such opinion to such Purchaser), (b) from Mayer, Brown, Rowe & Maw LLP, special New York counsel to the Obligors, covering the matters set forth in Exhibit 4.4(b) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or such Purchaser's counsel may reasonably request (and Cemex Espana and the Company hereby instruct such special counsel to deliver such opinion to such Purchaser), (c) from Warendorf, special Netherlands counsel for each Obligor that is organized in The Netherlands, covering the matters set forth in Exhibit 4.4(c) and covering such other matters as such Purchaser or such Purchaser's counsel may reasonably request (and Cemex Espana and the Company hereby instruct such counsel to deliver such opinion to such Purchaser), (d) from Latham & Watkins LLP, the Purchasers' US special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(d) and covering such other matters incident to such transactions as such Purchaser may reasonably request and (e) from Uria & Menendez, the Purchasers' Spanish special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(e) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5 Purchase Permitted By Applicable Law, etc.

On the date of the Closing each purchase of Notes shall (i) be permitted by the laws and regulations of each jurisdiction to which each Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (ii) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject any Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by any Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6 Related Transactions.

The Company shall have consummated the sale of the entire principal amount of the Notes scheduled to be sold on the date of Closing pursuant to this Agreement.

4.7 Payment of Special Counsel Fees.

Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.8 Private Placement Number.

A Private Placement number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each series of the Notes.

4.9 Changes in Corporate Structure.

Except as specified on Schedule 4.9, neither the Company nor Cemex Espana nor any other Guarantor shall have changed its jurisdiction of incorporation or formation or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to on Schedule 5.5.

4.10 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be reasonably satisfactory to such Purchaser and the Purchasers' special counsel, and such Purchaser and the Purchasers' special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser and the Purchasers' special counsel may reasonably request.

4.11 Note Guarantee.

Cemex Espana and each other Guarantor shall have executed and delivered to each Purchaser a counterpart of the Note Guarantee and the Note Guarantee shall be in full force and effect.

4.12 Agent for Service of Process.

CT Corporation System shall have accepted its appointment by the Company and each Guarantor as the agent for service of process for the Company and each Guarantor in the City of New York, State of New York, from the date of the Closing to and including June 30, 2016, and the Purchasers shall have received evidence of such acceptance.

5. REPRESENTATIONS AND WARRANTIES OF CEMEX ESPANA AND THE COMPANY.

Cemex Espana and the Company represent and warrant to the Purchasers that:

5.1 Organization; Power and Authority.

The Company is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware. Cemex Espana is a corporation duly organized, validly existing and in good standing under the laws of the Kingdom of Spain. Each of Cemex Espana and the Company is qualified to do business in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect. Each of Cemex Espana and the Company has the corporate or other organizational power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Financing Documents to which it is a party and to perform the provisions thereof.

5.2 Authorization, etc.

Each Financing Document has been duly authorized by all necessary

corporate or other organizational action on the part of each Obligor party thereto, and each Financing Document constitutes, or will constitute upon execution and delivery thereof, a legal, valid and binding obligation of each Obligor party thereto enforceable against such Obligor in accordance with its 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).

5.3 Disclosure.

The Company, through its agent, RBS Securities Corporation, has delivered to each Purchaser a copy of a Private Placement Memorandum, dated March, 2005 (the "Memorandum"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature of the business and principal properties of Cemex Espana and its Subsidiaries. Except as disclosed on Schedule 5.3, this Agreement, the Memorandum, the documents, certificates or other writings delivered to the Purchasers by or on behalf of Cemex Espana or the Company in connection with the transactions contemplated hereby and the financial statements listed on Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or as expressly described on Schedule 5.3, or in one of the documents, certificates or other writings identified therein, or in the financial statements listed on Schedule 5.5, since December 31, 2004, there has been no change in the financial condition, operations, business, properties or prospects of Cemex Espana or any Subsidiary except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company or Cemex Espana that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to the Purchasers by or on behalf of the Company or Cemex Espana specifically for use in connection with the transactions contemplated hereby.

5.4 Organization and Ownership of Shares of Subsidiaries.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists of (i) Cemex Espana's Subsidiaries as of April 30, 2005, excluding the subsidiaries of RMC Group Limited integrated into Cemex Espana as a result of the RMC Group Limited acquisition on March 1, 2005, showing, as to each Cemex Espana Subsidiary, the correct name thereof, the jurisdiction of its organization and the percentage of shares of each class of its Capital Stock outstanding owned by Cemex Espana and each other Subsidiary, (ii) RMC Group Limited subsidiaries and affiliates as of April 30, 2005 showing, as to each subsidiary and affiliate, the correct name thereof and the jurisdiction of its organization, and (ii) the directors and senior officers of each of Cemex Espana and the manager of the Company.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown on Schedule 5.4 as being owned by Cemex Espana and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by Cemex Espana or another Subsidiary free and clear of any Lien (except as otherwise disclosed on Schedule 5.4).

(c) Each Subsidiary identified on Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and, if applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and, if applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) Except for any legal restriction or agreement to which any Subsidiary acquired as part of the acquisition of RMC Group Limited was subject

at the time of such acquisition (which restrictions and agreements Cemex Espana shall use its reasonable endeavors to remove as soon as possible), no Subsidiary is a party to, or otherwise subject to any legal restriction or any agreement (except for customary limitations imposed by corporate law statutes) directly restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to Cemex Espana or any of its Subsidiaries that owns outstanding shares of Capital Stock or similar equity interests of such Subsidiary.

5.5 Financial Statements.

Cemex Espana has delivered to each Purchaser copies of the financial statements of Cemex Espana and its Subsidiaries listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of Cemex Espana and its Subsidiaries as of the respective dates specified in such schedule and the consolidated results of their operations for the respective periods so specified and have been prepared in accordance with Spanish GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

5.6 Compliance with Laws, Other Instruments, etc.

The execution, delivery and performance by the Obligors of the Financing Documents 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 Espana 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 Espana or any Subsidiary is bound or by which Cemex Espana 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 Espana or any Subsidiary or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to Cemex Espana or any Subsidiary.

5.7 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 any Obligor of any Financing Document to which such Obligor is a party.

5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) Except as disclosed on Schedule 5.8, there are no actions, suits or proceedings pending or, to the knowledge of Cemex Espana, threatened against or affecting Cemex Espana or any Subsidiary or any property of Cemex Espana or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither Cemex Espana nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.9 Taxes.

Cemex Espana and its Subsidiaries have filed all Material tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises,

to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which Cemex Espana or a Subsidiary, as the case may be, has established adequate reserves in accordance with relevant national accounting standards and practices (in the case of Cemex Espana, Spanish GAAP). Cemex Espana knows of no basis for any other tax or assessment that would reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of Cemex Espana and its Subsidiaries in respect of Federal, state or other taxes for all fiscal periods are adequate.

5.10 Title to Property; Leases.

Cemex Espana and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5U or purported to have been acquired by Cemex Espana or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11 Licenses, Permits, etc.

Except as disclosed on Schedule 5.11,

(a) Cemex Espana and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others except for those conflicts that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;

(b) to the best knowledge of Cemex Espana, no product of Cemex Espana or of any Subsidiary infringes in any material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person; and

(c) to the best knowledge of Cemex Espana, there is no Material violation by any Person of any right of Cemex Espana or any of its Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by Cemex Espana or any of its Subsidiaries.

5.12 ERISA; Foreign Pension Plans.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any Material liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such Material liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable

to such benefit liabilities by an amount that would reasonably be expected to have a Material Adverse Effect in the case of any single Plan or in the aggregate for all Plans. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that are individually or in the aggregate are Material.

(d) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax would be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation in the first sentence of this Section 5.12(d) is made in reliance upon and subject to the accuracy of the representations of the Purchasers in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes.

(e) All Foreign Pension Plans have been established, operated, administered and maintained in material compliance with all laws, regulations and orders applicable thereto. Except where it would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, all premiums, contributions and any other amounts required to be paid pursuant to applicable Foreign Pension Plan documents or applicable laws have been paid or accrued as required.

5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes, the Note Guarantee or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 40 other Institutional Investors (as defined in clause (c) of the definition of such term), each of which has been offered the Notes and the Note Guarantee at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes or the Note Guarantee to the registration requirements of Section 5 of the Securities Act.

5.14 Use of Proceeds; Margin Regulations.

The Company, through its parent Cemex Netherlands B.V., will apply the proceeds of the sale of the Notes for general corporate purposes (including the repayment of Financial Indebtedness) of Cemex Espana and its Subsidiaries. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board or to involve any broker or dealer in a violation of Regulation T of said Board. Margin stock does not constitute more than 5% of the value of the consolidated assets of Cemex Espana and its Subsidiaries and Cemex Espana does not have any present intention that margin stock will constitute more than 25% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

5.15 Existing Financial Indebtedness; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Financial Indebtedness of Cemex Espana and its Subsidiaries as of March 31, 2005, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Financial Indebtedness of Cemex Espana or its Subsidiaries. Neither Cemex Espana nor any Subsidiary is in default, and no waiver of such a default is currently in effect, in the payment of any

principal or interest on any Financial Indebtedness of Cemex Espana or such Subsidiary and no Material event or condition exists with respect to any Financial Indebtedness of Cemex Espana or any Subsidiary that would permit (or that with notice or other lapse of time, or both, would permit) one or more Persons to cause such Financial Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed on Schedule 5.15, neither Cemex Espana nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.3U.

5.16 Foreign Assets Control Regulations, Foreign Corrupt Practices Act, etc.

Neither the sale of the Notes by the Company hereunder nor the use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, neither Cemex Espana nor any Subsidiary (i) is or will become a blocked person described in the Anti-Terrorism Order or the Department of the Treasury Rule or (ii) knowingly engages or will engage in any dealings or transactions with any such person. Cemex Espana and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

Neither the sale of the Notes by the Company hereunder nor its use of the proceeds thereof will cause any Purchaser to be in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977 or other applicable national or local law regulating the payments of bribes to government officials or employees nor will the proceeds from the sale of the Notes be used by the Company for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, to make any direct or indirect unlawful payment to any foreign or domestic government official or employee or make any bribe or other unlawful payment.

5.17 Status under Certain Statutes.

Neither the Company nor any Guarantor is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 1935, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18 Environmental Matters.

Neither Cemex Espana nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and, to Cemex Espana's knowledge, no proceeding has been instituted raising any claim against Cemex Espana or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any violation of Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to the Purchasers in writing,

(a) neither Cemex Espana nor any Subsidiary has knowledge of any facts that would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties or other assets now or formerly owned, leased or operated by any of them or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect;

(b) neither Cemex Espana nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws, in each case in any manner that would reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by Cemex Espana or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

5.19 Pari Passu Obligations.

The obligations of each Obligor under the Financing Documents rank at least pari passu with the claims of all other unsecured and unsubordinated creditors of such Obligor, except for obligations mandatorily preferred by law applying to companies generally (including but not limited to under paragraph 1, 2 or 3 of Article 913 of the Spanish Commercial Code (Codigo de Comercio), Articles 90 and 91 of the Spanish Insolvency Law (Law 22/2003), Article 32 of the Spanish Workers' Statute (Estatuto de los Trabajadores), Article 71 of the Spanish General Taxation Law (Ley General Tributaria), Article 22 of the Spanish General Law on Social Security (Ley General de la Seguridad Social).

6. REPRESENTATIONS OF THE PURCHASERS.

6.1 Purchase for Investment.

Each Purchaser represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof; provided that the disposition of such Purchaser's or such pension or trust funds' property shall at all times be within such Purchaser's or such pension or trust funds' control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

6.2 Source of Funds.

Each Purchaser represents that at least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995) and there is no employee benefit plan, treating as a single plan, all plans maintained by the same employer or employee organization, with respect to which the amount of the general account reserves and liabilities for all contracts held by or on behalf of such plan, exceeds 10% of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990) or (ii) a bank collective investment fund, within the meaning of PTE 91-38 (issued July 12, 1991) and, except as such Purchaser has disclosed to the Company in writing pursuant to this clause (b) at least five Business Days prior to such Purchaser's purchase of the Notes, no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained

by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this clause (c) at least five Business Days prior to such Purchaser's purchase of the Notes; or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (e); or

(f) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "employee benefit plan", "governmental plan", "party in interest" and "separate account" shall have the respective meanings assigned to such terms in section 3 of ERISA. If Cemex Espana notifies a proposed Purchaser prior to its purchase of the Notes that any plan identified by Purchaser pursuant to clause (b) or (c) of this Section 6.2U would be prohibited by ERISA section 406 from purchasing the Notes, the Source shall not include assets of any such plan.

7. INFORMATION AS TO CEMEX ESPANA AND THE COMPANY.

7.1 Financial and Business Information.

Cemex Espana shall deliver to each holder that is an Institutional Investor:

(a) Semi-Annual Statements -- within 90 days after the end of the first half of each fiscal year of Cemex Espana, duplicate copies of

(i) a consolidated balance sheet of Cemex Espana and its Subsidiaries as at the end of such period, and

(ii) consolidated statements of income and changes in shareholders' equity of Cemex Espana and its Subsidiaries, for such period,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with Spanish GAAP applicable to interim financial statements generally (for the avoidance of doubt, until such time as Cemex Espana produces its interim financial statements with notes, such statements may be provided without notes attached thereto), and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations, subject to changes resulting from year-end adjustments;

(b) Annual Statements -- within 180 days after the end of each fiscal year of Cemex Espana, duplicate copies of,

(i) a consolidated balance sheet of Cemex Espana and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of income, of changes in shareholders' equity and of source and application of

funds of Cemex Espana and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with Spanish GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and of source and application of funds and have been prepared in conformity with Spanish GAAP, and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards in Spain, and that such audit provides a reasonable basis for such opinion in the circumstances;

(c) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by Cemex Espana or any Subsidiary to public securities holders generally and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by Cemex Espana or any Subsidiary with the Securities and Exchange Commission or with any other Governmental Authority of competent jurisdiction charged with the regulation of securities and of all press releases and other statements made available generally by Cemex Espana or any Subsidiary to the public concerning developments that are Material;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Senior Financial Officer becomes aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f)U, a written notice specifying the nature and period of existence thereof and what action Cemex Espana is taking or proposes to take with respect thereto;

(e) ERISA Matters -- promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material

Adverse Effect;

(f) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any notice to Cemex Espana or any Subsidiary from any Governmental Authority relating to any order, ruling, statute or other law or regulation that would reasonably be expected to have a Material Adverse Effect; and

(g) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of Cemex Espana or any of its Subsidiaries or relating to the ability of the Company or any Guarantor to perform its obligations hereunder and under the other Financing Documents as from time to time may be reasonably requested by any such holder. In furtherance of the foregoing, if reasonably requested by any holder, Cemex Espana shall provide information regarding Cemex Espana's business and financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes.

7.2 Officer's Certificate.

Each set of financial statements delivered to a holder pursuant to Section 7.1(a) or Section 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance -- the information (including detailed calculations, to the extent applicable) required in order to establish whether Cemex Espana was in compliance with the requirements of Sections 10.3 through 10.6 during the semi-annual or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Section, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default -- a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of Cemex Espana and its Subsidiaries from the beginning of the semi-annual or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of Cemex Espana or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action Cemex Espana shall have taken or proposes to take with respect thereto.

7.3 Inspection.

Cemex Espana and the Company shall permit the representatives of each holder that is an Institutional Investor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to Cemex Espana, to visit the principal executive offices of Cemex Espana and the Company, to discuss the affairs, finances and accounts of Cemex Espana and its Subsidiaries with the officers of Cemex Espana and the manager of the Company, and (with the consent of Cemex Espana, which consent will not be unreasonably withheld), and to visit the other offices and properties of Cemex Espana and each Material Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default -- if a Default or Event of Default then exists,

at the expense of the Company, to visit and inspect any of the offices or properties of Cemex Espana or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom and to discuss their respective affairs, finances and accounts with the officers of Cemex Espana and the manager of the Company and the independent public accountants of Cemex Espana (and by this provision Cemex Espana authorizes said accountants to discuss the affairs, finances and accounts of Cemex Espana and its Subsidiaries), all at such times and as often as may be reasonably requested;

provided that at all such meetings with independent public accountants, a representative of Cemex Espana is entitled to, but need not, be in attendance.

7.4 Maintenance of Books and Records.

Cemex Espana will, and will cause each of its Subsidiaries to, keep accurate records and books of account, in which complete entries will be made in accordance with relevant national accounting standards and practices (in the case of Cemex Espana, Spanish GAAP).

8. MATURITY; PREPAYMENT OF THE NOTES.

8.1 Stated Maturity.

(a) The entire principal amount of the Series A Notes shall become due and payable on June 13, 2010.

(b) The entire principal amount of the Series B Notes shall become due and payable on June 13, 2015.

8.2 Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, together with interest accrued but unpaid thereon to the date of such prepayment, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment (which date shall be a Business Day and shall be specified in such notice), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5) and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date. In the event the Company shall incorrectly compute the Make-Whole Amount, if any, payable in connection with any Note to be prepaid pursuant to this Section 8.2, the holder of such Note shall not be bound by such incorrect computation, but instead, shall be entitled to receive an amount equal to the correct Make-Whole Amount, if any, computed in compliance with the terms of this Agreement.

8.3 Optional Prepayment of Notes for Tax Reasons.

If the Company or Cemex Espana (assuming that Cemex Espana is required to make a payment) shall deliver to each holder (each, an "Affected Holder") to which an Additional Payment would be payable by the Company or Cemex Espana on the occasion of the next payment by the Company or Cemex Espana in respect of such Notes (in the case of Cemex Espana, in an amount greater than 10% of the amount which Cemex Espana would have been obligated to pay exclusive of the

requirements of Section 14.3) (the date of such next payment in respect of which such Additional Payment will be due is herein referred to as the "Affected Payment Date") written notice of a Responsible Officer (with respect to each incident in which a Related Tax is initially levied by a Taxing Jurisdiction that would result in the payment of an Additional Payment, a "Tax Prepayment Notice") setting forth in reasonable detail the nature of the Related Tax in respect of such Additional Payment and confirming that

(a) such Related Tax is required, under the laws of such Taxing Jurisdiction, to be withheld or deducted from the payment due to such Affected Holders on such Affected Payment Date and that such payment is the first payment in respect of which such particular Related Tax must be withheld (it being understood that the payment immediately following and reflecting a change in a pre-existing Related Tax shall be deemed the first payment with respect to such Related Tax), provided that if the enactment of the statute or regulation, the amendment of an existing statute or regulation or the adoption or amendment of a treaty giving rise to a Related Tax occurs less than 180 days prior to the due date of a payment in respect of the Notes that is subject to such Related Tax, then, at the election of the Company, the first payment in respect of the Notes, the due date of which is more than 180 days after such enactment, shall be deemed to be such first payment and

(b) as of the date of such opinion, such Related Tax would be required to be withheld from similar future payments to such Affected Holders,

then the Company may elect to prepay all (but not less than all) of the Notes held by each such Affected Holder, provided that the Company may not elect to so prepay if

(i) the Related Tax being levied is in respect of a payment under the Notes having an Affected Payment Date that is more than 180 days after the delivery of the notice from a Responsible Officer referred to above in respect of such Related Tax or

(ii) the Company (or, if applicable, Cemex Espana) shall have failed to take such reasonable actions as are provided by law so as to avoid the imposition of such Related Tax, or the Company (or, if applicable, Cemex Espana) shall have taken any action the direct result of which is the imposition of such Related Tax.

The Company shall deliver such Tax Prepayment Notice to each Affected Holder not less than 30 nor more than 60 days prior to the prepayment date (in respect of each Tax Prepayment Notice, a "Tax Prepayment Date"), which Tax Prepayment Date shall be the Affected Payment Date related to such Additional Payment, which Tax Prepayment Notice shall state the circumstances giving rise to the Company's (or, if applicable, Cemex Espana's) obligation to make such Additional Payment and shall set forth the Tax Prepayment Date. Such Tax Prepayment Notice shall also state that each Note of each such Affected Holder shall be prepaid on such Tax Prepayment Date at a price equal to 100% of the principal amount of such Note, together with an amount equal to the Make-Whole Amount, if any, as of the Tax Prepayment Date in respect of the principal amount of the Notes being so prepaid and interest on such principal amount then being prepaid accrued to the Tax Prepayment Date (as provided in the definition of Reinvestment Yield, in determining the Make-Whole Amount with respect to any prepayment under this Section 8.3, and only under this Section 8.3, the margin over the implied yield of U.S. Treasury Securities will be 0.85% rather than 0.50%). No Note of any Affected Holder shall be prepaid pursuant to this Section 8.3 if such Affected Holder shall, not less than five Business Days prior to the Tax Prepayment Date, deliver a written notice to the Company (which notice shall be binding on any transferee of such Note), stating that such Affected Holder unconditionally and irrevocably waives any right to any Additional Payment under Section 14.3 in respect of the specific event or condition (including with respect to the continuing or future effects of such specific event or condition on subsequent payments) that shall have given rise to the Company's prepayment right under this Section 8.3 (it being agreed

that no such waiver shall constitute a waiver of any other right to receive Additional Payments in respect of any event or condition other than the specific event or condition in respect of which such waiver shall be given). Two Business Days prior to the Tax Prepayment Date, the Company will deliver to each Affected Holder a certificate of a Responsible Officer specifying the principal amount of the Notes of such Affected Holders specified therein, together with the Make-Whole Amount, if any, as of the specified Tax Prepayment Date with respect thereto, if any, and accrued interest thereon shall become due and payable on the specified Tax Prepayment Date. In the event the Company shall incorrectly compute the Make-Whole Amount, if any, payable in connection with any Note to be prepaid pursuant to this Section 8.3, the holder of such Note shall not be bound by such incorrect computation, but instead, shall be entitled to receive an amount equal to the correct Make-Whole Amount, if any, computed in compliance with the terms of this Agreement. The Company will, promptly after making such prepayment, notify in writing all holders of Notes of the payment amount, and the name of the holder, of each Note prepaid under this Section 8.3.

8.4 Prepayment Upon Substantial Asset Disposition.

In the event that Cemex Espana or any Subsidiary (i) effects any sale, lease or other disposition of assets constituting a Substantial Asset Disposition and (ii) elects to apply the Net Proceeds Amount resulting from such Substantial Asset Disposition to the retirement of Senior Debt in accordance with Section 10.4, the Company will offer to prepay, by written notice to all holders as provided in the next sentence (a "Section 8.4 Notice"), a principal amount of each Note equal to the Pro Rata Amount of the Net Proceeds Amount of such Substantial Asset Disposition, together with accrued and unpaid interest due on each Note to the Disposition Prepayment Date (defined below), without any Make-Whole Amount. Each Section 8.4 Notice shall (i) describe the material facts of the related Substantial Asset Disposition in reasonable detail, (ii) refer to this Section 8.4 and the rights of each holder of the Notes to require that an amount equal to the Pro Rata Amount of the Net Proceeds Amount from such Substantial Asset Disposition be applied to the prepayment of such holder's Notes on the terms and conditions provided herein, (iii) contain an offer by the Company to apply an amount equal to the Pro Rata Amount of the Net Proceeds Amount to the prepayment of the principal of the outstanding Notes held by such holder, with accrued interest to the Disposition Prepayment Date, but not including any Make-Whole Amount, and (iv) set forth the date, which shall be not less than 30 nor more than 60 days following the date of the Section 8.4 Notice and not more than one year following the date of such Substantial Asset Disposition (the "Disposition Prepayment Date"), on which the Company shall make such prepayment. Each holder of the Notes shall have the right to accept such offer of prepayment by written notice to the Company given not later than 20 days following receipt of the Section 8.4 Notice. Holders that do not submit such a written notice to the Company accepting such offer of prepayment within such 20-day period shall be deemed to have rejected such offer. The Company shall on the relevant Disposition Prepayment Date prepay an amount equal to the Pro Rata Amount of the Net Proceeds Amount, together with accrued and unpaid interest to the Disposition Prepayment Date, without any Make-Whole Amount, and shall apply such amounts to the Notes held by holders who have accepted the Company's offer of prepayment.

8.5 Allocation of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.2U, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.6 Maturity; Surrender, etc.

In the case of each prepayment of Notes pursuant to this Section 8U, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if

any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.7 Purchase of Notes.

Cemex Espana and the Company will not, nor will Cemex Espana or the Company permit any Affiliate (to the extent that the Company or Cemex Espana controls such Affiliate), to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by any Obligor or an Affiliate pro rata to the holders of all Notes at the time outstanding upon the same terms and conditions. Any such offer pursuant to the preceding clause (b) shall provide each holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 30 Business Days. If the Required Holders accept such offer, the Company shall promptly notify the remaining holders of such fact and the expiration date for the acceptance by holders of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.8 Make-Whole Amount for Notes.

The term "Make-Whole Amount" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal; provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any Note, 0.50% (or 0.85% in the case of any prepayment under Section 8.3) plus the yield to maturity implied by: the yields reported, as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the displays designated as "Page PX1" on the Bloomberg Financial Markets Services Screen (or such other display as may replace Page PX1 on the Bloomberg Financial Markets Services Screen) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15(519) (or any comparable

successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the term to maturity closest to and greater than the Remaining Life and (2) the actively traded U.S. Treasury security with the term to maturity closest to and less than the Remaining Life.

"Remaining Life" means, with respect to any Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the maturity date of such Note.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date; provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of such Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, 8.3 or 12.1.

"Settlement Date" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

8.9 Change in Control, Offer to Prepay, etc.

(a) Notice and Offer. If a Responsible Officer shall have knowledge of Cemex having entered into a binding agreement that will give rise to a Change in Control, such agreement shall have been publicly disclosed, and it is reasonably practicable to give notice of such agreement to the holders prior to the expected effective date of such Change in Control (taking into account any applicable confidentiality agreements and other business considerations arising in connection with the negotiation of related transactions), Cemex Espana shall cause the Company to give each holder of the Notes notice of such agreement and such expected effective date no less than 10 Business Days prior to such expected effective date. Within 30 days of the actual effective date (if any) of such Change in Control, Cemex Espana will cause the Company to give written notice of such Change in Control to each holder. Such written notice of the actual effective date shall contain, and such written notice shall constitute, an irrevocable offer by the Company to prepay all of the Notes held by such holder (or, at the election of such holder, a portion of such Notes designated by such holder) on a date specified in such notice (the "Control Prepayment Date") that is not less than 30 days and not more than 60 days after the date of such written notice. If the Control Prepayment Date shall not be specified in such notice, the Control Prepayment Date shall be the 60th day after the date of such written notice.

(b) Acceptance and Payment. To accept (in whole or in part) or reject (in its entirety) such offered prepayment, a holder shall cause a notice of such acceptance or rejection to be delivered to the Company not later than five Business Days prior to the Control Prepayment Date. In such notice, such holder shall, if such notice is an acceptance, designate the principal amount of Notes that it has elected to have prepaid and, if such notice is a rejection, state that such holder is rejecting in its entirety such offered prepayment. If so accepted, such offered prepayment in respect of such principal amount of such Notes shall be due and payable on the Control Prepayment Date. Such accepted offered prepayment shall be made at 100% of the principal amount of such Notes so elected to be prepaid, together with interest on such principal amount accrued to the Control Prepayment Date, but not including any Make-Whole

Amount. If a holder shall not have responded to such offered prepayment on or prior to five Business Days prior to the Control Prepayment Date, such holder shall be deemed to have rejected, in its entirety, such offered prepayment.

(c) Officer's Certificate. Each offer to prepay the Notes pursuant to this Section 8.9 will be accompanied by an Officer's Certificate dated the date of such offer, specifying:

(i) the Control Prepayment Date;

(ii) the principal amount of each Note offered to be prepaid on such Control Prepayment Date;

(iii) the interest to be paid on each such Note, accrued to the Control Prepayment Date; and

(iv) in reasonable detail, the nature of the Change in Control.

(d) Notice Concerning Status of Holders of Notes. Promptly after each Control Prepayment Date and the making of all prepayments contemplated on such Control Prepayment Date under this Section 8.9 (and, in any event, within 30 days thereof) the Company shall deliver to each holder a certificate signed by a Responsible Officer of the Company containing a list of the then current holders of Notes and setting forth as to each such holder the outstanding principal amount of Notes held by such holder at such time.

9. AFFIRMATIVE COVENANTS.

Cemex Espana and the Company covenant that so long as any of the Notes are outstanding:

9.1 Compliance with Law.

Cemex Espana will and will cause each of its Subsidiaries to comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2 Insurance.

Cemex Espana will and will cause each of its Subsidiaries to maintain insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated, except to the extent that the failure to maintain such insurance would not have a Material Adverse Effect.

9.3 Maintenance of Properties.

Cemex Espana will and will cause each of its Subsidiaries to maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times; provided that this Section shall not prevent Cemex Espana or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and Cemex Espana has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material

Adverse Effect.

9.4 Payment of Taxes and Claims.

Cemex Espana will and will cause each of its Subsidiaries to file all Material tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes, assessments, charges and levies have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of Cemex Espana or any Subsidiary; provided that neither Cemex Espana nor any Subsidiary need pay any such tax, charge, levy, assessment or claim if (i) the amount, applicability or validity thereof is contested by Cemex Espana or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and Cemex Espana or a Subsidiary has established adequate reserves therefor in accordance with relevant national accounting standards and practices (in the case of Cemex Espana, Spanish GAAP) on the books of Cemex Espana or such Subsidiary or (ii) the nonpayment of all such taxes, assessments, charges, levies and claims in the aggregate would not reasonably be expected to have a Material Adverse Effect.

9.5 Corporate Existence, etc.

Cemex Espana will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.2 and 10.4, Cemex Espana will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into Cemex Espana or a Subsidiary) and all rights and franchises of Cemex Espana and its Subsidiaries unless, in the good faith exercise of the reasonable business judgment of Cemex Espana, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

9.6 Pari Passu Obligations.

Cemex Espana covenants that the obligations of each Obligor hereunder and under the Financing Documents rank at least pari passu with the claims of all other unsecured and unsubordinated creditors of such Obligor, except for obligations mandatorily preferred by law applying to companies generally (including but not limited to under paragraph 1, 2 or 3 of Article 913 of the Spanish Commercial Code (Codigo de Comercio), Articles 90 and 91 of the Spanish Insolvency Law (Law 22/2003), Article 32 of the Spanish Workers' Statute (Estatuto de los Trabajadores), Article 71 of the Spanish General Taxation Law (Ley General Tributaria) and Article 22 of the Spanish General Law on Social Security (Ley General de la Seguridad Social).

10. NEGATIVE COVENANTS.

Cemex Espana and the Company covenant that so long as any of the Notes are outstanding:

10.1 Transactions with Affiliates.

Cemex Espana will not and will not permit any Subsidiary to enter into directly or indirectly any transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than Cemex Espana or another Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of Cemex Espana's or such Subsidiary's business and upon fair and reasonable terms no less favorable to Cemex Espana or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

10.2 Merger, Consolidation, etc.

(a) Merger, Consolidation, etc. of Guarantors.

Cemex Espana will not, and will not permit any other Guarantor to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person unless:

(i) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such Guarantor as an entirety, as the case may be, shall be a Guarantor or a solvent Person organized and existing under the laws of the United States or any State thereof (including the District of Columbia) or any country that was a member of the EU as of April 30, 2004 (other than Greece) or any political subdivision thereof and, if a Guarantor is not the surviving Person, such Person (x) shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of such Guarantor's obligations under this Agreement (if such Guarantor was obligated hereunder immediately prior to such consolidation, merger, conveyance, transfer or lease) and the Note Guarantee and (y) shall have caused to be delivered to each holder of any Notes an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(ii) at the time of and immediately after giving effect to such transaction, no Default or Event of Default shall result from such transaction.

Except as provided in the next sentence, no such conveyance, transfer or lease of all or substantially all of the assets of a Guarantor shall have the effect of releasing such Guarantor or any successor Person that shall theretofore have become such in the manner prescribed in this Section 10.2(a) from any liability under this Agreement or the Note Guarantee. The Company shall have the right to cause any Guarantor to be released from liability under the Note Guarantee if (a) such Guarantor has conveyed, transferred or leased all or substantially all of its assets to another Person in accordance with this Section 10.2(a) and such Guarantor becomes dormant or otherwise stops conducting trading activity and (b) both immediately prior thereto and after giving effect to such release, no Default or Event of Default exists. Any such release shall be effective upon the Company providing notice thereof to each holder, which notice shall state that the foregoing conditions have been satisfied with respect to such release.

(b) Merger, Consolidation, etc. of the Company.

The Company shall not consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person unless:

(i) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be, shall be a solvent Person organized and existing under the laws of the United States or any State thereof (including the District of Columbia) or any political subdivision of any thereof and, if the Company is not the surviving Person, such Person (x) shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes and (y) shall have caused to be delivered to each holder of any Notes an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(ii) at the time of and immediately after giving effect to such transaction, no Default or Event of Default shall result from such transaction.

No such conveyance, transfer or lease of all or substantially all of the assets of the Company shall have the effect of releasing the Company or any successor Person that shall theretofore have become such in the manner prescribed in this Section 10.2(b) from its liability under this Agreement or the Notes.

10.3 Liens.

(a) Cemex Espana 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 of its property or assets or those of any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(i) 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 such reserves or other appropriate provision, if any, as shall be required by relevant national accounting standards and practices (in the case of Cemex Espana, Spanish GAAP) shall have been made;

(ii) 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 GAAP shall have been made;

(iii) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(iv) any judgment Lien, unless the judgment it secures shall not, within 90 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 90 days after the expiration of any such stay;

(v) Liens existing on the date of this Agreement as described in Schedule 10.3 (Existing Liens) and any Lien renewing or extending such Lien, provided that the principal amount of Financial Indebtedness secured by such Lien immediately prior thereto is not increased and such Lien is not extended to other property;

(vi) any Lien on property acquired by Cemex Espana 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 Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any payment of the purchase price, or to secure indebtedness incurred or assumed to pay all or any part of the purchase price, of property acquired by Cemex Espana or any of its Subsidiaries after the date of this Agreement; provided that (A) any such Lien permitted pursuant to this clause (vi) 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 by which the acquired Subsidiary will be directly or indirectly controlled) 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, (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 and (C) no such Lien shall be made in respect of any indebtedness in relation to repayment of which recourse may be had to Cemex Espana or any Subsidiary other than in relation to the item or items as referred to in clause (vi)(A) above;

(vii) any Lien renewing, extending or refinancing the indebtedness to which any Lien permitted by clause (vi) above relates; provided that the principal amount of indebtedness secured by such Lien immediately prior thereto is not increased and such Lien is not extended to other property;

(viii) the transfer of shares or any other instrument of title representing an equity participation in the Asia Fund into a trust, provided it does not secure Financial Indebtedness;

(ix) any Lien created on shares representing no more than a Stake in the Capital Stock of any of Cemex Espana'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 the 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 Cemex Espana's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Section 10.4; provided that such Lien may not secure Financial Indebtedness of Cemex Espana or any Subsidiary unless otherwise permitted under this clause (ix) and that the economic and voting rights in such Capital Stock is maintained by Cemex Espana in its Subsidiaries;

(x) any Lien on any asset of a Special Purpose Vehicle in connection with a Permitted Securitization; and

(xi) in addition to the Liens permitted by the foregoing clauses (i) through (x), Liens securing obligations of Cemex Espana and its Subsidiaries, Tprovided Tthat, after giving effect to the incurrence of such Liens and the concurrent retirement of any Financial Indebtedness and/or release of Liens, the outstanding principal amount of Priority Indebtedness does not exceed 15% of the Consolidated Total Assets of Cemex Espana and its Subsidiaries.

(b) This Section 10.3 shall not apply to any Lien if, the Obligors have made or caused to be made effective provision whereby the Notes are secured equally and ratably with, or prior to, the indebtedness secured by such Lien (other than Permitted Liens) for so long as such indebtedness is so secured.

10.4 Sales of Assets.

Cemex Espana will not, and will not permit any Subsidiary to, sell, lease or otherwise dispose of any substantial part (as defined below) of the assets of Cemex Espana and its Subsidiaries; provided, however, that Cemex Espana or any Subsidiary may sell, lease or otherwise dispose of assets constituting a substantial part of the assets of Cemex Espana and its Subsidiaries (a "Substantial Asset Disposition") if such assets are sold for at least Fair Market Value and, at such time and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, and an amount equal to the Net Proceeds Amount with respect to such Substantial Asset Disposition (determined without subtracting therefrom clause (b)(v) of the definition of "Net Proceeds Amount") shall be used within one year of such disposition as follows:

(1) to prepay or retire Senior Debt of Cemex Espana or a Subsidiary, provided that if any Senior Debt is prepaid pursuant to the terms of this Section 10.4, the Company shall offer to prepay the Notes in accordance with the terms of Section 8.4 of this Agreement; or

(2) to the extent not used to prepay Senior Debt as set forth in clause (1) above, to acquire assets used or useful in carrying on the business of Cemex Espana and its Subsidiaries and having a Fair Market Value at least equal to the acquisition price thereof.

For purposes of any determination pursuant to this Section 10.4, the Company shall be given credit for all amounts applied in accordance with the preceding clauses (1) and (2) during the applicable one-year period but shall not be required to apply any amount in accordance with the preceding clauses (1) and (2) unless the book value of the assets that have been sold or otherwise disposed of during the applicable one-year period is in excess of 15% of Consolidated Total Assets of Cemex Espana and its Subsidiaries (determined as set forth below).

If the Company makes an offer to prepay the Notes in accordance with the terms of Section 8.4 of this Agreement with respect to any Net Proceeds Amount, to the extent any holder rejects (or is deemed to have rejected) such offer of prepayment, the Pro Rata Amount allocable to such holder may be applied to general corporate purposes of Cemex Espana and its Subsidiaries (including, without limitation, the repayment of Financial Indebtedness of Cemex Espana and its Subsidiaries and for acquisitions).

As used in this Section 10.4, a sale, lease or other disposition of assets shall be deemed to be a "substantial part" of the assets of Cemex Espana and its Subsidiaries if the book value of such assets, when added to the book value of all other assets sold, leased or otherwise disposed of by Cemex Espana and its Subsidiaries during the period of 12 consecutive calendar months immediately preceding such proposed disposition, exceeds 15% of Consolidated Total Assets of Cemex Espana and its Subsidiaries (determined as of the beginning of such twelve-month period, but giving effect to any acquisition of any Subsidiary or all or substantially all the assets of any Person during such period); provided that in no event will (a) any Excluded Disposition constitute a sale of a "substantial part" of the assets of Cemex Espana and its Subsidiaries or (b) the book value of the assets sold in any Excluded Disposition be counted in determining whether such 15% limit has been exceeded.

"Excluded Disposition" means any (i) transaction in the ordinary course of business, (ii) transaction in which Cemex Espana or a Subsidiary is the purchaser, (iii) transaction in which any assets acquired in an acquisition of a Person or of a business are sold, transferred or otherwise disposed of for not less than Fair Market Value to a Person that is not Cemex Espana or a Subsidiary within one year of such acquisition, (iv) purchase by Cemex Espana or its Subsidiary of any of its shares or any dividend or other distribution made or paid by Cemex Espana or its Subsidiary to its equityholders, (v) payment or transfer of cash, (vi) disposal of assets not required for the efficient operation of the businesses of Cemex Espana and its Subsidiaries for not less than Fair Market Value, (vii) disposal of investments or financial assets on an arm's length basis for Fair Market Value, (viii) application of the proceeds of any issuance of securities (whether equity or debt) or other financial obligations for the purpose stated in the offering memorandum or any other document related to such issuance or (ix) disposal pursuant to any Permitted Securitization, sale-leaseback transaction or other asset-backed financing.

10.5 Financial Covenants.

(a) Minimum Consolidated Net Worth. Cemex Espana will not permit Consolidated Net Worth as of the last day of any Relevant Period to be less than (euro)2,000,000,000.

(b) Maximum Leverage Ratio. Cemex Espana will not permit the ratio of Net Borrowings to Adjusted EBITDA calculated on a Rolling Basis as of the last day of any Relevant Period to exceed 3.5 to 1.0.

(c) Minimum Interest Coverage Ratio. Cemex Espana will not permit the ratio of EBITDA to Finance Charges calculated on a Rolling Basis as of the last day of any Relevant Period to be less than 2.5 to 1.0.

10.6 Limitation on Non-Guarantor Financial Indebtedness.

Cemex Espana will not, at any time, permit any Subsidiary (other than the Company) to, directly or indirectly, create, incur, assume, guaranty, have outstanding or otherwise become or remain directly or indirectly liable with respect to, any Financial Indebtedness other than:

(a) Financial Indebtedness arising under the Note Guarantee;

(b) Financial Indebtedness of a Subsidiary that is an Excluded Subsidiary Guarantor;

(c) Financial Indebtedness of a Subsidiary outstanding on the date hereof and disclosed on Schedule 5.15 (Existing Financial Indebtedness), and any Financial Indebtedness extending the maturity of, or refunding or refinancing, the same, provided that (i) 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 and (ii) the aggregate amount of all Financial Indebtedness that has been extended, refunded or refinanced under this clause (c) shall not exceed $100,000,000 (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, refinancings and refundings shall be counted against the foregoing amount and (y) any Financial Indebtedness incurred in a currency other than Dollars pursuant to this clause (c) shall continue to be permitted under this clause (c), 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);

(d) Financial Indebtedness of a Subsidiary owed to Cemex Espana, the Company or another Subsidiary;

(e) Financial Indebtedness of a Subsidiary that is (i) outstanding at the time such Subsidiary becomes a Subsidiary 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;

(f) any Financial Indebtedness extending the maturity of the Financial Indebtedness referred to in clause (e) above, or any refunding or refinancing of the same, Tprovided thatT 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;

(g) Financial Indebtedness of a Subsidiary 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 Cemex Espana, and the lending or other advance of the net proceeds of such debt obligations (whether directly or indirectly) to the Company or an Excluded Subsidiary Guarantor, and (ii) has no significant assets other than promissory notes and other contract rights in respect of funds advanced to the Company or the Excluded Subsidiary Guarantors;

(h) Financial Indebtedness of a Subsidiary 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 Cemex Espana or its Subsidiaries pursuant to such pooling arrangement; and

(i) Financial Indebtedness of a Subsidiary in addition to that otherwise permitted by the foregoing provisions of this Section 10.6, provided that on the date the Subsidiary incurs or otherwise becomes liable with respect to such Financial Indebtedness and immediately after giving effect thereto and the concurrent retirement of any Financial Indebtedness and/or release of

Liens, the aggregate outstanding principal amount of all Priority Indebtedness does not exceed 15% of Consolidated Total Assets of Cemex Espana and its Subsidiaries.

11. EVENTS OF DEFAULT.

An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) Cemex Espana or the Company defaults in the performance of or compliance with any term contained in Section 7.1(d), U10.2, 10.4, 10.5 or 10.6 and such default is not remedied within 10 Business Days after the earlier of (i) a Senior Financial Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this clause (c) of Section 11); or

(d) Cemex Espana or the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in clauses (a), (b) and (c) of this Section 11) and such default is not remedied within 30 days after the earlier of (i) a Senior Financial Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this clause (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of Cemex Espana or the Company or by any officer of Cemex Espana or the manager of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) Cemex Espana or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal or premium or make-whole amount or interest on any Financial Indebtedness in an aggregate principal amount of at least $50,000,000 (or the equivalent thereof, as of any date of determination, in any other currency) other than Financial Indebtedness outstanding under this Agreement, the Notes or the Note Guarantee, when the same becomes due and payable (whether by way of scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the relevant agreement or instrument relating to such Financial Indebtedness or (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Financial Indebtedness beyond any period of grace provided with respect thereto, if the effect of such event or condition is to accelerate the maturity of such Financial Indebtedness or (iii) any such Financial Indebtedness shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required payment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Financial Indebtedness shall be required to be made, in each case prior to the stated maturity thereof; or

(g) the Company, Cemex Espana or any of its Material

Subsidiaries (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company, Cemex Espana or any of its Material Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, Cemex Espana or any of its Material Subsidiaries, or any such petition shall be filed against the Company, Cemex Espana or any of its Material Subsidiaries and such petition shall not be dismissed within 90 days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of $50,000,000 (or the equivalent thereof if denominated in a currency other than euro) (excluding in the calculation of such $50,000,000 any final judgment to the extent, but only to the extent, such judgment will be covered by payments from insurance maintained by Cemex Espana or any Subsidiary (x) in respect of which insurance the issuer thereof has agreed, in writing, to make such payments in respect of such judgment and (y) the issuer of which insurance is an independent commercial insurer that, in the good faith opinion of the Board of Directors of Cemex Espana, is capable of discharging its payment obligations in connection with such insurance) are rendered against one or more of Cemex Espana and the Subsidiaries and which judgments are not, within 90 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 90 days after the expiration of such stay; or

(j) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified Cemex Espana or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) Cemex Espana or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (iv) Cemex Espana or any ERISA Affiliate withdraws from any Multiemployer Plan or (v) Cemex Espana or any Subsidiary establishes or amends any employee welfare benefit plan (as defined in section 3(1) of ERISA) that provides post-employment welfare benefits in a manner that would increase the liability of Cemex Espana or any Subsidiary thereunder; and any such event or events described in clauses (i) through (v) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect; or

(k) the Note Guarantee shall cease to be in full force and effect with respect to Cemex Espana or any other Guarantor; or Cemex Espana or any other Guarantor (or any Person by, through or on behalf

of Cemex Espana or such other Guarantor) shall contest in any manner the validity, binding nature or enforceability of the Note Guarantee.

12. REMEDIES ON DEFAULT, ETC.

12.1 Acceleration.

(a) If an Event of Default with respect to the Company described in clause (g) or (h) of Section 11 (other than an Event of Default described in clause (g)(i) or described in clause (g)(vi) by virtue of the fact that such clause encompasses clause (g)(i)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in clause (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company, in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the Required Holders by written notice to the Company may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17 and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4 No Waivers or Election of Remedies, Expenses, etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

13.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor a complete and correct copy of the names and addresses of all registered holders of Notes.

13.2 Transfer and Exchange of Notes.

Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same series in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of the Note of such series originally issued hereunder. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $500,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of a series, one Note of such series may be in a denomination of less than $500,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1 and 6.2.

13.3 Replacement of Notes.

Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder

of a Note with a minimum net worth of at least $50,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

14. PAYMENTS ON NOTES.

14.1 Place of Payment.

Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at Citibank, N.A, 111 Wall Street, 14th Floor, New York, New York 10043, Corporate Agency and Trust Department. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in the United States.

14.2 Home Office Payment.

So long as any Purchaser or a nominee of such Purchaser shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name on Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by any Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by any Purchaser under this Agreement and that has made the same agreement relating to such Note as such Purchaser has made in this Section 14.2.

14.3 Tax Indemnification.

(a) Payments Free and Clear. All payments to be made by the Company under this Agreement and the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, assessments or fees of whatever nature, but excluding franchise taxes and taxes imposed on or measured by any holder's net income or receipts (such non-excluded items, "Related Taxes"), imposed or levied by or on behalf of Spain, The Netherlands, the United States or any jurisdiction from or through which any amount is paid by the Company pursuant to the terms of this Agreement or the Notes (or any political subdivision or taxing authority of or in any such jurisdiction) (a "Taxing Jurisdiction"), unless the withholding or deduction of any such Related Tax is required by law.

(b) Gross-Up, etc. If any deduction or withholding for any present or future Related Tax of a Taxing Jurisdiction shall at any time be required in respect of any amount to be paid by the Company under this Agreement or the

Notes, the Company will promptly (i) pay over to the government or taxing authority of the Taxing Jurisdiction imposing such Related Tax the full amount required to be deducted or withheld by the Company (including the full amount required to be deducted or withheld from or otherwise paid by the Company in respect of any Additional Payment required to be made pursuant to clause (ii) of this Section 14.3(b)) and (ii) except as expressly provided below, pay to each holder entitled under this Agreement to receive the payment from which the amount referred to in the foregoing clause (i) has been so deducted or withheld such additional amount as is necessary in order that the amount received by such holder after any required deduction or withholding of Related Tax (including, without limitation, any required deduction, withholding or other payment of Related Tax on or with respect to such additional amount) shall equal the amount such holder would have received had no such deduction, withholding or other payment of Related Tax been paid (the "Additional Payment"), and if any holder pays any amount in respect of any Related Tax on any payment due from the Company hereunder or under the Notes, or penalties or interest thereon, then the Company shall reimburse such holder for that payment upon demand, provided that no payment of any Additional Payment, or of any such reimbursement in respect of any such payment made by any such holder, shall be required to be made for or on account of:

(A) any Related Tax that would not have been imposed but for the existence of any present or former connection between such holder and the Taxing Jurisdiction or any territory or possession or area subject to the jurisdiction of the Taxing Jurisdiction, other than the mere holding of the relevant Note, including, without limitation, such holder's being or having been a citizen or resident thereof, or being or having been present or engaged in a trade or business therein or having an establishment therein;

(B) any such holder that is not a resident of the United States of America or, with respect to any payment hereunder or under the Notes owing to such holder, all or any part of which represents income that is not subject to United States tax as income of a resident of the United States of America to the extent that, had such holder been a resident of the United States of America or had the payment been so subject to United States tax, or had the payment been made to a location within the United States of America, the provisions of a statute, treaty or regulation of the Taxing Jurisdiction would have enabled an exemption to be claimed from the Related Tax in respect of which an Additional Payment would otherwise have been payable; or

(C) any combination of the items or conditions described in clause (A) or clause (B) of this Section 14.3(b); and

provided further that the Company shall not be obliged to pay any Additional Payment to any holder of a Note in respect of Related Taxes to the extent such Related Taxes exceed the Related Taxes that would have been payable but for the delay or failure by such holder (after receiving a written request from Cemex Espana or the Company to make such filing and including copies (together with instructions in English) of forms, certificates, documents, applications or other reasonably required evidence (collectively, "Forms") to be filed) in the filing with an appropriate Governmental Authority or otherwise of Forms required to be filed by such holder to avoid or reduce such Related Taxes and that in the case of any of the foregoing would not result in any confidential income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, provided that such holder shall be deemed to have satisfied the requirements of this proviso upon the good faith completion and submission of such Forms as may be specified in a written request of the Company no later than 45 days after receipt by such holder of such written request.

(c) Official Receipt. If the Company shall make any such Additional Payment, it will promptly furnish each holder receiving such Additional Payment under this Section 14.3U an official receipt issued by the relevant taxation or other authorities involved for all amounts deducted or withheld as aforesaid.

(d) Other. Each holder agrees to use its best efforts to comply (after a reasonable period to respond) with a written request of the Company delivered to such holder to provide information (other than any confidential or proprietary information) concerning the nationality, residence or identity of such holder, and to make such declaration or other similar claim or reporting requirement regarding such information (copies of the forms of which declaration, claim or reporting requirement shall have been provided to such holder by the Company), that is required by a statute, treaty or regulation of the Taxing Jurisdiction as a precondition to exemption from all or part of any Related Tax. The Company agrees to reimburse each holder for such holder's reasonable out-of-pocket expenses, if any, incurred in complying with any such request of such Person.

(e) Tax Refund. If the Company makes an Additional Payment under this Section 14.3 for the account of any Person and such Person is entitled to a refund of any portion of the tax (a "Tax Refund"), to which such payment is attributable, and such Tax Refund may be obtained by filing one or more Forms, then such Person shall after receiving a written request therefor from the Company (which request shall specify in reasonable detail the Forms to be filed), file such Forms. If such Person subsequently receives such a Tax Refund, and such Person is readily able to identify the Tax Refund as being attributable to the tax with respect to which an Additional Payment was made, then such Person shall reimburse the Company such amount as such Person shall determine acting in good faith to be the proportion of the Tax Refund, together with any interest received thereon, attributable to such Additional Payment as will leave such Person after the reimbursement (including such interest) in no better or worse position than it would have been if the Additional Payment had not been required. Nothing in this clause (e) shall obligate any holder to disclose any information regarding its tax affairs or computations to the Company.

(f) Survival. The obligations of the Company and the holders under this Section 14.3 shall survive the payment in full of the Notes and the termination of this Agreement.

14.4 Currency of Payment.

(a) Payment in Dollars. All payments under the Notes shall be made in Dollars.

(b) Certain Expenses. If any expense required to be reimbursed pursuant to this Agreement or the Notes is originally incurred in a currency other than Dollars, the Company shall nonetheless make reimbursement of that expense in Dollars, in an amount equal to the amount in Dollars that would have been required for the Person that incurred such expense to have purchased, in accordance with normal banking procedures, the sum paid in such other currency (after any premium and costs of exchange) on the day that expense was originally incurred.

(c) Payments Not in Dollars. To the fullest extent permitted by applicable law, the obligations of the Company in respect of any amount due under or in respect of this Agreement and the Notes shall (notwithstanding any payment in any other currency, whether as a result of any judgment or order or the enforcement thereof, the realization of any security, the liquidation of any Obligor, any voluntary payment by any Obligor or otherwise) be discharged only to the extent of the amount in Dollars that each holder entitled to receive such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which such holder receives such payment. If the amount in Dollars that may be so purchased for any reason falls short of the amount originally due, the Company shall indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an

amount due under this Agreement or the Notes or under any judgment or order.

15. EXPENSES, ETC.

15.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company and Cemex Espana will pay all reasonable costs and expenses (including reasonable attorneys' fees of one special U.S. counsel and one special Spanish counsel for the Purchasers, provided that, as to the costs and expenses of Spanish counsel, Cemex Espana and the holders shall have agreed upon the scope of work to be done by such Spanish counsel prior to its engagement) incurred by the Purchasers in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Note Guarantee or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Note Guarantee or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Note Guarantee or the Notes, or by reason of being a holder of any Note; (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company, Cemex Espana or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Note Guarantee and by the Notes; and (c) the fees and costs incurred in connection with the initial filing of this Agreement and all related documents and financial information, and all subsequent annual and interim filings of documents and financial information related to this Agreement (provided the Company shall not be required to pay more than $2,500 per year in respect of subsequent annual and interim filings), with the SVO. The Company and Cemex Espana will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of the fees, costs or expenses, if any, of brokers and finders (other than those retained by any Purchaser).

15.2 Survival.

The obligations of the Company and Cemex Espana under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Note Guarantee or the Notes, and the termination of this Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the related Notes, the purchase or transfer by any Purchaser of any such Note or portion thereof or interest therein and may be relied upon by any subsequent holder of any such Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder of any such Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company or Cemex Espana pursuant to this Agreement shall be deemed representations and warranties of the Company and Cemex Espana under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the Purchasers and the Company and Cemex Espana and supersede all prior agreements and understandings relating to the subject matter hereof.

17. AMENDMENT AND WAIVER.

17.1 Requirements.

This Agreement, the Note Guarantee and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of Cemex Espana, the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used in any such Section), will be

effective as to any holder unless consented to by such holder in writing and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver or (iii) amend Section 8, 11(a), 11(b), 12, 17 or 20.

17.2 Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof, the Note Guarantee or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder as consideration for or as an inducement to the entering into by any holder of any waiver or amendment of any of the terms and provisions hereof or of the Note Guarantee unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder then outstanding even if such holder did not consent to such waiver or amendment.

17.3 Binding Effect, etc.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon Cemex Espana and the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company, Cemex Espana and the holder of any Note nor any delay in exercising any rights hereunder, under the Note Guarantee or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

17.4 Notes held by Company, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Note Guarantee or the Notes, or have directed the taking of any action provided herein, in the Note Guarantee or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company, Cemex Espana or any of its Affiliates shall be deemed not to be outstanding.

18. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (b) by registered or certified mail with return receipt requested (postage prepaid) or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications on Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company and Cemex Espana in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing or, if to the Company or Cemex Espana, at Hernandez de Tejada - 1, 28027 Madrid, Spain, Facsimile number:+ 34 91 377-6500, phone number: + 34 91 377-6516, to the attention of Santiago Puelles/Francisco Lopez, with a copy to Cemex Espana at Ave. Ricardo Margain Zozaya, n(0) 325, Col. Valle del Campestre, Garza Garcia, Nuevo Leon, 66220 Mexico, facsimile number: +52 81 8888-4519, to the attention of Francisco Contreras, and with a copy (which shall constitute notice hereunder) to Mayer, Brown, Rowe & Maw LLP, 1675 Broadway, 19th Floor, New York, NY 10019, facsimile number: 1-212-262-1910, to the attention of Peter V. Darrow or at such other address as the Company or Cemex Espana shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

Each document, instrument, financial statement, report, notice, Form or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof, which translation shall be certified by a Responsible Officer.

The Financing Documents have been prepared and signed in English and the parties hereto agree that the English versions of this Agreement and the other Financing Documents shall be the only versions valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language of any Financing Document, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in the Kingdom of Spain or The Netherlands in respect of any Financing Document.

19. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves) and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and such Purchaser may destroy any original document so reproduced. Each of Cemex Espana and the Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit Cemex Espana, the Company or any other holder from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

20. CONFIDENTIAL INFORMATION.

For the purposes of this Section 20, "Confidential Information" means information delivered to any Purchaser by or on behalf of Cemex Espana or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of Cemex Espana or any Subsidiary; provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such

disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on the behalf of such Purchaser, (c) otherwise becomes known to such Purchaser other than through disclosure by Cemex Espana or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser; provided that such Purchaser may deliver or disclose Confidential Information to (i) such Purchaser's directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser's Notes), (ii) such Purchaser's financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20U, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any Person from which such Purchaser offers to purchase any security of the Company or Cemex Espana (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, the Note Guarantee and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20U as though it were a party to this Agreement. On reasonable request by Cemex Espana in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with Cemex Espana embodying the provisions of this Section 20.

21. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of such Purchaser's Affiliates as the purchaser of the Notes that such Purchaser has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such words shall be deemed to refer to such Affiliate in lieu of such Purchaser. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to such Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such words shall no longer be deemed to refer to such Affiliate, but shall refer to such Purchaser, and such Purchaser shall have all the rights of an original holder of the Notes under this Agreement.

22. MISCELLANEOUS.

22.1 Successors and Assigns.

All covenants and other agreements contained in this Agreement by or

on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

22.2 Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

22.3 Severability.

Any provision of this Agreement that 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, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

22.4 Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or that such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

22.5 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

22.6 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.

22.7 Jurisdiction; Service of Process.

EACH OF CEMEX ESPANA AND THE COMPANY HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND/OR ANY OTHER FINANCING DOCUMENT, OR ANY ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT IN RESPECT OF ANY BREACH HEREUNDER OR UNDER ANY OTHER FINANCING DOCUMENT, BROUGHT BY ANY HOLDER OF A NOTE AGAINST CEMEX ESPANA OR THE COMPANY OR ANY OF THEIR RESPECTIVE PROPERTIES, MAY BE BROUGHT BY SUCH HOLDER OF A NOTE IN THE COURTS OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY, AS SUCH HOLDER OF A NOTE MAY IN ITS SOLE DISCRETION ELECT, AND BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT EACH OF CEMEX ESPANA AND THE COMPANY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF EACH SUCH COURT AND AGREES THAT PROCESS SERVED EITHER PERSONALLY OR BY REGISTERED MAIL ON CEMEX ESPANA, THE COMPANY OR A DESIGNATED AGENT SHALL CONSTITUTE, TO THE EXTENT PERMITTED BY LAW, ADEQUATE SERVICE OF PROCESS IN ANY SUCH SUIT, AND EACH OF CEMEX ESPANA AND THE COMPANY IRREVOCABLY WAIVES AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, ANY CLAIM THAT IT IS NOT SUBJECT TO THE JURISDICTION OF ANY SUCH COURT. RECEIPT OF PROCESS SO SERVED SHALL BE CONCLUSIVELY PRESUMED AS EVIDENCED BY A DELIVERY RECEIPT FURNISHED BY THE UNITED STATES POSTAL SERVICE OR ANY COMMERCIAL DELIVERY SERVICE. WITHOUT LIMITING THE FOREGOING, EACH OF CEMEX

ESPANA AND THE COMPANY HEREBY APPOINTS, IN THE CASE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN THE COURTS OF OR IN THE STATE OF NEW YORK, CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, NEW YORK, NEW YORK 10011, TO RECEIVE, FOR IT AND ON ITS BEHALF, SERVICE OF PROCESS IN THE STATE OF NEW YORK WITH RESPECT THERETO AT ANY AND ALL TIMES. EACH OF CEMEX ESPANA AND THE COMPANY WILL TAKE ANY AND ALL ACTION, INCLUDING THE EXECUTION AND FILING OF ALL SUCH DOCUMENTS AND INSTRUMENTS AND TIMELY PAYMENTS OF FEES AND EXPENSES, AS MAY BE NECESSARY TO EFFECT AND CONTINUE THE APPOINTMENT OF SUCH AGENT IN FULL FORCE AND EFFECT, OR IF NECESSARY BY REASON OF ANY FACT OR CONDITION RELATING TO SUCH AGENT, TO REPLACE SUCH AGENT (BUT ONLY AFTER HAVING GIVEN NOTICE THEREOF TO EACH HOLDER OF NOTES AND ANY SUCCESSOR AGENT IS REASONABLY ACCEPTABLE TO REQUIRED HOLDERS). EACH OF CEMEX ESPANA AND THE COMPANY AGREES THAT SERVICE OF PROCESS UPON SUCH AGENT SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON EACH OF CEMEX ESPANA AND THE COMPANY IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT. EACH OF CEMEX ESPANA AND THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIM OR ERROR BY REASON OF ANY SUCH SERVICE IN SUCH MANNER AND AGREES THAT SUCH SERVICE SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON EACH OF CEMEX ESPANA AND THE COMPANY IN ANY SUCH SUIT, ACTION OR PROCEEDING AND SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, BE TAKEN AND HELD TO BE VALID AND PERSONAL SERVICE UPON AND PERSONAL DELIVERY TO EACH OF CEMEX ESPANA AND THE COMPANY. IN ADDITION, EACH OF CEMEX ESPANA AND THE COMPANY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND/OR ANY OTHER FINANCING DOCUMENT BROUGHT IN SUCH COURTS, AND HEREBY IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF ANY HOLDER OF A NOTE TO SERVE ANY SUCH WRITS, PROCESS OR SUMMONSES IN ANY MANNER PERMITTED BY APPLICABLE LAW OR TO OBTAIN JURISDICTION OVER CEMEX ESPANA OR THE COMPANY IN SUCH OTHER JURISDICTION, AND IN SUCH MANNER, AS MAY BE PERMITTED BY APPLICABLE LAW. NOTHING IN THIS SECTION 22.7 SHALL BE DEEMED TO LIMIT ANY OTHER SUBMISSION TO JURISDICTION, WAIVER OR OTHER AGREEMENT BY CEMEX ESPANA OR THE COMPANY CONTAINED IN ANY OTHER FINANCING DOCUMENT. TO THE EXTENT THAT CEMEX ESPANA OR THE COMPANY 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, EACH OF CEMEX ESPANA AND THE COMPANY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS.

22.8 Judgment Currency.

Each of Cemex Espana and the Company agrees that if, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under the Notes in any currency into another currency, to the fullest extent permitted by law, the rate of exchange used shall be that at which in accordance with normal banking procedures a holder could purchase such first currency with such other currency on the Business Day preceding that on which final judgment is given.

* * * * *

The execution hereof by the Purchasers shall constitute a contract among Cemex Espana, the Company and the Purchasers for the uses and purposes hereinabove set forth.

Very truly yours,

CEMEX ESPANA, S.A.

By: /s/ Javier Garcia

Title: Attorney-in-fact

CEMEX ESPANA FINANCE LLC

By: /s/ Javier Garcia

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 AVIVA LIFE-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 T. Rist

Name: Bernadette T. Rist
Title: Authorized Signatory

The foregoing is hereby
agreed to as of the
date hereof:

Mellon Bank, N.A., solely in its capacity as Custodian for AVIVA LIFE-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 T. Rist

Name: Bernadette T. Rist
Title: Authorized Signatory

The foregoing is hereby
agreed to as of the
date hereof:

GENERAL AMERICAN LIFE INSURANCE COMPANY
By: METROPOLITAN LIFE INSURANCE COMPANY, ITS INVESTMENT MANAGER

By: /s/ Judith A. Gulotta

Name: Judith A. Gulotta
Title: Director

The foregoing is hereby
agreed to as of the
date hereof:

ING LIFE INSURANCE AND ANNUITY COMPANY
ING USA ANNUITY AND LIFE INSURANCE COMPANY
SECURITY LIFE OF DENVER INSURANCE COMPANY
BY: ING INVESTMENT MANAGEMENT LLC, AS AGENT

By: /s/ Kurt E. Oppermann

Name: Kurt E. Opperman
Title: Vice President

The foregoing is hereby
agreed to as of the
date hereof:

KNIGHTS OF COLUMBUS

By: /s/ Donald R. Kehoe

Name: Donald R. Kehoe
Title: Assistant Supreme Secretary

The foregoing is hereby
agreed to as of the
date hereof:

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ Judith A. Gulotta

Name: Judith A. Gulotta
Title: Director

The foregoing is hereby
agreed to as of the
date hereof:

METROPOLITAN TOWER LIFE INSURANCE COMPANY
BY: METROPOLITAN LIFE INSURANCE COMPANY, ITS INVESTMENT MANAGER

By: /s/ Judith A. Gulotta

Name: Judith A. Gulotta
Title: Director

The foregoing is hereby
agreed to as of the
date hereof:

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY
NATIONWIDE LIFE INSURANCE COMPANY
NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT

By: /s/ Mark W. Poeppelman

Name: Mark W. Poeppelman
Title: Authorized Signatory

The foregoing is hereby
agreed to as of the
date hereof:

NEW ENGLAND LIFE INSURANCE COMPANY
BY: METROPOLITAN LIFE INSURANCE COMPANY, ITS INVESTMENT MANAGER

By: /s/ Judith A. Gulotta

Name: Judith A. Gulotta
Title: Director

The foregoing is hereby
agreed to as of the
date hereof:

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

The foregoing is hereby
agreed to as of the
date hereof:

NEW YORK LIFE INSURANCE COMPANY

By: /s/ Lisa A. Scuderi

Name: Lisa A. Scuderi
Title: Investment Vice President

The foregoing is hereby
agreed to as of the date hereof:

PACIFIC LIFE INSURANCE COMPANY
(NOMINEE: MAC & CO)

By: /s/ Violet Osterberg

Name: Violet Osterberg
Title: Assistant Vice President

By: /s/ David C. Patch

Name: David C. Patch
Title: Assistant Secretary

The foregoing is hereby
agreed to as of the date hereof:

PHL VARIABLE INSURANCE COMPANY

By: /s/ Christopher M. Wilkos

Name: Christopher M. Wilkos
Title: Senior Vice President

The foregoing is hereby
agreed to as of the date hereof:

PRINCIPAL LIFE INSURANCE COMPANY
BY: PRINCIPAL GLOBAL INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY,
ITS AUTHORIZED SIGNATORY

By: /s/ Douglas A. Drees

Name: Douglas A. Drees
Title: Counsel

By: /s/ Christopher J. Henderson

Name: Christopher J. Henderson
Title: Counsel

The foregoing is hereby
agreed to as of the date hereof:

RGA REINSURANCE COMPANY, A MISSOURI CORPORATION
BY: PRINCIPAL GLOBAL INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY,
ITS AUTHORIZED SIGNATORY

By: /s/ Douglas A. Drees

Name: Douglas A. Drees
Title: Counsel

By: /s/ Christopher J. Henderson

Name: Christopher J. Henderson
Title: Counsel

The foregoing is hereby agreed
to as of the date hereof:

SYMETRA LIFE INSURANCE COMPANY, A WASHINGTON CORPORATION
BY: PRINCIPAL GLOBAL INVESTORS, LLC, A DELAWARE LIMITED LIABILITY COMPANY,
ITS AUTHORIZED SIGNATORY

By: /s/ Douglas A. Drees

Name: Douglas A. Drees
Title: Counsel

By: /s/ Christopher J. Henderson

Name: Christopher J. Henderson
Title: Counsel

The foregoing is hereby agreed
to as of the date hereof:

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

By: /s/ Lisa M. Ferraro

Name: Lisa M. Ferraro
Title: Director

The foregoing is hereby agreed
to as of the date hereof:

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/ Douglas A. Drees

Name: Douglas A. Drees
Title: Counsel

By: /s/ Christopher J. Henderson

Name: Christopher J. Henderson
Title: Counsel

The foregoing is hereby agreed
to as of the date hereof:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Barry J. Scheinholtz

Name: Barry J. Scheinholtz
Title: Private Placements Manager

The foregoing is hereby agreed
to as of the date hereof:

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ David A. Barras

Name: David A. Barras
Title: Authorized Representative

The foregoing is hereby agreed
to as of the date hereof:

TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY

By: /s/ Debra R. Thompson

Name: Debra R. Thompson
Title: Vice President

SCHEDULE A

INFORMATION RELATING TO PURCHASERS

SERIES A NOTES

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
ING LIFE INSURANCE AND ANNUITY COMPANY	$12,000,000	$10,000,000 (RA - 1) $2,000,000 (RA - 2)

(1) All payments on account of the above Notes numbered RA - 1 and RA - 2 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021000018
BFN: IOC 566/INST'L CUSTODY (for principal and interest payments)
BFN: IOC 565/INST'L CUSTODY (for all other payments)
Account No.: 216101 and PPN 15128@ AF 0
Attn: P&I Department
Ref.: ING Life Insurance and Annuity Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Operations/Settlements

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, Georgia 30327-4349
United States of America
Facsimile: (770) 690-4886

(3) Address for all other communications and notices:

Private Placements
ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, Georgia 30327-4349
United States of America
Facsimile: (770) 690-5057

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 71-0294708

(6) Original Notes to be sent to:

The Bank of New York
Window A - 3rd Floor
One Wall Street
New York, New York 10286
United States of America
Ref: ALI - Account No. 216101

with copy to:

Private Placements
ING Investment Management LLC
Suite 300
5780 Powers Ferry Road, NW
Atlanta, Georgia 30327-4349
United States of America
Fax: (770) 690-5057

PRINCIPAL PURCHASER

Series A

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
ING USA ANNUITY AND LIFE INSURANCE COMPANY	$10,000,000	$10,000,000 (RA - 3)

(1) All payments on account of the above Note numbered RA - 3 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021000018
BFN: IOC 566/INST'L CUSTODY (for principal and interest payments)
BFN: IOC 565/INST'L CUSTODY (for all other payments)
Account No.: 136373 and PPN 15128@ AF 0
Ref.: ING USA Annuity and Life Insurance Co.

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to

payments:

Operations/Settlements
ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, Georgia 30327-4349
United States of America
Facsimile: (770) 690-4886

(3) Address for all other communications and notices:

Private Placements
ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, Georgia 30327-4349
United States of America
Facsimile: (770) 690-5057

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 41-0991508

(6) Original Notes to be sent to:

The Bank of New York
Window A - 3rd Floor
One Wall Street
New York, New York 10286
United States of America
Ref: GOL - Account No. 136373

with copy to:

Private Placements
ING Investment Management LLC
Suite 300
5780 Powers Ferry Road, NW
Atlanta, Georgia 30327-4349
United States of America
Fax: (770) 690-5057

PRINCIPAL PURCHASER

Series A

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
KNIGHTS OF COLUMBUS	$5,000,000	$5,000,000 (RA - 4)

(1) All payments on account of the above Note numbered RA - 4 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: BK OF NY/CUST
ABA No.: 021 000 018
KNIGHTS OF COLUMBUS DDA #8900300825

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Investment Accounting Department
Knights of Columbus
14th Floor
PO Box 2016
New Haven, Connecticut 06521-2016
United States of America

(3) Address for all other communications and notices:

Investment Department
Knights of Columbus
19th Floor
One Columbus Plaza
New Haven, Connecticut 06510-3326
United States of America
Telephone: (203)-752-4385

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 06-0416470

(6) Original Notes to be sent to:

Anthony Paticchio
Investment Counsel
Knights of Columbus
One Columbus Plaza
New Haven, Connecticut 06510
United States of America
Telephone: 203 752 4025
Facsimile: 203-752-4119

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY	$5,000,000	$5,000,000 (RA - 5)

(1) All payments on account of the above Note numbered RA - 5 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021-000-018
BNF: IOC566
F/A/O Nationwide Life and Annuity Insurance Company
Attn: P & I Department

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

P & I Department
Nationwide Life and Annuity Insurance Company
c/o The Bank of New York
P O Box 19266
Newark, New Jersey 07195
United States of America

With a copy to:

Investment Accounting
Nationwide Life and Annuity Insurance Company
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220
United States of America

(3) Address for all other communications and notices:

Corporate Fixed-Income Securities
Nationwide Life and Annuity Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
United States of America

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 31-1000740

(6) Original Notes to be sent to:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, New York 10286
United States of America
F/A/O Nationwide Life and Annuity Insurance
Co. Acct #267961

PRINCIPAL PURCHASER

Series A

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
NATIONWIDE LIFE INSURANCE COMPANY	$5,000,000	$5,000,000 (RA - 6)

(1) All payments on account of the above Note numbered RA - 6 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021-000-018
BNF: IOC566
Account No.: 267829
F/A/O Nationwide Life Insurance Company
Attn: P & I Department

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

P & I Department
Nationwide Life Insurance Company
c/o The Bank of New York
P O Box 19266
Newark, New Jersey 07195
United States of America

With a copy to:

Investment Accounting
Nationwide Life Insurance Company
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220
United States of America

(3) Address for all other communications and notices:

Corporate Fixed-Income Securities
Nationwide Life Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
United States of America

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 31-4156830

(6) Original Notes to be sent to:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, New York 10286
United States of America
F/A/O Nationwide Life Insurance Co. Acct #267829

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT	$3,000,000	$3,000,000 (RA -7)

(1) All payments on account of the above Note numbered RA - 7 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021-000-018
BNF: IOC566
F/A/O Nationwide Multiple Maturity Separate Account
Attn: P & I Department

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

P & I Department
Nationwide Multiple Maturity Separate Account
c/o The Bank of New York
P O Box 19266
Newark, New Jersey 07195
United States of America

With a copy to:

Investment Accounting
Nationwide Multiple Maturity Separate Account
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220
United States of America

(3) Address for all other communications and notices:

Corporate Fixed-Income Securities
Nationwide Multiple Maturity Separate Account
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
United States of America

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 31-4156830

(6) Original Notes to be sent to:

The Bank of New York
One Wall Street

3rd Floor - Window A
New York, New York 10286
United States of America
F/A/O Nationwide Multiple Maturity Separate
Account. Acct # 267919

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PACIFIC LIFE INSURANCE COMPANY	$20,000,000	$10,000,000 (RA - 8)
		$5,000,000 (RA - 9)
		$1,000,000 (RA - 10)
		$1,000,000 (RA - 11)
		$1,000,000 (RA - 12)
		$1,000,000 (RA - 13)
		$1,000,000 (RA - 14)

(1) All payments on account of the above Notes numbered RA -8 thru RA - 14 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Mellon Trust of New England
ABA No.: 0110-0123-4
DDA: 125261
Attn: MBS Income CC: 1253
Account No.: Pacific Life General Account/PLCF1810132

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Pacific Life Accounting Team
Mellon Trust
Three Mellon Bank Center
AIM# 153-3610
Pittsburgh, Pennsylvania 15259
United States of America
Facsimile: 412-236-7529

AND

Securities Administration - Cash Team
Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, California 92660-6397
United States of America

Facsimile: 949-640-4013

(3) Address for all other communications and notices:

Securities Department
Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, California 92660-6397
United States of America
Facsimile: 949-219-5406

(4) Name of Nominee in which Notes are to be issued: MAC & CO.

(5) Tax Identification No.: 95-1079000

(6) Original Notes to be sent to:

Robert Ferraro
Mellon Securities Trust Company
120 Broadway
13th Floor
New York, New York 10271
United States of America
Telephone: +1 212 374 1918
A/C Name: Pacific Life General Acct
A/C #: PLCF1810132

PRINCIPAL PURCHASER	Series A Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PHL VARIABLE INSURANCE COMPANY	$3,000,000	$3,000,000 (RA - 15)

(1) All payments on account of the above Note numbered RA - 15 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JP Morgan Chase
New York, New York
United States of America
ABA No.: 021 000 021
Account No.: 900 9000 200
Account Name: Income Processing
Reference: G09388, Phoenix Life Insur.

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Private Placement Department
Phoenix Investment Partners
56 Prospect Street
Hartford, Connecticut 06115
United States of America

(3) Address for all other communications and notices:

John Mulrain
Phoenix Life Insurance Company
One American Row
PO Box 5056
Hartford, Connecticut 06102-5056
United States of America
Telephone: 860 403 5799
Facsimile: 860 403 5182

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 06-1045829

(6) Original Notes to be sent to:

John Mulrain
Phoenix Life Insurance Company
One American Row

PO Box 5056
Hartford, Connecticut 06102-5056
United States of America
Telephone: 860 403 5799
Facsimile: 860 403 5182

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PHL VARIABLE INSURANCE COMPANY	$1,000,000	$1,000,000 (RA - 16)

(1) All payments on account of the above Note numbered RA - 16 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JP Morgan Chase
New York, New York
United States of America
ABA No.: 021 000 021
Account No.: 900 9000 200
Account Name: Income Processing
Reference: G09389, Phoenix Life Insur.

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Private Placement Department
Phoenix Investment Partners
56 Prospect Street
Hartford, Connecticut 06115
United States of America

(3) Address for all other communications and notices:

John Mulrain
Phoenix Life Insurance Company
One American Row
PO Box 5056
Hartford, Connecticut 06102-5056
United States of America
Telephone: 860 403 5799
Facsimile: 860 403 5182

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 06-1045829

(6) Original Notes to be sent to:

John Mulrain
Phoenix Life Insurance Company
One American Row
PO Box 5056
Hartford, Connecticut 06102-5056
United States of America
Telephone: 860 403 5799
Facsimile: 860 403 5182

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PHL VARIABLE INSURANCE COMPANY	$1,000,000	$1,000,000 (RA - 17)

(1) All payments on account of the above Note numbered RA - 17 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JP Morgan Chase
New York, New York
United States of America
ABA No.: 021 000 021
Account No.: 900 9000 200
Account Name: Income Processing
Reference: G09390, Phoenix Life Insur.

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Private Placement Department
Phoenix Investment Partners
56 Prospect Street
Hartford, Connecticut 06115
United States of America

(3) Address for all other communications and notices:

John Mulrain
Phoenix Life Insurance Company
One American Row
PO Box 5056
Hartford, Connecticut 06102-5056
United States of America
Telephone: 860 403 5799
Facsimile: 860 403 5182

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 06-1045829

(6) Original Notes to be sent to:

John Mulrain
Phoenix Life Insurance Company
One American Row
PO Box 5056
Hartford, Connecticut 06102-5056
United States of America
Telephone: 860 403 5799
Facsimile: 860 403 5182

PRINCIPAL PURCHASER   Series A

PRINCIPAL PURCHASER	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PRINCIPAL LIFE INSURANCE COMPANY	$19,000,000	$12,350,000 (RA - 18)
		$6,175,000 (RA - 19)
		$475,000 (RA - 20)

(1) All payments on account of the above Notes numbered RA - 18, RA - 19 and RA -20 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Wells Fargo Bank, N.A.
San Francisco, California
United States of America
ABA No.: 121000248
Account No.: 0000014752
For credit to Principal Life Insurance Company
OBI PFGSE (S) B0067947/67948()

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 42-0127290

(6) Original Notes to be sent to:

Jon Heiny
Principal Life Insurance Company
711 High Street
G-24
Des Moines, Iowa 50392
United States of America
Tel.:(515) 246-7522
Fax: (515) 248-0483

PRINCIPAL PURCHASER

	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
SECURITY LIFE OF DENVER INSURANCE COMPANY	$8,000,000	$4,000,000 (RA -21)
		$4,000,000 (RA - 22)

(1) All payments on account of the above Notes numbered RA -21 and RA - 22 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021000018
BFN: IOC 566/INST'L CUSTODY (for principal and interest payments)
BFN: IOC 565/INST'L CUSTODY (for all other payments)
Account No.: 178157 and PPN 15128@ AF 0
Ref.: Security Life of Denver Insurance Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Operations/Settlements
ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, Georgia 30327-4349
United States of America
Facsimile: (770) 690-4886

(3) Address for all other communications and notices:

Private Placements
ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, Georgia 30327-4349
United States of America
Facsimile: (770) 690-5057

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 84-0499703

(6) Original Notes to be sent to:

The Bank of New York
Window A - 3rd Floor
One Wall Street
New York, New York 10286
United States of America
Ref: SLD - Account No. 178157

with copy to:

Private Placements
ING Investment Management LLC
Suite 300
5780 Powers Ferry Road, NW

Atlanta, Georgia 30327-4349
United States of America
Fax: (770) 690-5057

PRINCIPAL PURCHASER

Series A

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA	$16,000,000	$16,000,000 (RA - 23)

(1) All payments on account of the above Note numbered RA - 23 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JP Morgan Chase
ABA No.: 021000021
Chase/NYC/CTR/BNF
Account No.: 900-9-000200
Reference A/C# G05978, Guardian Life

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:
Barry Scheinholtz
The Guardian Life Insurance Company of America
Investment Department 20-D
7 Hanover Square
New York, New York 10004-2616
United States of America
Facsimile:(212) 919-2658/2656

(3) Address for all other communications and notices:
Barry Scheinholtz
The Guardian Life Insurance Company of America
Investment Department 20-D
7 Hanover Square
New York, New York 10004-2616
United States of America
Facsimile:(212) 919-2658/2656

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 13-5123390

(6) Original Notes to be sent to:
JP Morgan Chase
4 New York Plaza
Ground Floor Receive Window
New York, New York 10004
United States of America
Reference A/C #G05978, Guardian Life

PRINCIPAL PURCHASER	Series A	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
TRANSAMERICA OCCIDENTAL LIFE INSURANCE COMPANY	$25,000,000	$25,000,000 (RA - 24)

(1) All payments on account of the above Note numbered RA - 24 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Boston Safe Deposit Trust
ABA No.: 011001234
Credit DDA Account No.: 125261
Attn: MBS Income, cc1253
Custody account # TRAF1515002
FC TOLIC Private

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.18% Series A Senior Notes due June 13, 2010, PPN 15128@ AF 0" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Custody Operations-Privates
AEGON USA Investment Management, LLC
4333 Edgewood Road NE
Cedar Rapids, Iowa 52499-7013
United States of America
Email: paymentnotifications@aegonusa.com

(3) Address for all other communications and notices:

Chris Pahlke - Private Placements
AEGON USA Investment Management, LLC
400 West Market Street, 10th Floor
Louisville, KY 40202
United States of America
Telephone: 502-560-2198
Facsimile: 502-560-2030

With a copy to:

Director of Private Placements
AEGON USA Investment Management, LLC
4333 Edgewood Road N.E.
Cedar Rapids, Iowa 52499-5335
United States of America
Telephone: 319-369-2432
Facsimile: 1-888-652-8024

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 95-1060502

(6) Original Notes to be sent to:

A) A copy of the Note MUST be faxed to Custody Operations-Privates at 888-652-8024 for verification.
B) Once the note has been verified, a letter including the Custody Bank Instructions will then be faxed back.
C) The FAXED LETTER will contain the Custody vault address where the FAXED LETTER and ORIGINAL note needs to be sent.

SERIES B NOTES

PRINCIPAL PURCHASER	Series B Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
AVIVA LIFE INSURANCE COMPANY	$2,500,000	$2,500,000 (RB - 1)

(1) All payments on account of the above Note numbered RB - 1 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Mellon Bank (Boston Safe Deposit)
011001234/BOS SAFE DEP
DDA#125261
Cost Center #1253
Account No.: AVAF2011412
For Acct: Aviva Life-Principal Glob Priv
EG Convertible Securities
OBI PFGSE (S) B0067948()

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Aviva Life Insurance Company
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Aviva Life Insurance Company
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Aviva Life Insurance Company
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: MAC & CO.

(5) Tax Identification No.: 04-2235236

(6) Original Notes to be sent to:

Mike Visone
Mellon Securities Trust Company
120 Broadway, 13th Floor
New York, New York 10271

United States of America
Telephone:

PRINCIPAL PURCHASER

Series B

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
AVIVA LIFE INSURANCE COMPANY	$3,000,000	$3,000,000 (RB - 2)

(1) All payments on account of the above Note numbered RB - 2 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Mellon Bank (Boston Safe Deposit)
011001234/BOS SAFE DEP
DDA#125261
Cost Center #1253
Account No.: AVAF2010522
For Acct: Aviva Life-Principal Glob Priv
General Account Deferred TSA
OBI PFGSE (S) B0067948()

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Aviva Life Insurance Company
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Aviva Life Insurance Company
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Aviva Life Insurance Company
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: MAC & CO.

(5) Tax Identification No.: 04-2235236

(6) Original Notes to be sent to:

Mike Visone
Mellon Securities Trust Company
120 Broadway, 13th Floor
New York, New York 10271
United States of America
Telephone:

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
GENERAL AMERICAN LIFE INSURANCE COMPANY	$5,000,000	$5,000,000 (RB - 3)

(1) All payments on account of the above Note numbered RB - 3 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase Bank
ABA No.: 021-000-021
Account No.: 323-8-90946
Account Name: General American Life Insurance Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Director
GENERAL AMERICAN LIFE INSURANCE COMPANY
c/o Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

General American Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
GENERAL AMERICAN LIFE INSURANCE COMPANY
c/o Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(3) Address for all other communications and notices:

Director

GENERAL AMERICAN LIFE INSURANCE COMPANY
c/o Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

General American Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
GENERAL AMERICAN LIFE INSURANCE COMPANY
c/o Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 43-0285930

(6) Original Notes to be sent to:

Kate Kelly, Esq.
General American Life Insurance Company
c/o Metropolitan Life Insurance Company
Securities Investment
Law Department
10 Park Avenue
Morristown, New Jersey 07962
United States of America

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
KNIGHTS OF COLUMBUS	$10,000,000	$10,000,000 (RB - 4)

(1) All payments on account of the above Note numbered RB - 4 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: BK OF NY/CUST
ABA No.: 021 000 018
KNIGHTS OF COLUMBUS DDA #8900300825

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Investment Accounting Department
Knights of Columbus
14th Floor
PO Box 2016
New Haven, Connecticut 06521-2016
United States of America

(3) Address for all other communications and notices:

Investment Department
Knights of Columbus
19th Floor
One Columbus Plaza
New Haven, Connecticut 06510-3326
United States of America
Telephone: (203)-752-4385

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 06-0416470

(6) Original Notes to be sent to:

Anthony Paticchio
Investment Counsel
Knights of Columbus
One Columbus Plaza
New Haven, Connecticut 06510
United States of America
Telephone: 203 752 4025
Facsimile: 203-752-4119

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
METROPOLITAN LIFE INSURANCE COMPANY	$36,000,000	$36,000,000 (RB - 5)

(1) All payments on account of the above Note numbered RB - 5 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase Bank
ABA No.: 021-000-021
Account No.: 002-2-410591
Account Name: Metropolitan Life Insurance Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Director
Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

Metropolitan Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to

deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(3) Address for all other communications and notices:

Director
Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND
Metropolitan Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 13-5581829

(6) Original Notes to be sent to:

Kate Kelly, Esq.
Metropolitan Life Insurance Company
Securities Investments, Law Department
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America

PRINCIPAL PURCHASER

Series B

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
METROPOLITAN TOWER LIFE INSURANCE COMPANY	$1,000,000	$1,000,000 (RB - 6)

(1) All payments on account of the above Note numbered RB - 6 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase Bank
ABA No.: 021-000-021
Account No.: 002-2-403778
Account Name: Metropolitan Tower Life Insurance Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to

payments:

Director
METROPOLITAN TOWER LIFE INSURANCE COMPANY
C/o Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

Metropolitan Tower Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
METROPOLITAN TOWER LIFE INSURANCE COMPANY
C/o Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(3) Address for all other communications and notices:

Director
METROPOLITAN TOWER LIFE INSURANCE COMPANY
C/o Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

Metropolitan Tower Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
METROPOLITAN TOWER LIFE INSURANCE COMPANY
C/o Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 13-3114906

(6) Original Notes to be sent to:

Kate Kelly, Esq.
METROPOLITAN TOWER LIFE INSURANCE COMPANY
C/o Metropolitan Life Insurance Company
Securities Investments, Law Department
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
NEW ENGLAND LIFE INSURANCE COMPANY	$8,000,000	$8,000,000 (RB - 7)

(1) All payments on account of the above Note numbered RB - 7 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase Bank
ABA No.: 021-000-021
Account No.: 910-2-778983
Account Name: New England Life Insurance Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Director
New England Life Insurance Company
C/o Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

New England Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor
5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
New England Life Insurance Company
C/o Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(3) Address for all other communications and notices:

Director
New England Life Insurance Company
C/o Metropolitan Life Insurance Company
Investments, Private Placements
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4250

AND

New England Life Insurance Company
c/o MetLife Investments Limited
Orion House 11th Floor

5 Upper St. Martin's Lane
London WC2H 9EA, England
Attention: Investments, Private Placements
Facsimile: 011-44-20-7632-8101

With a copy OTHER than with respect to deliveries of financial statements to:

Chief Counsel-Securities Investments (PRIV)
New England Life Insurance Company
C/o Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America
Facsimile (973) 355-4338

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 04-2708937

(6) Original Notes to be sent to:

Kate Kelly, Esq.
New England Life Insurance Company
C/o Metropolitan Life Insurance Company
Securities Investments, Law Department
10 Park Avenue
Morristown, New Jersey 07962-1902
United States of America

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION	$9,000,000	$9,000,000 (RB - 8)

(1) All payments on account of the above Note numbered RB - 8 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase Bank
New York, New York
United States of America
ABA No.: 021-000-021
General Account No. 323-8-47382
Credit: New York Life Insurance and Annuity Corporation

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Financial Management
Securities Operation
New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor
New York, New York 10010-1603
United States of America
Facsimile: (212) 447-4160

WITH a copy sent electronically to:

SIGLibrary@nylim.com

(3) Address for all other communications and notices:

Securities Investment Group
Private Finance
New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor
New York, New York 10010-1603
United States of America
Facsimile: (212) 447-4122

WITH a copy sent electronically to:

SIGLibrary@nylim.com

AND with a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1104
Facsimile: (212) 576-8340

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 13-3044743

(6) Original Notes to be sent to:

R. Sharon Gravesande
Vice President & Assistant General Counsel
New York Life Investment Management LLC
51 Madison Avenue
Room 1104
New York, New York 10010
United States of America
Telephone: (212) 576-4825
Facsimile: (212) 576-8340

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
NEW YORK LIFE INSURANCE COMPANY	$16,000,000	$16,000,000 (RB - 9)

(1) All payments on account of the above Note numbered RB - 9 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase Bank
New York, New York
United States of America
ABA No.: 021-000-021
General Account No. 008-9-00687
Credit: New York Life Insurance Company

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Financial Management
Securities Operation
New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue 2nd Floor
New York, New York 10010-1603
United States of America
Facsimile: (212) 447-4160

WITH a copy sent electronically to:

SIGLibrary@nylim.com

(3) Address for all other communications and notices:

Securities Investment Group
Private Finance
New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
2nd Floor
New York, New York 10010-1603
United States of America
Facsimile: (212) 447-4122

WITH a copy sent electronically to:

SIGLibrary@nylim.com

AND with a copy of any notices regarding defaults or Events of Default under the operative documents to:

Office of General Counsel
Investment Section, Room 1104
Facsimile: (212) 576-8340

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 13-5582869

(6) Original Notes to be sent to:

R. Sharon Gravesande
Vice President & Assistant General Counsel
New York Life Investment Management LLC
51 Madison Avenue
Room 1104
New York, New York 10010
United States of America
Telephone: (212) 576-4825
Facsimile: (212) 576-8340

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PACIFIC LIFE INSURANCE COMPANY	$5,000,000	$1,000,000 (RB - 10)
		$1,000,000 (RB - 11)
		$1,000,000 (RB - 12)

$1,000,000
(RB - 13)

$1,000,000
(RB - 14)

(1) All payments on account of the above Notes numbered RB - 10 thru RB - 14 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Mellon Trust of New England
ABA No.: 0110-0123-4
DDA: 125261
Attn: MBS Income CC: 1253
Account No.: Pacific Life General Account/PLCF1810132

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Pacific Life Accounting Team
Mellon Trust
Three Mellon Bank Center
AIM# 153-3610
Pittsburgh, Pennsylvania 15259
United States of America
Facsimile: 412-236-7529

AND

Securities Administration - Cash Team
Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, California 92660-6397
United States of America
Facsimile: 949-640-4013

(3) Address for all other communications and notices:

Securities Department
Pacific Life Insurance Company
700 Newport Center Drive
Newport Beach, California 92660-6397
United States of America
Facsimile: 949-219-5406

(4) Name of Nominee in which Notes are to be issued: MAC & CO.

(5) Tax Identification No.: 95-1079000

(6) Original Notes to be sent to:

Robert Ferraro
Mellon Securities Trust Company
120 Broadway
13th Floor
New York, New York 10271
United States of America
Telephone: +1 212 374 1918
A/C Name: Pacific Life General Acct
A/C #: PLCF1810132

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
PRINCIPAL LIFE INSURANCE COMPANY	$5,000,000	$2,500,000 (RB - 15)
		$2,000,000 (RB - 16)
		$500,000 (RB - 17)

(1) All payments on account of the above Notes numbered RB - 15, RB - 16 and RB-17 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Wells Fargo Bank, N.A.
San Francisco, California
United States of America
ABA No.: 121000248
Account No.: 0000014752
For credit to Principal Life Insurance Company
OBI PFGSE (S) B0067947/67948()

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 42-0127290

(6) Original Notes to be sent to:

Jon Heiny
Principal Life Insurance Company
711 High Street
G-24
Des Moines, Iowa 50392
United States of America
Tel.:(515) 246-7522
Fax: (515) 248-0483

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
RGA REINSURANCE COMPANY	$7,500,000	$7,500,000 (RB - 18)

(1) All payments on account of the above Note numbered RB - 18 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021-000-018
Account No.: 0000303819
For credit to: RGA Re Private Placements PGI
OBI PFGSE (S) B0067948()

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
RGA Reinsurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
RGA Reinsurance Company
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
RGA Reinsurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: HARE & CO.

(5) Tax Identification No.: 43-1235868

(6) Original Notes to be sent to:

Lucille Del Terzo
The Bank of New York
One Wall Street - 3rd Floor Window A
Brooklyn, New York 11217
United States of America
Re: RGA Re Private Placements PGI
Account # 0000303819
Telephone: 718-315-3543

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
SYMETRA LIFE INSURANCE COMPANY	$5,000,000	$5,000,000 (RB -19)

(1) All payments on account of the above Note numbered RB - 19 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: JPMorgan Chase
ABA No.: 021-000-021
Account No.: 9009002859
For Acct: Funds Clearance
OBI PFGSE (S) B0067948()
Attn: Symetra Life - BOLI U LIFE #P21163

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Symetra Life Insurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Symetra Life Insurance Company
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Symetra Life Insurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: CUDD & CO.

(5) Tax Identification No.: 91-0742147

(6) Original Notes to be sent to:

Maribel C. Friend
White Mountains Advisors LLC
370 Church Street
Guilford, Connecticut 06437
United States of America
Tel.: 203-458-2380 ext. 41

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
SYMETRA LIFE INSURANCE COMPANY	$10,000,000	$10,000,000 (RB -20)

(1) All payments on account of the above Note numbered RB - 20 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021-000-018
BNF: IOC566
Account: Symetra Life LTD Maturity #196
OBI PFGSE (S) B0067948()
Attn: P&I Department

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Symetra Life Insurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Symetra Life Insurance Company
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Symetra Life Insurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: HARE & CO.

(5) Tax Identification No.: 91-0742147

(6) Original Notes to be sent to:

Maribel C. Friend
White Mountains Advisors LLC
370 Church Street
Guilford, Connecticut 06437

United States of America
Tel.: 203-458-2380 ext. 41

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
SYMETRA LIFE INSURANCE COMPANY	$8,000,000	$8,000,000 (RB - 21)

(1) All payments on account of the above Note numbered RB - 21 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: The Bank of New York
ABA No.: 021-000-018
BNF: IOC566
Account: Symetra Life Retirement Services #197
OBI PFGSE (S) B0067948()
Attn: P&I Department

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Symetra Life Insurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Symetra Life Insurance Company
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Symetra Life Insurance Company
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: HARE & CO.

(5) Tax Identification No.: 91-0742147

(6) Original Notes to be sent to:

Maribel C. Friend
White Mountains Advisors LLC
370 Church Street
Guilford, Connecticut 06437
United States of America
Tel.: 203-458-2380 ext. 41

PRINCIPAL PURCHASER Series B

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA	$40,000,000	$40,000,000 (RB - 22)

(1) All payments on account of the above Note numbered RB - 22 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit through the Automated Clearing House System to:

Bank: JPMorgan Chase Bank, N.A.
ABA No.: 021-000-021
Account No.: 900-9-000200
Account Name: TIAA
For Further Credit to the Account Number: G07040

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Securities Accounting Division
Teachers Insurance and Annuity Association of America
730 Third Avenue
New York, New York 10017
United States of America
Telephone: (212) 916-4109
Facsimile: (212) 916-6955

With a copy to:

JPMorgan Chase Bank, N.A.
P.O. Box 35308
Newark, New Jersey 07101
United States of America

Include the name and address of the bank from which such electronic funds transfer was sent.

(3) Address for all communications and notices, including notices with respect to payments:

Fixed Income and Real Estate
Teachers Insurance and Annuity Association of America
730 Third Avenue
New York, New York 10017
United States of America
Telephone:(212) 916-6547 (Lisa Ferraro)
(212) 916-4000 (General Number)
Facsimile:(212) 916-6140

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 13-1624203

(6) Original Notes to be sent to:

JPMorgan Chase Bank, N.A.
4 New York Plaza
Ground Floor Window
New York, New York 10004
United States of America
For TIAA A/C#G07040

PRINCIPAL PURCHASER	Series B	
	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
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	$1,000,000	$1,000,000 (RB - 23)

(1) All payments on account of the above Note numbered RB - 23 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: Bank of NYC
New York, New York
United States of America
ABA No.: 021-000-018
Account: GLA 111-565
Account No.: 327696
Account Name: Scottish RE US/ SLD Sec TR Principal
OBI PFGSE (S) B0067948()

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Fixed Income Private Placements
Scottish RE US - Security Life of Denver
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

and via Email: Privateplacements2@exchange.principal.com

COPY TO:
Investment Accounting Fixed Income Securities
Scottish RE US - Security Life of Denver
c/o Principal Global Investors, LLC
711 High Street
Des Moines, Iowa 50392-0960
United States of America

(3) Address for all other communications and notices:

Fixed Income Private Placements
Scottish RE US - Security Life of Denver
C/o Principal Global Investors, LLC
711 High Street, G-26
Des Moines, Iowa 50392-0800
United States of America

(4) Name of Nominee in which Notes are to be issued: HARE & CO.

(5) Tax Identification No.: 23-2038295

(6) Original Notes to be sent to:

PHYSICAL DELIVERY
The Bank of New York
One Wall St, 3rd Floor
Incoming Window,
Trust AC # 327696
New York, New York 10286
United States of America

PRINCIPAL PURCHASER Series B

	Aggregate Principal Amount of Notes to be Purchased	Note Denomination(s) and Number(s)
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY	$20,000,000	$20,000,000 (RB - 24)

(1) All payments on account of the above Note numbered RB - 24 (and any replacement or substitute Notes therefor) shall be made by wire transfer of immediately available funds for credit to:

Bank: US Bank
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
United States of America
ABA No.: 075000022
Account No.: 182380324521
Account Name: Northwestern Mutual Life

Each such wire transfer shall set forth a reference to "CEMEX ESPANA FINANCE LLC 5.62% Series B Senior Notes due June 13, 2015, PPN 15128@ AG 8" and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

Investment Operations
The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
United States of America
Facsimile: (414) 625-6998

(3) Address for all other communications and notices:

Securities Department
The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
United States of America
Facsimile: (414) 665-7124

(4) Name of Nominee in which Notes are to be issued: NONE

(5) Tax Identification No.: 39-0509570

(6) Original Notes to be sent to:

Anthony C. Marino
Assistant General Counsel
The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
United States of America

SCHEDULE B

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"Additional Payment" is defined in Section 14.3(b)U; when used herein with respect to any Guarantor, such term shall have the meaning assigned thereto in the Note Guarantee.

"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 for such period, as determined in accordance with Spanish GAAP for such Relevant Period less (c) with respect to any business disposed of during such period, the sum of (i) the operating income and (ii) depreciation and amortization expense for such business for such period, as determined in accordance with Spanish GAAP for such Relevant Period; provided that Cemex Espana need only make the adjustments contemplated by clause (b) and/or (c) above if the Adjusted EBITDA that would result therefrom would differ from EBITDA by (euro)10,000,000 or more.

"Affiliate" means, at any time, (a) with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person and (b) with respect to Cemex Espana any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of Cemex Espana or any Subsidiary or any Person of which Cemex Espana and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of Cemex Espana.

"Agreement" is defined in the introduction hereto.

"Anti-Terrorism Order" means Executive Order 13,224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49,079 (2001), as amended).

"Asia Fund" means Cemex Asia Holdings Ltd. or any other vehicles used by Cemex Espana or any Subsidiary to invest, or finance investments already made, in companies involved in or assets dedicated to the cement, concrete or aggregates business in Asia in both cases, such company or vehicle, as applicable, with committed third parties with minority interests other than Cemex Espana and its Subsidiaries or Cemex and its Subsidiaries and with Cemex Espana maintaining control of its management.

"Business Day" means (a) for the purposes of Section 8.8U only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Madrid, Spain or New York City are required or authorized to be closed.

"Capital Lease" means any lease that is capitalized on a balance sheet prepared in accordance with Spanish GAAP.

"Capital Stock" means, with respect to any Person, capital stock or share capital or other ownership interests in such Person substantially similar to capital stock or share capital, whether or not called "capital stock" or "share capital" under the laws of (or in business terminology commonly used in) the jurisdiction where such Person is organized or conducts its primary business.

"Cemex" means CEMEX, S.A. de C.V., a stock corporation organized under the laws of the United Mexican States.

"Cemex Espana" means (a) Cemex Espana, S.A., a corporation organized under the laws of the Kingdom of Spain, and (b) any Person that, as a result of a combination, merger or asset transfer permitted by Section 10.2, assumes the obligations of Cemex Espana under the Note Guarantee and this Agreement.

"Change in Control" means that Cemex ceases to (a) be entitled to (whether by way of ownership of shares, proxy, contract, agency or otherwise) (i) cast, or control the casting of, at least 51% of the maximum number of

votes that might be cast at a general meeting of Cemex Espana, (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of Cemex Espana or (iii) give directions with respect to the operating and financial policies of Cemex Espana which the directors or other equivalent officers of Cemex Espana are obliged to comply with or (b) hold at least 51% of the common shares in Cemex Espana.

"Closing" is defined in Section 3.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"Company" means Cemex Espana Finance LLC, a limited liability company organized under the laws of Delaware.

"Confidential Information" is defined in Section 20.

"Consolidated Net Worth" means, at any date, the sum of the consolidated shareholders' equity plus minority interests of Cemex Espana and its Subsidiaries in accordance with Spanish GAAP.

"Consolidated Total Assets" means, at any time, the total assets of Cemex Espana and its Subsidiaries, as determined in accordance with Spanish GAAP by reference to the most recent financial statements supplied by Cemex Espana pursuant to Section 7.1(a) or 7.1(b), provided that such financial statements shall be adjusted to reflect the acquisition or disposition of any Subsidiary that has occurred since the date of such financial statements but prior to or on the date of calculation.

"Control Prepayment Date" is defined in Section 8.9(a).

"Default" means an event or condition the occurrence or existence of which if it continues uncured would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" means, with respect to any Note, that rate of interest that is the greater of (i) 2% per annum above the rate of interest stated in clause (a) of the first paragraph of such Note or (ii) 2% over the rate of interest publicly announced by Citibank, N.A. in New York, New York as its "base" or "prime" rate.

"Department of the Treasury Rule" means Blocked Persons, Specially Designated Nationals, Specifically Designated Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers: Additional Designations of Terrorism-Related Blocked Persons, 66 Fed. Reg. 54,404 (2001).

"Disposition Prepayment Date" is defined in Section 8.4.

"Dollar" and the sign "$" mean lawful currency of the United States of America.

"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 Espana 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). Such calculation shall be made in accordance with Spanish GAAP, where:

> "Cemex Capital Contributions" means contributions in cash to the capital of Cemex Espana by Cemex or by any of its Subsidiaries not being a Subsidiary of Cemex Espana 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 Espana or any of its Subsidiaries to Cemex or any of its Subsidiaries not being a Subsidiary of Cemex Espana as (a) consideration for the granting to Cemex Espana 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 Espana; 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) and (b) such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

"Environmental Laws" means any and all statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is treated as a single employer together with Cemex Espana under section 414 of the Code.

"EU" means the European Union.

"euro" or "(euro)" means the single currency of participating member states of the EU.

"Event of Default" is defined in Section 11.

"Excess Asset Disposition" is defined in Section 10.4.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Disposition" is defined in Section 10.4.

"Excluded Subsidiary Guarantor" means any of the Subsidiaries that are Guarantors when the Note Guarantee is initially delivered; provided that any other Subsidiary that is a Guarantor shall be treated as an Excluded Subsidiary Guarantor for purposes of this Agreement if legal opinions and other evidence are delivered to the holders of Notes sufficient to establish to the reasonable satisfaction of the Required Holders and their legal advisers that the obligations of such Guarantor under the Note Guarantee ranks 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.

"Fair Market Value" means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

"Finance Charges" means, for any 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 plus (f) any charges analogous to the foregoing relating to Off-Balance-Sheet Transactions for such period, all determined on a consolidated basis in accordance with Spanish GAAP.

"Financial Indebtedness" means, without duplication, any indebtedness for or in respect of:

(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 Securitizations 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) 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 a Lien 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) Guaranties of Financial Indebtedness of other Persons.

"Financing Documents" mean this Agreement, the Notes and the Note Guarantee.

"Foreign Pension Plan" means any plan, fund or similar program (a) established or maintained outside the United States of America by any one or more of Cemex Espana and its Subsidiaries primarily for the benefit of employees (substantially all of whom are Persons not residing in the United States of America) of one or more of Cemex Espana and its Subsidiaries, which plan, fund or other similar program provides for retirement income for such employees or results in a deferral of income for such employees in contemplation of retirement and (b) not otherwise subject to ERISA.

"GAAP" means, in relation to an Obligor, the generally accepted accounting principles applicable to it in the country of its organization from time to time.

"Governmental Authority" means

(a) the government of

(i) the Kingdom of Spain, The Netherlands, the United States of America or any State or other political subdivision thereof, or

(ii) any jurisdiction in which Cemex Espana or any Subsidiary conducts all or any part of its business, or that asserts jurisdiction over any properties of Cemex Espana or any Subsidiary or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Guarantor" means (a) each of (i) Cemex Espana, (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 Manila Investments B.V., a limited liability company organized under the laws of The Netherlands, (vi) Cemex American Holdings B.V., a limited liability company organized under the laws of The Netherlands, and (vii) Cemex Shipping 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 may cease to be a Guarantor as provided in Section 10.2(a).

"Guaranty" means any guaranty or indemnity (in the case of the latter 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.

"Hazardous Material" means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

"holder" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"Holding Company" means, in relation to a company or a corporation, a company or corporation in respect of which the first company or corporation is a Subsidiary.

"Institutional Investor" means (a) any original purchaser of a Note, (b) any holder of a Note holding more than $5,000,000 of the aggregate principal amount of the Notes then outstanding and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person.

"Long-Term Indebtedness" means Financial Indebtedness the maturity of which is more than one year after the date on which it was incurred.

"Make-Whole Amount" is defined in Section 8.8.

"Material" means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of Cemex Espana and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of Cemex Espana and its Subsidiaries taken as a whole, (b) the ability of Cemex Espana or the Company to perform its obligations under this Agreement and the other Financing Documents or (c) the validity or enforceability of this

Agreement or any other Financing Document.

"Material Subsidiary" means those Persons identified as such in Schedule 5.4 and any other Subsidiary of Cemex Espana which, at any time after the date hereof:

(i) has total assets representing 5% or more of the total Consolidated Total Assets; and/or

(ii) has revenues representing 5% or more of the consolidated net turnover of Cemex Espana and its Subsidiaries.

in each case calculated on a consolidated basis and any Holding Company of any such Subsidiary (unless such company is a Guarantor hereunder).

Compliance with the conditions set out in clauses (i) and (ii) shall be determined by reference to the most recent financial statements supplied by Cemex Espana pursuant to Section 7.1(a) or 7.1(b).

"Memorandum" is defined in Section 5.3.

"Moody's" means Moody's Investor Services Inc.

"Multiemployer Plan" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"Net Borrowings" means, at any time, the remainder of (a) Total Borrowings at such time less (b) the aggregate amount of the following items held by Cemex Espana and its Subsidiaries at such time: cash on hand, any fixed-rate or floating-rate marketable debt security that is rated A or better by S&P or A2 or better by Moody's, commercial paper that is rated A-2 or better by S&P or P-2 or better by Moody's, investments in money market funds, banker's acceptances, short-term deposits and other liquid investments.

"Net Proceeds Amount" means, with respect to any sale or transfer of property by any Person, an amount equal to (a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such sale or transfer) received by such Person in respect of such sale, minus (b) the sum of (i) all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such sale or transfer, (ii) taxes paid or reasonably estimated by such Person to be payable as a result thereof, (iii) amounts required to be applied to the repayment of any Financial Indebtedness secured by a Lien on the asset subject to such sale or transfer, (iv) appropriate amounts to be provided by such Person as a reserve against any liabilities associated with the assets sold or transferred in such sale or disposition and retained by such Person after such sale or disposition, including pension and other post-employment benefit liabilities and liabilities related to environmental matters and liabilities under any indemnification obligation associated with the assets sold or disposed of in such sale or transfer and (v) amounts applied to the acquisition of assets as contemplated by Section 10.4(2) within one year of such sale or transfer.

"Note Guarantee" means a Note Guarantee to be entered into by Cemex Espana and the other Guarantors in favor of the holders of Notes, as amended, modified or supplemented from time to time.

"Notes" is defined in Section 1.

"Obligor" means the Company, Cemex Espana and each other Guarantor.

"Off-Balance-Sheet Transactions" means any present or future financing transaction not reflected as indebtedness on the consolidated balance sheet of Cemex Espana, but being structured in a way that may result in payment obligations by Cemex Espana and its Subsidiaries for credit-related losses, excluding any financing transaction in the form of:

(a) interest rate and currency exchange rate hedging agreements to hedge risks arising in the normal course of business;

(b) transactions containing potential payments by Cemex Espana and its Subsidiaries (e.g., via a put-option agreement or similar structures) under which payments are incapable of being triggered until June 15, 2015; or

(c) any supply arrangement or equipment lease in respect of energy or raw material sourcing containing contingent obligations to directly or indirectly purchase (including through the purchase of shares or other equity participation) the underlying operations or assets up to an aggregate maximum of $100,000,000.

"Officer's Certificate" means a certificate of a Senior Financial Officer or of any other officer of Cemex Espana or of an officer of the manager of the Company whose responsibilities extend to the subject matter of such certificate.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"Permitted Lien" is defined in Section 10.3(a).

"Permitted Securitization" means a sale, transfer or other securitization of receivables and related assets by Cemex Espana 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 Special Purpose Vehicle in a manner that satisfies the requirements for an absolute conveyance, and not merely a pledge, under the laws of the jurisdiction in which such originator is organized, (ii) such Special Purpose Vehicle issues notes, certificates or other obligations which are to be repaid from collections and other proceeds of such receivables and (iii) except for customary representations, warranties and covenants, holders of such obligations of such Special Purpose Vehicle do not have recourse to Cemex Espana or its Subsidiaries (other than a Special Purpose Vehicle) for credit-related losses on such receivables.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Plan" means an "employee benefit plan" (as defined in section 3(3) of ERISA) that is subject to Title IV of ERISA and that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by Cemex Espana or any ERISA Affiliate or with respect to which Cemex Espana or any ERISA Affiliate may have any liability, but excluding any Foreign Pension Plan.

"Preferred Stock" means any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such corporation.

"Priority Indebtedness" means, at any time and without duplication, (i) Financial Indebtedness of Subsidiaries (other than Excluded Subsidiary Guarantors and the Company), excluding Financial Indebtedness of the type described in Uclauses (a)U through U(h)U of Section 10.6U and (ii) Financial Indebtedness secured by Liens on the assets of Cemex Espana or its Subsidiaries, other than Financial Indebtedness secured by Liens described in clauses (i) through (x) of Section 10.3(a).

"Pro Rata Amount", for any Note at any time with respect to any payment of Senior Debt in connection with a Substantial Asset Disposition, means an amount equal to the product of (x) an amount equal to the Net Proceeds Amount of such Substantial Asset Disposition being applied to the payment of Senior Debt multiplied by (y) a fraction the numerator of which is the

outstanding principal amount of such Note and the denominator of which is the aggregate principal amount of Senior Debt of Cemex Espana and its Subsidiaries.

"property" or "properties" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"PTE" is defined in Section 6.2.

"Purchasers" means the purchasers of the Notes named on Schedule A to this Agreement.

"QPAM Exemption" means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

"Related Taxes" is defined in Section 14.3(a).

"Relevant Period" means each period of twelve months ending on the last day of the second quarter of Cemex Espana's fiscal year and each period of twelve months ending on the last day of Cemex Espana's fiscal year.

"Required Holders" means, at any time, the holders of more than 50% of the aggregate principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company, Cemex Espana or any of its Affiliates).

"Responsible Officer" means any Senior Financial Officer and any other officer of Cemex Espana with responsibility for the administration of the relevant portion of this Agreement.

"Rolling Basis" means the calculation of a ratio or an amount made with respect to a Relevant Period in respect to the twelve immediately preceding months ending on the last day of such Relevant Period.

"S&P" means Standard and Poor's Ratings Group.

"Section 8.4 Notice" is defined in Section 8.4.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Senior Debt" means all Financial Indebtedness of Cemex Espana and its Subsidiaries including interest thereon, whether outstanding on the Closing date or thereafter incurred, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such obligations are subordinated in right of payment to the Notes or to the Note Guarantee; provided that "Senior Debt" shall not include (1) any obligation of Cemex Espana or the Company to any Subsidiary or of any Subsidiary to another Subsidiary, (2) any liability for Federal, state, local or other taxes or (3) any accounts payable to trade creditors in the ordinary course of business.

"Senior Financial Officer" means the Financing Director or the Treasurer of Cemex Espana or any other person authorized by the Board of Directors of Cemex Espana to act on behalf of Cemex Espana.

"Series A Notes" is defined in Section 1.

"Series B Notes" is defined in Section 1.

"Short-Term Indebtedness" means Financial Indebtedness the maturity of which is less than or equal to one year after the date on which it was incurred.

"Source" is defined in Section 6.2.

"Spanish GAAP" means accounting principles generally accepted in Spain from time to time.

"Special Purpose Vehicle" means a trust, limited liability company,

partnership or other special purpose Person established to implement a securitization of receivables, provided that the business of such Person is limited to acquiring, servicing and funding receivables and related assets and activities incidental thereto.

"Stake" means a number of shares in a Subsidiary held by Cemex Espana or held by another Subsidiary, the disposal of which would cause the first such Person to cease to be a Subsidiary of the second such Person.

"Subordinated Debt" means debt granted by Cemex or any of its Subsidiaries other than Cemex Espana or one of its Subsidiaries to Cemex Espana 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, suspension de pagos or quiebra or other like event of Cemex Espana) until all Notes have been paid in full.

"Subsidiary" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of Cemex Espana.

"Substantial Asset Disposition" is defined in Section 10.4.

"SVO" means the Securities Valuation Office of the National Association of Insurance Commissioners, or any successor thereto.

"Tax Prepayment Date" is defined in Section 8.3.

"Tax Prepayment Notice" is defined in Section 8.3.

"Taxing Jurisdiction" is defined in Section 14.3(a).

"Total Borrowings" means, with respect to Cemex Espana and its Subsidiaries, without duplication and determined on a consolidated basis, all Guaranties of Financial Indebtedness granted by such Person, plus all Off-Balance-Sheet Transactions entered into by Cemex Espana and its Subsidiaries, plus all Financial Indebtedness of Cemex Espana and its Subsidiaries, but excluding any Subordinated Debt.

"USA Patriot Act" means, United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Voting Stock" means, with respect to any corporation, any Capital Stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time Capital Stock of any other class or classes shall have or might have voting powers by reason of the happening of any contingency).

SCHEDULE 4.9

CHANGES IN CORPORATE STRUCTURE

Since the date of the financial statements of Cemex Espana and its Subsidiaries delivered to each Purchaser pursuant to Section 5.5 and listed on Schedule 5.5 to this Agreement, Cemex Espana completed the acquisition of RMC Group Limited on March 1, 2005.

SCHEDULE 5.3

DISCLOSURE EXCEPTIONS

None.

SCHEDULE 5.4
SUBSIDIARIES (INCLUDING IDENTIFICATION OF MATERIAL SUBSIDIARIES)

As of April30, 2005

COMPANY'S NAME	PLACE OF INCORPORATION	APPROXIMATE SHAREHOLDING PARTICIPATION
ALTAIR (INDIA) PRIVATE LIMITED	India	100%
APO CEMENT CORPORATION	Philippines	100%
APO LAND & QUARRY CORPORATION	Philippines	100%
ARICEMEX, S.A.	Spain	100%
ASSIUT CEMENT COMPANY	Egypt	80%
AYFER TEKSTIL LTD. STI.	Turkey	100%
BEDROCK HOLDINGS, INC.	Philippines	100%
C.A. VENCEMOS	Venezuela	100%
CANADIAN MEDUSA CEMENT LIMITED	Ontario	100%
CARIBBEAN FUNDING LLC	Delaware	100%
CECAR INC.	Cayman Islands	100%
CEMAR INC.	Cayman Islands	100%
CEMENT TRANSIT COMPANY	Delaware	100%
CEMENTIFICIO DI MONTALTO SPA	Italy	100%
CEMENTILCE SRL	Italy	100%
CEMENTO BAYANO, S.A.	Panama	99%
CEMENTOS NACIONALES, S.A.	Dominican Republic	100%
CEMEX (CAMBODIA) CO. LTD.	Cambodia	100%
CEMEX (THAILAND) CO. LTD.	Thailand	100%
CEMEX ADMINISTRACIONES LTDA.	Colombia	100%
CEMEX ASIA HOLDINGS LTD.	Singapore	99%
CEMEX ASIA PACIFIC INVESTMENTS B.V.	Netherlands	100%

CEMEX ASIA PTE. LTD.	Singapore	100%
CEMEX ASIAN INVESTMENTS N.V.	Netherlands Antilles	100%
CEMEX BETON, S.A.S.	France	100%
CEMEX CALIFORNIA CEMENT LLC	Delaware	100%
CEMEX CAPITAL DE COLOMBIA, S.A.	Colombia	100%
CEMEX CARACAS II INVESTMENTS B.V.	Netherlands	100% (G)
CEMEX CARACAS INVESTMENTS B.V.	Netherlands	100% (G)
CEMEX CARIBE II INVESTMENTS B.V.	Netherlands	100%
CEMEX CEMENT (BANGLADESH) LIMITED	Bangladesh	100%
CEMEX CEMENT OF TEXAS, L.P.	Texas	100%
CEMEX CEMENT, INC.	Delaware	100%
CEMEX CHILE INVESTMENTS B.V.	Netherlands	100%
CEMEX COLOMBIA, S.A.	Colombia	99%
CEMEX CONCRETE HOLDINGS, LLC	Delaware	100%
CEMEX CONCRETOS DE COLOMBIA, S.A.	Colombia	100%
CEMEX CONCRETOS, S.A.	Panama	100%
CEMEX CONSTRUCTION MATERIALS, L.P.	Texas	100%
CEMEX CORP.	Delaware	100%
CEMEX (COSTA RICA), S.A.	Costa Rica	99%
CEMEX EGYPT FOR DISTRIBUTION COMPANY	Egypt	100%
CEMEX EGYPT FOR SERVICES	Egypt	100%
CEMEX EGYPTIAN INVESTMENTS B.V.	Netherlands	100% (G)
CEMEX ENVIRONMENTAL LLC	Delaware	100%
CEMEX ESPANA FINANCE LLC	Delaware	100%
CEMEX ESPANA INTERNATIONAL CAPITAL LLC	Delaware	100%
CEMEX FINANCE EUROPE B.V.	Netherlands	100%
CEMEX FINANCE, INC.	Delaware	100%
CEMEX FOUNDATION	Ohio	100%
CEMEX GLOBAL INVESTMENTS B.V.	Netherlands	100%
CEMEX GRANULATS, SAS	France	100%
CEMEX HOLDINGS INC.	Delaware	100%
CEMEX HUNGARY KFT	Hungary	100%
CEMEX INDONESIA INVESTMENTS B.V.	Netherlands	100%
CEMEX INTERNATIONAL CAPITAL LLC	Delaware	100%
CEMEX INVESTMENTS AKTIENGESELLSCHAFT	Liechtenstein	100%
CEMEX INVESTMENTS, INC.	Delaware	100%
CEMEX LAND COMPANY	Delaware	100%
CEMEX LEASING, INC.	Arizona	100%
CEMEX MANAGEMENT, INC.	Delaware	100%
CEMEX MANILA INVESTMENTS B.V.	Netherlands	100% (G)
CEMEX NETHERLANDS, B.V.	Netherlands	100%
CEMEX NICARAGUA, S.A.	Nicaragua	98%
CEMEX NY CORPORATION	Delaware	100%

CEMEX PACIFIC COAST CEMENT CORPORATION	Delaware	100%
CEMEX PUERTO RICO, INC.	Puerto Rico	100%
CEMEX READY MIX LLKHARASANAH EL-JHAZAA	Egypt	100%
CEMEX SIERRA INVESTMENTS B.V.	Netherlands	100%
CEMEX SIX INVESTMENTS B.V.	Netherlands	100%
CEMEX SMI HOLDINGS LLC	Delaware	100%
CEMEX STRATEGIC PHILIPPINES INC.	Philippines	100%
CEMEX TEN INVESTMENTS B.V.	Netherlands	100%
CEMEX TRADING EUROPE, S.A.	Spain	100%
CEMEX TRANSPORTES DE COLOMBIA, S.A.	Colombia	100%
CEMEX TRUCKING, INC.	California	100%
CEMEX VENEZUELA, S.A.C.A.	Venezuela	76%
CEMEX VENTURES, INC.	Delaware	100%
CEMEX, INC.	Louisiana	100%
CENTRAL DE MEZCLAS, S.A.	Colombia	100%
CETACEA INVESTMENTS LIMITED	Trinidad & Tobago	100%
CETRA INC.	Cayman Islands	100%
COMERCIALIZADORA FERREX, C.A.	Venezuela	100%
CONOMITA, S.A.	Venezuela	100%
CONSTRUCCIONES E INVERSIONES DIAMANTE LTDA.	Colombia	100%
CONSTRUCTION FUNDING CORPORATION	Ireland	100%
CX (THAILAND) LIMITED	Thailand	100%
DESARROLLOS MULTIPLES INSULARES, INC.	Puerto Rico	100%
DIAMANTE TRANSPORTES LIMITADA (IN LIQUIDATION)	Colombia	100%
DISTRIBUIDORA DE CEMENTO, S.A.	Panama	100%
EDGEWATER VENTURES CORPORATION	Philippines	100%
ENTREPRISES PASTORELLO TRAVAUX ROUTIERS, SAS	France	100%
ESPARTANA SHIPPING CO.	Cayman Islands	100%
FLORIDA LIME CORPORATION	Puerto Rico	100%
GANDALF HOLDINGS CORPORATION	Philippines	100%
GESTION FRANCAZAL ENTREPRISES, SAS	France	100%
GOOD ASSETS LIMITED	Thailand	100%
GRANINTRA, S.A.	Spain	100%
GULF COAST PORTLAND CEMENT CO.	Delaware	100%
HORMICEMEX, S.A.	Spain	100%
HORMISOL CANARIAS, S.A.	Spain	100%
IMPORTADORA CANARIA DE ARIDOS, S.L.	Spain	100%
INDEPENDIENTE SHIPPING CO.	Cayman Islands	100%
INDUSTRIAS E INVERSIONES SAMPER, S.A. (IN LIQUIDATION)	Colombia	98%
INMOBILIARIA VALLE DOS C.A.	Venezuela	100%
INMOBILIARIA Y ARRENDAMIENTO BAYANO, S.A.	Panama	100%
ISLAND QUARRY AND AGGREGATES CORP.	Philippines	100%
KOSMOS CEMENT COMPANY	Kentucky	75%

LAI LIMITED	Cayman Islands	100%
LATINASIAN INVESTMENTS PTE. LTD.	Singapore	100%
LIMESTONE MATERIALS, INC.	Puerto Rico	100%
LOMAS DEL TEMPISQUE, S.R.L.	Costa Rica	100%
LOTHLORIEN HOLDINGS CORPORATION	Philippines	100%
MACORIS INVESTMENTS	Cayman Islands	100%
MEXAM TRADE, INC.	Delaware	100%
MILTON INTERNATIONAL CORP.	Cayman Islands	100%
MOJAVE NORTHERN RAILROAD COMPANY	California	100%
NORTH TRANSPORT, INC.	Delaware	100%
OCCITAN INVESTMENTS B.V.	Netherlands	100%
PACIFIC ASSETS N.V.	Netherlands	100%
PANAMA PACIFIC INVESTMENTS B.V.	Netherlands	100%
PARMA CEMENTI SPA	Italy	70%
PCG HOLDINGS, INC	Delaware	100%
PETROLEUM COKE GRINDING, INC.	Delaware	100%
POLY BAGS AND PACKAGING, INC.	Puerto Rico	100%
PONCE CAPITAL CORPORATION	Puerto Rico	100%
PONCE EQUIPMENT AND MAINTENANCE COMPANY	Puerto Rico	100%
PT BINTANG POLINDO PERKASA	Indonesia	95%
PT CEMEX INDONESIA	Indonesia	100%
PUERTO RICAN CEMENT COMPANY, INC.	Puerto Rico	100%
PUERTO RICO FINANCE LLC	Delaware	100%
READY MIX CONCRETE, INC.	Puerto Rico	100%
RIVENDELL HOLDINGS CORPORATION	Philippines	100%
RODNEY H. GREENWAY, INC.	Georgia	100%
SANDSTONE STRATEGIC HOLDINGS, INC.	Philippines	100%
SERVICRETO LTDA.	Colombia	70%
SHIRE HOLDINGS CORPORATION	Philippines	100%
SIERRA TRADING	Cayman Islands	100%
SOLID CEMENT CORP.	Philippines	100%
SUNBELT CEMENT HOLDINGS, INC.	Delaware	100%
SUNBELT INVESTMENTS INC.	Delaware	100%
SUNBULK SHIPPING N.V.	Netherlands Antilles	100%
TOULOUSE MIDI PYRENNEES ENROBES, S.A.	France	57%
TRANSENERGY, INC.	Texas	100%
TRANSPORTES SAN PEDRO, S.A.	Dominican Republic	99%
TRICAP INVESTMENTS I-A, LLC	Delaware	100%
TRICAP OPTION FUND A, LLC	Delaware	100%
TRIPLE DIME HOLDINGS INC.	Philippines	100%
TUNWOO CO. LTD	Taiwan	100%
UCIM, A.S.	Turkey	100%
VALCEM INTERNATIONAL B.V.	Netherlands	100%

VALENCIANA DENMARK APS	Denmark	100%
VENCEMENT INVESTMENTS	Cayman Islands	100%
VENMARCA OCCIDENTE, C.A.	Venezuela	100%
VOGAN INVESTMENTS	Cayman Islands	100%
WESTERN RAIL ROAD COMPANY	Texas	100%
CEMEX LUXEMBOURG HOLDINGS S.A.R.L.	Luxembourg	100%
CEMEX UK LIMITED	United Kingdom	100%
CEMEX INVESTMENTS AFRICA AND MIDDLE EAST APS	Denmark	100%
NEW CARIBBEAN HOLDINGS B.V.	Netherlands	100%
EXTRACCIONES DEL PACIFICO, S.A.	Panama	100%
CANTERA EL CERRO, S.A.	Panama	100%
VILLAMARTIN OVERSEAS LIMITED	BVI	100%
BERSAL, S.A.	Dominican Republic	100%
CEMEX GLOBAL SOURCING, INC.	Delaware	100%
WIND ACQUISITION CORP. I	Delaware	100%
WIND ACQUISITION CORP. II	Delaware	100%
WIND ACQUISITION CORP III	Delaware	100%
CEMENTICE PARMA SRL	Italy	100%
OPERACIONES CONCRETAS LIMITADA	Colombia	100%
HORMIGONES AUTOL, S.A.	Spain	50.02%
CEMEX SHIPPING B.V.	Netherlands	100% (G)
CEMEX AMERICAN HOLDINGS B.V.	Netherlands	100% (G)

*   In Bold, material subsidiaries as of December 31, 2004
(G) In Bold, Guarantor

As of March 31, 2005

BOARD OF DIRECTORS OF CEMEX ESPANA

LORENZO H. ZAMBRANO TREVINO
JOSE LUIS SAENZ DE MIERA ALONSO
IGNACIO MADRIDEJOS FERNANDEZ
HECTOR MEDINA AGUIAR
MARCELO ZAMBRANO LOZANO
VICTOR MANUEL ROMO MUNOZ
RAMIRO VILLARREAL MORALES

CEMEX ESPANA FINANCE LLC

MANAGER OF THE COMPANY:
CEMEX NETHERLANDS B.V., A DUTCH COMPANY WITH ITS REGISTERED OFFICE AT
RIVIERSTAETE, AMSTELDIJK 166 1079 LH AMSTERDAM, THE NETHERLANDS.

OFFICERS OF THE MANAGER:

HANS S. LEIJDESDORFF
ALEJANDRO GARCIA COGOLLOS

LIST OF RMC GROUP LIMITEDD SUBSIDIARIES

As of April30, 2005

	COMPANY	COUNTRY
1	4K BETON A/S	DENMARK
2	A.TURNER & SONS (LONDON BUILDERS' MERCHANTS) LIMITED	UNITED KINGDOM
3	AAC MARKETING, INC.	FLORIDA
4	ABETON VIACOLOR TERKO KFT.	HUNGARY
5	ACM LEASING, INC.	ARIZONA
6	AD DALMACIJACEMENT-MONTENEGRO	MONTENEGRO
7	AERATED CONCRETE LIMITED	UNITED KINGDOM
8	AHG BRAUNKOHLENFLUGASCHEVERTRIEBS BETEILIGUNGS-GMBH, GRO(beta) GAGLOW	GERMANY
9	AHG BRAUNKOHLENFLUGASCHEVERTRIEBS GMBH & CO. KG, GRO(beta) GAGLOW	GERMANY
10	AKMENES CEMENTAS AB	LITHUANIA
11	ALASTAIR PROJECTS CORPORATION	B.V.I.
12	ALFA BETON LTD.	ISRAEL
13	ALFA KINNERET	ISRAEL
14	AMERICAN TRANSIT MIX COMPANY, INC.	CALIFORNIA
15	AMIOT (SAS)	FRANCE
16	ANGLIAN HOUSING LIMITED	UNITED KINGDOM
17	ANNANDALE PROPERTIES LIMITED	UNITED KINGDOM
18	ARIDOS Y ASOCIADOS DEL CENTRO S.A..	SPAIN
19	ASBERGER SAND- UND KIESBAGGEREI GMBH, ESSEN	GERMANY
20	ASH RESOURCES LIMITED	UNITED KINGDOM
21	ASHFORD BRICKWORKS LIMITED	UNITED KINGDOM
22	ASOCIACION LA BELONGA	SPAIN
23	ATLANTIC AGGREGATES LIMITED	UNITED KINGDOM
24	ATLAS AGGREGATES LIMITED	UNITED KINGDOM
25	ATLAS NEIF HOLDINGS LIMITED	CYPRUS
26	AUTOMATIC AGGREGATE SYSTEMS, INC.	CALIFORNIA
27	B.F.G. BETON-FORDERGESELLSCHAFT MBH AACHEN-DUREN-JULICH, AACHEN	GERMANY
28	B.R. BETON (1986) READYMIXED CONCRETE ENTREPRISES LTD.	ISRAEL
29	BAGREGATES LIMITED	UNITED KINGDOM
30	BARG	POLAND
31	BARKER & BENCE LIMITED	UNITED KINGDOM
32	BASE 6 BUILDING MATERIALS LIMITED	UNITED KINGDOM
33	BASICS BUILDING MATERIALS LIMITED	UNITED KINGDOM
34	BAUSTOFFHANDEL GMBH, RATINGEN: ZN IBH INDUSTRIE-BEDARF-HANDEL, NEUSS	GERMANY
35	BAUSTOFFTECHNIK UNTERWESER GMBH, BREMEN	GERMANY
36	BAUSTOFFTECHNIK GMBH	AUSTRIA
37	BAUTIAA TP (SAS)	FRANCE
38	BB BAUSTOFF BETEILIGUNGS-GMBH & CO. KG	GERMANY
39	BB BAUSTOFF BETEILIGUNGS-VERWALTUNGS-GMBH	GERMANY
40	BBQ BAUTECHNIK SUDBAYERN GMBH, ASCHHEIM	GERMANY
41	BDC CONCRETE PRODUCTS LIMITED	UNITED KINGDOM
42	BEAUFORT QUARRIES LIMITED	UNITED KINGDOM
43	BEDFONT INSURANCE COMPANY LIMITED	UNITED KINGDOM
44	BEPEBE	POLAND
45	BETECNA- BETAO PRONTO S.A.	PORTUGAL
46	BETON CONTROLE DE GASCOGNE (SA)	FRANCE
47	BETON DE FRANCE ILE DE France (SAS)	FRANCE
48	BETON DE FRANCE CENTRE ET BRETAGNE (SAS)	FRANCE
49	BETON DE FRANCE NORD OUEST (SAS)	FRANCE
50	BETON DE FRANCE RHONE ALPES ALSACE (SAS)	FRANCE
51	BETON DE FRANCE SUD OUEST	FRANCE
52	BETON DE FRANCE SUD EST	FRANCE
53	BETON DU HAUT VAR (SARL)	FRANCE
54	BETONEXPRESS GMBH	AUSTRIA
55	BETON HA'EMEK	ISRAEL
56	BETON LABO SERVICES (SARL)	FRANCE
57	BETONLIFT GMBH	AUSTRIA
58	BETONRING SUD GMBH	AUSTRIA
59	BETON MARKETING OST GMBH, BERLIN	GERMANY
60	BETON MARKETING WEST GMBH, BECKUM	GERMANY
61	BETON MODERNE DU BASSIN (SAS)	FRANCE
62	BETON MODERNE DU BORN (SAS)	FRANCE
63	BETONKIES ISINGERODE GMBH & CO. KG	GERMANY
64	BETONKIES ISINGERODE VERWALTUNGSGESELLSCHAFT MBH	GERMANY
65	BETONLIFT GMBH, RATINGEN	GERMANY
66	BETONPRUFINSTITUT BAYREUTH GMBH, BAYREUTH	GERMANY
67	BETONSTEINWERK HEIDE ERNST SCHRODER GMBH & CO. KG, HEIDE	GERMANY
68	BETONSTEINWERK SCHRODER GMBH, HEIDE	GERMANY
69	BETONTECHNIK HANNOVER GMBH	GERMANY
70	BETONWERK WERTH GMBH	GERMANY
71	BETRA GESELLSCHAFT FUR DEN BETRIEB VON TRANSPORTBETONPUMPEN MBH	GERMANY
72	BETRA VERWALTUNGSGESELLSCHAFT MBH	GERMANY
73	BIL GRUNDSTUCKSVERWALTUNGS-GMBH & CO. RODENA KG, POCKING	GERMANY
74	BLACKWATER AGGREGATES LIMITED	UNITED KINGDOM
75	BNW GMBH & CO.KG.	AUSTRIA
76	BOHEMIA TRANSPORTBETON S.R.O.	CZECH REPUBLIC
77	BOTHEL LIMESTONE AND BRICK COMPANY LIMITED	UNITED KINGDOM
78	BOULTON & PAUL (BUILDING SERVICES) LIMITED	UNITED KINGDOM
79	BOULTON & PAUL (MANUFACTURING) LIMITED	UNITED KINGDOM

No.	Company	Country
80	BOULTON & PAUL (SALES) LIMITED	UNITED KINGDOM
81	BOULTON & PAUL (SCOTLAND) LIMITED	UNITED KINGDOM
82	BOULTON & PAUL PENSION TRUST LIMITED	UNITED KINGDOM
83	BOULTON & PAUL SENIOR PENSION TRUST LIMITED	UNITED KINGDOM
84	BPD VOGTLAND GMBH & CO. KG, HARTMANNSGRUN	GERMANY
85	BPL BAUSTOFF-PRUF-LABOR GMBH, PLAUEN	GERMANY
86	BPU BETONPUMPENUNION GMBH & CO. KG, ULM	GERMANY
87	BRETT HALL AGGREGATES LIMITED	UNITED KINGDOM
88	BRIMAC AGGREGATES LIMITED	UNITED KINGDOM
89	BRITISH DOOR MARKETING COMPANY LIMITED	UNITED KINGDOM
90	BRITISH DREDGING (SOUTH WALES) LIMITED	UNITED KINGDOM
91	BRITISH DREDGING LIMITED	UNITED KINGDOM
92	BRUNTINGTHORPE GRAVELS LIMITED	UNITED KINGDOM
93	BUKKOSDKO KFT.	HUNGARY
94	BUSS-BASALT GMBH & CO. KG, MUNZENBERG/GAMBACH	GERMANY
95	BUTTERLEY AGGREGATES LIMITED	UNITED KINGDOM
96	BUXTON RAIL LIMITED	UNITED KINGDOM
97	BVT BETONPUMPEN VERMIETUNG THURINGEN GMBH & CO. KG, WECHMAR	GERMANY
98	BVT BETONPUMPEN VERMIETUNG THURINGEN VERWALTUNGS-GMBH, WECHMAR	GERMANY
99	BVV BAUSTOFFVERRECHNUNGGESELLSCHAFT VOGTLAND MBH, PLAUEN	GERMANY
100	C.C.P. LIMITED	UNITED KINGDOM
101	CAGNY BETON (SAS)	FRANCE
102	CALIFORNIA READYMIX, INC.	DELAWARE
103	CARRIERES DE LA LOIRE (SA)	FRANCE
104	CARRIERES ET BALLASTIERES DE PICARDIE (SNC)	FRANCE
105	CEMENTOWNIA CHELM S.A.	POLAND
106	CEMENTOWNIA RUDNIKI S.A.	POLAND
107	CEMEX BLENDING USA LIMITED	UNITED KINGDOM
108	CEMEX BRITANNIA INVESTMENTS UNLIMITED	UNITED KINGDOM
109	CEMEX DEUTSCHLAND AG	GERMANY
110	CEMEX EL PASO, INC.	TEXAS
111	CEMEX CZECH REPUBLIC, S.R.O.	CZECH REPUBLIC
112	CEMTRADE LIMITED	UNITED KINGDOM
113	CENTRAL BLOCKS LIMITED	UNITED KINGDOM
114	CHANDLER READY MIX, INC.	ARIZONA
115	CHANTIERS DE LA HAUTE SEINE (SAS)	FRANCE
116	CHARTER OAKS FARMS, INC.	CALIFORNIA
117	CHELMSKI CEMENT SP. Z O.O.	POLAND
118	CHEMOCRETE LTD.	ISRAEL
119	CIBCO INSULATIONS (UK) LIMITED	UNITED KINGDOM
120	CLUGSTON ASPHALT LIMITED	UNITED KINGDOM
121	CM TRANSPORTBETON GMBH & CO. KG, WITTGENSDORF	GERMANY
122	COAST MATERIALS COMPANY	MISSISSIPPI
123	COMBINED MANAGEMENT SERVICES LIMITED	UNITED KINGDOM
124	CONCRETE AGGREGATES LIMITED	UNITED KINGDOM
125	CONCRETE PUMPING LIMITED	UNITED KINGDOM
126	CONCRETE RESEARCH LIMITED	UNITED KINGDOM
127	CORY HALL LIMITED	UNITED KINGDOM
128	CROATIA OSIGURANJE D.D. -only 0,08% in share capital	CROATIA
129	CROWN CEMENT SALES LIMITED	UNITED KINGDOM
130	CROWWOOD GRANGE ESTATES LIMITED	UNITED KINGDOM
131	CSA CEMENTISSIMA AG	SWITZERLAND
132	CWRC SP. Z O.O.	POLAND
133	CWRH SP. Z O.O.	POLAND
134	CWRW SP. Z O.O.	POLAND
135	DAGENHAM WHARF LIMITED	UNITED KINGDOM
136	DALEFORD ESTATES LIMITED	UNITED KINGDOM
137	DALMACIJACMENT -RMC GROUP D.D.	CROATIA
138	DANUBIUSBETON BETONKESZITO KFT.	HUNGARY
139	DANUBIUSBETON DUNANTUL KFT.	HUNGARY
140	DANUBIUSBETON KECSKEMET KFT.	HUNGARY
141	DANUBIUSBETON SZOLNOK KFT.	HUNGARY
142	DANUBIUSBETON VESZPREM KFT.	HUNGARY
143	DB BACSKA KFT.	HUNGARY
144	DB MARCALI KFT.	HUNGARY
145	DB PAKS KFT.	HUNGARY
146	DB PERI KFT.	HUNGARY
147	DE LANK QUARRIES LIMITED	UNITED KINGDOM
148	DGW BODENSYSTEME GMBH & CO. KG, WUPPERTAL	GERMANY
149	DGW BODENSYSTEME VERWALTUNGS-GMBH, WUPPERTAL	GERMANY
150	DMK DONAUMOOS KIES GMBH & CO. KG, WEICHERING	GERMANY
151	DMK DONAUMOOS KIES VERWALTUNGS-GMBH, WEICHERING	GERMANY
152	DONAU TRANSPORTBETON GMBH & CO. KG, DILLINGEN	GERMANY
153	DONAU TRANSPORTBETON VERWALTUNGS-GMBH	GERMANY
154	DRAUBETON GMBH	AUSTRIA
155	DROME ARDECHE GRANULATS (SNC)	FRANCE
156	DSS LIMITED	UNITED KINGDOM (Isle of Man)
157	EAST PONCE HOLDINGS LLC	DELAWARE
158	EASTERN ROADSTONE LIMITED	UNITED KINGDOM
159	ECONOMICS VERSICHERUNGSVERMITTLUNGS GMBH	GERMANY
160	EITAN BETON (1993) LTD.	ISRAEL
161	ELDON HILL QUARRIES LIMITED	UNITED KINGDOM
162	EMBRA AB	SWEDEN
163	EMBRA AS	NORWAY
164	EMBRA CEMENT AS (49% OWNED BY LAFARGE UK PLC)	NORWAY
165	EMBRA ETNE AS (40% OWNED BY LOCAL CONTRACTOR)	NORWAY
166	EMBRA OY	FINLAND
167	EMBRA TRADING AS	NORWAY
168	ENTAL INTERNATIONAL LIMITED D.O.O.	CROATIA
169	ERDBAU-KIES GUTH	AUSTRIA
170	ETABLISSEMENTS MOREAU (SAS) (MOREAU in the organizational chart)	FRANCE
171	ETON AGGREGATES LIMITED	UNITED KINGDOM
172	EURO BETAO - BETAO PRONTO S.A.	PORTUGAL
173	EVRY ENVIRONNEMENT SERVICES (SNC)	FRANCE
174	FALCON CEMENT LLC	UAE
175	FBS - FERTIGBETON GMBH & CO. KG, BOHLITZ-EHRENBERG	GERMANY
176	FBS - FERTIGBETON GMBH, BOHLITZ-EHRENBERG	GERMANY
177	FBT - FERTIGBETON GMBH & CO. KG, ERFURT	GERMANY
178	FBT - FERTIGBETON VERW.-GMBH, ERFURT	GERMANY
179	FERTIGMORTEL SAUERLAND GMBH, ISERLOHN	GERMANY
180	FIFTH LETTUCE PTY LIMITED	AUSTRALIA
181	FILBUK III LIMITED	UNITED KINGDOM
182	FINCHMEAD LIMITED	UNITED KINGDOM
183	FITTSCHEN BAUSTOFF VERWALTUNGS-GMBH, BUXTEHUDE	GERMANY
184	FLOWLINE KITCHENS INTERNATIONAL LIMITED	UNITED KINGDOM
185	FMD MORTELDIENST MAINFRANKEN GMBH & CO. KG, WURZBURG	GERMANY

186	FMD MORTELDIENST MAINFRANKEN VERWALTUNGSGESELLSCHAFT MBH, WURZBURG	GERMANY
187	FODEX PTE LTD	SINGAPORE
188	FRANCE LIANTS (SAS)	FRANCE
189	FRANKFURTER LIEFERBETON GMBH & CO. KG, FRANKFURT	GERMANY
190	FRANKFURTER LIEFERBETON GMBH, FRANKFURT	GERMANY
191	FREIBERGER TRANSPORTBETON GMBH & CO. KG	GERMANY
192	FREIBERGER TRANSPORTBETON VERWALTUNGS-GMBH	GERMANY
193	FRISCHBETON UELZEN GMBH	GERMANY
194	FRISCHBETON UELZEN GMBH & CO. KG	GERMANY
195	FUEL AND COMBUSTION TECHNOLOGY INTERNATIONAL LIMITED	UNITED KINGDOM
196	GABA (SAS)	FRANCE
197	GAVE MATERIAUX ENROBES (SNC)	FRANCE
198	GEMEINNUTZIGE WOHNUNGSGESELLSCHAFT MBH, WERDOHL	GERMANY
199	GENERAL ASPHALT SURFACING LIMITED	UNITED KINGDOM
200	GERMANIA UNION GMBH & CO. KG	GERMANY
201	GERMANIA UNION VERWALTUNGS-GMBH	GERMANY
202	GESTORA RUNAS VALLES OCCIDENTAL	SPAIN
203	GIE DE SAINT JULIEN ET DE SAINT ELIX LE CHATEAU(GIE)(GIE SAINT JULIEN in the organizational chart	FRANCE
204	GILLINGHAM PORTLAND CEMENT COMPANY LIMITED	UNITED KINGDOM
205	GISAB (GIE)	FRANCE
206	GLASER TROCKENSAND GMBH, MALSCH	GERMANY
207	GOLDEN PLUS GRANITE SDN BHD	MALAYSIA
208	GOLDEN PLUS MANAGEMENT SDN BHD	MALAYSIA
209	GOLDEN PLUS PREMIX SDN BHD	MALAYSIA
210	GOLDEN PLUS QUARRY (MELAKA) SDN BHD	MALAYSIA
211	GRAF RECYCLING-BAUSTOFFE GMBH & CO. KG, RUDERSDORF	GERMANY
212	GRAF RECYCLING-BAUSTOFFE GMBH, RUDERSDORF	GERMANY
213	GRAZER TRANSPORTBETON GMBH	AUSTRIA
214	GRAUWACKENINDUSTRIE GMBH, HAGEN	GERMANY
215	GREENWOOD QUARRIES (WENVOE) LIMITED	UNITED KINGDOM
216	GROUPEMENT DU PERTHUIS DE POSES (GIE)	FRANCE
217	GULF QUARRIES	UAE
218	GYOMROI 76 KFT.	HUNGARY
219	GZ SAND, S.R.O.	CZECH REPUBLIC
220	H.E. PORTER & COMPANY LIMITED	UNITED KINGDOM
221	HALL & HAM RIVER LIMITED	UNITED KINGDOM
222	HALL (MARINE) LIMITED	UNITED KINGDOM
223	HALL AGGREGATES (EASTERN COUNTIES) LIMITED	UNITED KINGDOM
224	HALL AGGREGATES (SOUTH COAST) LIMITED	UNITED KINGDOM
225	HALL AGGREGATES (SOUTH EAST) LIMITED	UNITED KINGDOM
226	HALL AGGREGATES (THAMES VALLEY) LIMITED	UNITED KINGDOM
227	HALL AGGREGATES LIMITED	UNITED KINGDOM
228	HALL DREDGING LIMITED	UNITED KINGDOM
229	HANS BALTUS GMBH, BREMEN	GERMANY
230	HANSEATISCHE BETONSTEININDUSTRIE MBH, HENSTEDT-ULZBURG	GERMANY
231	HARBOR SAND AND GRAVEL, INC.	CALIFORNIA
232	HARGREAVES QUARRIES LIMITED	UNITED KINGDOM
233	HARTKALKSTEINWERK HORST GMBH, BALVE	GERMANY
234	HARTSTEINWERK RADAUTAL GMBH	GERMANY
235	HAUSGES. D. VEREINS DEUTSCHER ZEMENTWERKE MBH, DUSSELDORF	GERMANY
236	HAVERING AGGREGATES LIMITED	UNITED KINGDOM
237	HBM HUB (TECHNOLOGY) LIMITED	UNITED KINGDOM
238	HBM HUB LIMITED	UNITED KINGDOM
239	HEIDE-TRANSPORTBETON GMBH	GERMANY
240	HEIDE-TRANSPORTBETON GMBH & CO. KG	GERMANY
241	HERBERT JOHNE GMBH & CO. KG, SCHWEPNITZ	GERMANY
242	HHB HAMBURGER HAFENBETON GMBH & CO. KG, HAMBURG	GERMANY
243	HHB HAMBURGER HAFENBETON GMBH, HAMBURG	GERMANY
244	HKW-BETON GMBH & CO. KG, HAGEN	GERMANY
245	HKW-BETON VERWALTUNGS-GMBH, HAGEN	GERMANY
246	HOLLITZER BAUSTOFFWERKE GMBH	AUSTRIA
247	HORMIGONES ARIDOS Y MAQUINARIA S.A.	SPAIN
248	HORMIGONES CIUDAD REAL S.A.	SPAIN
249	HTG HANDELS- UND TRANSPORT GMBH, RATINGEN	GERMANY
250	HUMBER SAND AND GRAVEL LIMITED	UNITED KINGDOM
251	HYDE-CRETE LIMITED	UNITED KINGDOM
252	I.M.D. SERVICES LIMITED	UNITED KINGDOM
253	IA LIMITED	UNITED KINGDOM (Isle of Man)
254	ISLAND BARN AGGREGATES LIMITED	UNITED KINGDOM
255	ISLE OF WIGHT AGGREGATES LIMITED	UNITED KINGDOM
256	ISOLA BAUCHEMIE GMBH, SALZKOTTEN	GERMANY
257	JAUNTALER GMBH	AUSTRIA
258	J C WASTE LIMITED	UNITED KINGDOM
259	JOHN CARR (AVON) LIMITED	UNITED KINGDOM
260	JOHN CARR (CORBY) LIMITED	UNITED KINGDOM
261	JOHN CARR (DONCASTER) LIMITED	UNITED KINGDOM
262	JOHN CARR (ESSEX) LIMITED	UNITED KINGDOM
263	JOHN CARR (GLOUCESTER) LIMITED	UNITED KINGDOM
264	JOHN CARR (HOLDINGS) LIMITED	UNITED KINGDOM
265	JOHN CARR (SBK) LIMITED	UNITED KINGDOM
266	JOHN CARR (WINDOWS) LIMITED	UNITED KINGDOM
267	JOHN CARR CENTRAL SERVICES LIMITED	UNITED KINGDOM
268	JOHN McQUILLAN LIMITED	UNITED KINGDOM (N. Ireland)
269	K.I.S. KREDITINFORMATIONSSYSTEM GMBH & CO. KG, BERLIN	GERMANY
270	K+R DRESDNER TRANSPORTBETON GMBH & CO. KG, DRESDEN	GERMANY
271	K+R DRESDNER TRANSPORTBETON VERWALTUNGS-GMBH, DRESDEN	GERMANY
272	K+R LAUSITZER TRANSPORTBETON GMBH & CO. KG, GRO(beta)RACHEN	GERMANY
273	K+R LAUSITZER TRANSPORTBETON GMBH, GRO(beta)RACHEN	GERMANY
274	KAISER-OMNIA BAUELEMENTE GMBH & CO. KG, BISCHOFSHEIM	GERMANY
275	KALKSTEINWERK MEDENBACH GMBH, BREITSCHEID	GERMANY
276	KALKSTEINWERK NIEDERKLEEN GMBH, LANGGONS	GERMANY
277	KE DOLNA ODRA	POLAND
278	KGH KIESGEWINNUNGS- HANDELSGESELLSCHAFT GMBH & CO. KG, HAMBURG	GERMANY
279	KIES- UND NATURSTEINBETRIEBE READYMIX GMBH & CO. KG, BEUCHA	GERMANY
280	KIES- UND NATURSTEINBETRIEBE READYMIX VERWALTUNGS-GMBH, BEUCHA	GERMANY
281	KIES UNION GMBH	AUSTRIA
282	KIESWERK "MUHLENSEE" FRANKENFELD GMBH & CO.KG, PADERBORN	GERMANY
283	KIESWERK "MUHLENSEE" FRANKENFELD VERWALTUNGS-GMBH, PADERBORN	GERMANY
284	KIESWERK GMBH & CO. IMMELBORN BETRIEBS-KG, IMMELBORN	GERMANY
285	KIESWERK GMBH IMMELBORN, IMMELBORN	GERMANY
286	KIESWERK HERRMANN GMBH & CO. KG, KIRCHHAIN	GERMANY
287	KIESWERK HERRMANN VERWALTUNGS-GMBH, KIRCHHAIN	GERMANY
288	KIESWERK LEINETAL GMBH & CO. KG	GERMANY
289	KIESWERK LEINETAL VERWALTUNGSGESELLSCHAFT MBH	GERMANY
290	KIESWERK MONDORF GMBH & CO. KG, NIEDERKASSEL-MONDORF	GERMANY

291	KIESWERK MONDORF GMBH, NIEDERKASSEL-MONDORF	GERMANY
292	KIESWERK RHEINAU-HONAU GMBH, RHEINAU	GERMANY
293	KIESWERK RHEINAU-HONAU KIES UND SPLITT KG, RHEINAU	GERMANY
294	KIESWERK ROITH WOLF GMBH & CO. KG, STRAUBING	GERMANY
295	KIESWERK ROITH WOLF VERWALTUNGS-GMBH, STRAUBING	GERMANY
296	KIESWERK RUTHE GMBH & CO. KG	GERMANY
297	KIESWERK RUTHE VERWALTUNGS-GMBH	GERMANY
298	KIESWERK TUNDERN GMBH, TUNDERN	GERMANY
299	KIESWERK WERNSHAUSEN GMBH & CO. KG, IMMELBORN	GERMANY
300	KIESWERK WERNSHAUSEN VERWALTUNGS-GMBH, IMMELBORN	GERMANY
301	KREHLING INDUSTRIES, INC.	FLORIDA
302	KOKOSZKI	POLAND
303	KOLBL BAUSTOFFE GMBH & CO. KG, MULHEIM A. D. RUHR	GERMANY
304	KOLBL GMBH & CO. KG, ESSEN	GERMANY
305	KONDOMINIUM GMBH & CO. KG, IFFEZHEIM	GERMANY
306	KONDOMINIUM GMBH, IFFEZHEIM	GERMANY
307	KRK KIES BETEILIGUNGS- UND VERWALTUNGS-GMBH, IMMELBORN	GERMANY
308	KSG KIES UND SAND GRUNDSTUCKSVERWERTUNG VERWALTUNGS-GMBH	GERMANY
309	KSG KIES UND SAND GRUNDSTUCKSVERWERTUNGS GMBH & CO. KG	GERMANY
310	KSV KIES UND SPLITT GMBH RHEIN-RUHR, WUPPERTAL	GERMANY
311	KULM-TRANSPORTBETON GMBH & CO. KG, ERBENDORF	GERMANY
312	KULM-TRANSPORTBETON VERWALTUNGSGESELLSCHAFT MBH, NUDDERSDORF	GERMANY
313	KW TRANSPORTBETON GMBH	AUSTRIA
314	L WATKINSON AND SONS LIMITED	UNITED KINGDOM
315	LAFARGE BETON RHEINLAND GMBH & CO. KG, KOLN	GERMANY
316	LAFARGE BETON RHEINLAND GMBH, KOLN	GERMANY
317	LAHN-BETON MITTELHESSEN GMBH, WETZLAR	GERMANY
318	LAHN-KALKSTEIN GMBH, MUNZENBERG/GAMBACH	GERMANY
319	LANGUEDOC GRANULATS (SNC)	FRANCE
320	LEISURE SPORT LIMITED	UNITED KINGDOM
321	LES GRANULATS MARINS DE NORMANDIE (GIE)	FRANCE
322	LES GRAVES DE L'ESTUAIRE (SAS)	FRANCE
323	LES SABLES DE BREVANNES (SA)	FRANCE
324	LIEFERBETON GMBH	AUSTRIA
325	LIEFERBETON VORDERTAUNUS GMBH & CO. KG, OBERURSEL	GERMANY
326	LIEFERBETON VORDERTAUNUS GMBH, FRANKFURT	GERMANY
327	LIEFERBETON WOLFSBURG GMBH	AUSTRIA
328	LIME AND STONE PRODUCTION COMPANY LTD.	ISRAEL
329	LIME AND STONE CONCRETE (READYMIX GROUP) LTD.	ISRAEL
330	LINCS. SURFACING CONTRACTORS LIMITED	UNITED KINGDOM
331	LONE STAR CALIFORNIA, INC.	DELAWARE
332	LOSCH SYSTEMBAUTEILE GMBH & CO. KG, BAD DURKHEIM	GERMANY
333	LOSCH SYSTEMBAUTEILE VERWALTUNGS-GMBH, BAD DURKHEIM	GERMANY
334	LUBARTOW	POLAND
335	LYTAG LIMITED	UNITED KINGDOM
336	MAKSIMIR CEMENT D.O.O.	CROATIA
337	MANTON STONE LIMITED	UNITED KINGDOM
338	MARINE AGGREGATES LIMITED	UNITED KINGDOM
339	MAYLANDS LIMITED	UNITED KINGDOM
340	McLAREN ROADSTONE LIMITED	UNITED KINGDOM
341	MDF MORTEL-DIENST FRANKEN GMBH & CO. KG, NURNBERG	GERMANY
342	MDF MORTEL-DIENST FRANKEN VERWALTUNGS-GMBH, NURNBERG	GERMANY
343	MDS MORTELDIENST SIEGERLAND GMBH & CO. KG, SIEGEN	GERMANY
344	MECKLENBURG-STRELITZER KIESWERKE GMBH, NEUSTRELITZ	GERMANY
345	MERSEY SAND SUPPLIERS (a partnership)	UNITED KINGDOM
346	MERSEY SAND SUPPLIERS LIMITED	UNITED KINGDOM
347	MERTZ BETON GMBH & CO. KG, BERLIN	GERMANY
348	MERTZ BETON VERWALTUNGS-GMBH, BERLIN	GERMANY
349	METRO-GREENHAM AGGREGATES LIMITED	UNITED KINGDOM
350	METROPOLITAN CONCRETE LIMITED	UNITED KINGDOM
351	METROVILLA SDN BHD	MALAYSIA
352	MFE MAINFRANKEN FLIE(beta)ESTRICH GMBH & CO. KG, BERGRHEINFELD	GERMANY
353	MFE MAINFRANKEN FLIE(beta)ESTRICH VERWALTUNGS-GMBH, BERGRHEINFELD	GERMANY
354	MGM SABLIERES REUNIES (SNC)	FRANCE
355	MICROSILICA LIMITED	UNITED KINGDOM
356	MID-NORFOLK CONCRETE COMPANY LIMITED	UNITED KINGDOM
357	MILL HOLDINGS PTY LIMITED	AUSTRALIA
358	MINERAL & ENERGY RESOURCES CORPORATION LIMITED	UNITED KINGDOM
359	MINERAL AND ENERGY RESOURCES (UK) LIMITED	UNITED KINGDOM
360	MINICRETE LIMITED	UNITED KINGDOM
361	MINIMIX DIRECT LIMITED	UNITED KINGDOM
362	MISSOURI ASPHALT PRODUCTS, LLC	MISSOURI
363	MIXBETON VERMOGENSGESELLSCHAFT MBH & CO. KG, BERLIN	GERMANY
364	MKB MORTELDIENST KOLN-BONN GMBH & CO. KG, KOLN-MARSDORF	GERMANY
365	MKB MORTELDIENST KOLN-BONN VERWALTUNGS-GMBH	GERMANY
366	MOBI BETON (SNC)	FRANCE
367	MONOMET GEOTEXTILES LIMITED	UNITED KINGDOM
368	MONOPOLINK TRANSPORT SDN BHD	MALAYSIA
369	MORILLON CORVOL RHONE MEDITERRANNEE (SAS)	FRANCE
370	MORILLON CORVOL SUD OUEST (SAS)	FRANCE
371	MORTELDIENST CHEMNITZ GMBH & CO. KG	GERMANY
372	MORTELDIENST CHEMNITZ VERWALTUNGS-GMBH	GERMANY
373	MORTELDIENST SAALE - ELSTER GMBH & CO. KG, WACHAU	GERMANY
374	MORTELDIENST SAALE - ELSTER VERWALTUNGS-GMBH, WACHAU	GERMANY
375	MORTELDIENST SIEGERLAND GMBH, SIEGEN	GERMANY
376	MOUNTFIELD ROADSTONE LIMITED	UNITED KINGDOM
377	MOUNTFIELD ROADSTONE SURFACING LIMITED	UNITED KINGDOM
378	MULDE-MORTEL GMBH & CO. KG	GERMANY
379	MULDE-MORTEL VERWALTUNGS-GMBH	GERMANY
380	MUNCHNER MORTEL GMBH & CO. KG, MUNCHEN	GERMANY
381	MUNCHNER MORTEL VERWALTUNGS-GMBH, MUNCHEN	GERMANY
382	MULTICOM (SA)	FRANCE
383	NEDERLANDSE CEMENT HANDELSMAATSCHAPPIJ B.V., DEN HAAG	THE NETHERLANDS
384	NEWDIGATE BRICKWORKS LIMITED	UNITED KINGDOM
385	NOR-CAL READY MIX, INC.	CALIFORNIA
386	NORTH WEST AGGREGATES LIMITED	UNITED KINGDOM
387	NORTH WEST SURFACING LIMITED	UNITED KINGDOM
388	NORTHERN AGGREGATES (ISLE OF MAN) LIMITED	UNITED KINGDOM (Isle of Man)
389	NORTHERN AGGREGATES LIMITED	UNITED KINGDOM
390	NORTHERN ROADSTONE LIMITED	UNITED KINGDOM
391	NORWEST HOLDINGS LIMITED	UNITED KINGDOM
392	NORWEST SAND AND BALLAST COMPANY (1985)	UNITED KINGDOM
393	NORWEST SAND AND BALLAST COMPANY LIMITED	UNITED KINGDOM
394	NOTTINGHAM MINI MIXED CONCRETE LIMITED	UNITED KINGDOM
395	NOVACASH BETELIGUNGS AG	AUSTRIA
396	OBERLAND BETON VERWALTUNGS-GMBH	GERMANY

No.	Company	Country
397	ODER-BETON GMBH & CO. KG, FRANKFURT A.D. ODER	GERMANY
398	ODER-BETON VERWALTUNGS-GMBH, FRANKFURT A.D.ODER	GERMANY
399	OVAL (302) LIMITED	UNITED KINGDOM
400	PALLERBETON KFT.	HUNGARY
401	PARMELIA HOTEL PTY LIMITED	AUSTRALIA
402	PAVIMENT ESTRICH- UND INDUSTRIEBODENSYSTEME GMBH & CO. KG	GERMANY
403	PAVIMENT ESTRICH- UND INDUSTRIEBODENSYSTEME VERWALTUNGS-GMBH, BERATZHAUSEN	GERMANY
404	PEAKSTONE BRICK LIMITED	UNITED KINGDOM
405	PFALZ-MORTEL GMBH & CO. KG, LANDSTUHL	GERMANY
406	PFALZ-MORTEL VERWALTUNGS-GMBH, LANDSTUHL	GERMANY
407	PIESBERGER STEINBRUCHTRANSPORTE GMBH, OSNABRUCK (VORMALS: KW J.MARTIN)	GERMANY
408	PIESBERGER STEININDUSTRIE GMBH & CO. KG, OSNABRUCK	GERMANY
409	PIESBERGER STEININDUSTRIE VERWALTUNGS-GMBH, OSNABRUCK	GERMANY
410	POLSKI CEMENT	POLAND
411	POLLER BETON GMBH & CO. KG, LAUF	GERMANY
412	POLLER BETON VERWALTUNGS-GMBH, LAUF	GERMANY
413	POZZOLANIC LYTAG LIMITED	UNITED KINGDOM
414	PREMIX-READYMIX CONCRETE INDUSTRIES	ISRAEL
415	PROCESSING ASH LLP (a limited liability partnership with Lafarge)	UNITED KINGDOM
416	PRZEDSIEBIORSTWO WIELOBRANZOWE "PORTLAND" SP. Z O.O.	POLAND
417	PUMPENDIENST NOBA GMBH & CO. KG, NURNBERG	GERMANY
418	PUMPENDIENST NOBA VERWALTUNGS-GMBH, NURNBERG	GERMANY
419	PURFLEET AGGREGATES LIMITED	UNITED KINGDOM
420	QUARTZITE QUARRIES LIMITED	UNITED KINGDOM
421	QUARZSANDWERK WELLMERSDORF GMBH & CO. KG, NEUSTADT	GERMANY
422	QUARZSANDWERK WELLMERSDORF VERWALTUNGS-GMBH, NEUSTADT	GERMANY
423	QUICKBORNER BETONWERKE GMBH, QUICKBORN	GERMANY
424	QUICKMIX CONCRETE COMPANY LIMITED	UNITED KINGDOM
425	R.P.C. TRANSPORT LIMITED	UNITED KINGDOM
426	READICRETE LIMITED	UNITED KINGDOM
427	READY MIXED CONCRETE (EAST MIDLANDS) LIMITED	UNITED KINGDOM
428	READY MIXED CONCRETE (EASTERN COUNTIES) LIMITED	UNITED KINGDOM
429	READY MIXED CONCRETE (LONDON) LIMITED	UNITED KINGDOM
430	READY MIXED CONCRETE (MIDLANDS) LIMITED	UNITED KINGDOM
431	READY MIXED CONCRETE (NORTH WEST) LIMITED	UNITED KINGDOM
432	READY MIXED CONCRETE (NORTHERN) LIMITED	UNITED KINGDOM
433	READY MIXED CONCRETE (SOUTH EAST) LIMITED	UNITED KINGDOM
434	READY MIXED CONCRETE (SOUTH-COAST) LIMITED	UNITED KINGDOM
435	READY MIXED CONCRETE (THAMES VALLEY) LIMITED	UNITED KINGDOM
436	READY MIXED CONCRETE (TRANSITE) LIMITED	UNITED KINGDOM
437	READY MIXED CONCRETE (UNITED KINGDOM) LIMITED	UNITED KINGDOM
438	READY MIXED CONCRETE (WALES) LIMITED	UNITED KINGDOM
439	READY MIXED CONCRETE (WEST MIDLANDS) LIMITED	UNITED KINGDOM
440	READY MIXED CONCRETE (WESTERN) LIMITED	UNITED KINGDOM
441	READY MIXED CONCRETE (YORKSHIRE) LIMITED	UNITED KINGDOM
442	READY MIXED CONCRETE LIMITED	UNITED KINGDOM
443	READY MIXED CONCRETE SENIOR BENEFITS TRUST LIMITED	UNITED KINGDOM
444	READY MIXED CONCRETE SOUTH-WEST) LIMITED	UNITED KINGDOM
445	READYMIX (UK) LIMITED	UNITED KINGDOM
446	READYMIX AG	GERMANY
447	READYMIX ARGENTINA, S.A.	ARGENTINA
448	READYMIX ASLAND S.A.	SPAIN
449	READYMIX BETON BERLIN GMBH & CO. KG, BERLIN	GERMANY
450	READYMIX BETON NORDSACHSEN GMBH & CO. KG, LEIPZIG	GERMANY
451	READYMIX BETON NORDSACHSEN VERWALTUNGS-GMBH, LEIPZIG	GERMANY
452	READYMIX BETON SAALE GMBH & CO. KG, HALLE/SAALE	GERMANY
453	READYMIX BETON SAALE VERW.-GMBH, HALLE/SAALE	GERMANY
454	READYMIX BETON VORPOMMERN-STRELITZ GMBH, ROSTOCK	GERMANY
455	READYMIX BETONBAUTEILE GMBH, RATINGEN	GERMANY
456	READYMIX BOHEMIA S.R.O.	CZECH REPUBLIC
457	READYMIX CONCRETE PRODUCTS (ISRAEL) LTD.	ISRAEL
458	READYMIX CROATIA D.O.O	CROATIA
459	READYMIX DECKENWERK BISCHOFSHEIM VERWALTUNGS- GMBH, BISCHOFSHEIM	GERMANY
460	READYMIX DRYPACK LIMITED	UNITED KINGDOM
461	READYMIX FERTIGTEILE GMBH	AUSTRIA
462	READYMIX HANDEL & TRANSPORT GMBH, RUDERSDORF	GERMANY
463	READYMIX HANDEL & TRANSPORT GMBH, WULFRATH	GERMANY
464	READYMIX HUTTENZEMENT GMBH, DORTMUND	GERMANY
465	READYMIX IBERIA S.A..	SPAIN
466	READYMIX INDUSTRIES (ISRAEL) LTD.	ISRAEL
467	READYMIX KIES GMBH SUD-OST, DRESDEN	GERMANY
468	READYMIX KIES GMBH, RATINGEN (701)	GERMANY
469	READYMIX KIES SAAR-PFALZ-HESSEN GMBH, HEUCHELHEIM	GERMANY
470	READYMIX KIES UNION AG	AUSTRIA
471	READYMIX KIESWERK LAU(beta)IG GMBH, LAU(beta)IG	GERMANY
472	READYMIX KLOSTERS VERTRIEBSGESELLSCHAFT MBH, BERLIN	GERMANY
473	READYMIX MINI-MIX LIMITED	UNITED KINGDOM
474	READYMIX MORTARS LIMITED	UNITED KINGDOM
475	READYMIX ORADEA	ROMANIA
476	READYMIX PARTNERSHIPS (1982) LTD.	ISRAEL
477	READYMIX PRAHA-MALESICE S.R.O.	CZECH REPUBLIC
478	READYMIX RAPID BETON KFT.	HUNGARY
479	READYMIX SCHOENECK S.A.R.L., SCHOENECK	FRANCE
480	READYMIX SERVICES LIMITED	UNITED KINGDOM
481	READYMIX SLOVAKIA	SLOVAKIA
482	READYMIX SUROWCE MINERALNE POLSKA SP. Z O.O.	POLAND
483	READYMIX TRANSPORTBETON BREMERHAVEN GMBH, BREMERHAVEN	GERMANY
484	READYMIX TRANSPORTBETON GMBH & CO. KG, DORTMUND	GERMANY
485	READYMIX TRANSPORTBETON GMBH & CO. KG, HENSTEDT-ULZBURG	GERMANY
486	READYMIX TRANSPORTBETON GMBH & CO. KG, HEUCHELHEIM	GERMANY
487	READYMIX TRANSPORTBETON GMBH BERLIN, BERLIN	GERMANY
488	READYMIX TRANSPORTBETON GMBH, HENSTEDT-ULZBURG	GERMANY
489	READYMIX TRANSPORTBETON VERWALTUNGS-GMBH, HEUCHELHEIM	GERMANY
490	READYMIX TRANSPORTBETON VERWALTUNGS-GMBH, MOERS	GERMANY
491	READYMIX WESTZEMENT GMBH, BECKUM	GERMANY
492	READYMIX VERSICHERUNGSMAKLER GMBH	AUSTRIA
493	READYMIX ZALA KFT.	HUNGARY
494	RECICLAJES Y DERRIBOS SANTA BARBARA S.A.	SPAIN
495	REDICON LIMITED	UNITED KINGDOM
496	REMS BETON GMBH	AUSTRIA
497	RENO-SPARKS READY MIX, INC.	NEVADA
498	RESERVOIR AGGREGATES LIMITED	UNITED KINGDOM
499	RESZVETEL KFT.	HUNGARY
500	RGN KIESGEWINNUNGS GMBH, DRESDEN	GERMANY
501	RHEIN-NAHE-MORTEL GMBH, WIESBADEN	GERMANY

502	RICHMOND CEMENT LIMITED	UNITED KINGDOM
503	RICHTER GMBH & CO. KG SPLITT- UND SCHOTTERWERK, HAMMERUNTERWIESENTHAL	GERMANY
504	RICHTER VERWALTUNGS-GMBH, HAMMERUNTERWIESENTHAL	GERMANY
505	RICKMANSWORTH GRAVEL COMPANY LIMITED	UNITED KINGDOM
506	RM KIESWERKE ROGATZ-PAREY GMBH, ROGATZ	GERMANY
507	RMC VI (SA)	FRANCE
508	RMC VII (SA)	FRANCE
509	RMC (DBP) NO 1 LIMITED	UNITED KINGDOM
510	RMC (DBP) NO 2 LIMITED	UNITED KINGDOM
511	RMC (GB) LIMITED	UNITED KINGDOM
512	RMC (GM) NO 1 LIMITED	UNITED KINGDOM
513	RMC (GM) NO 2 LIMITED	UNITED KINGDOM
514	RMC (GM) NO 3 LIMITED	UNITED KINGDOM (N. Ireland)
515	RMC (GM) NO 4 LIMITED	UNITED KINGDOM
516	RMC (GM) NO 5 LIMITED	UNITED KINGDOM
517	RMC (GM) NO 6 LIMITED	UNITED KINGDOM
518	RMC (GM) NO 7 LIMITED	UNITED KINGDOM
519	RMC (GM) NO 8 LIMITED	UNITED KINGDOM
520	RMC (HW) NO 1 LIMITED	UNITED KINGDOM
521	RMC (HW) NO 2 LIMITED	UNITED KINGDOM
522	RMC (HW) NO 3 LIMITED	UNITED KINGDOM
523	RMC (HW) NO 4 LIMITED	UNITED KINGDOM (N. Ireland)
524	RMC (SO) LIMITED	UNITED KINGDOM
525	RMC (UK) LIMITED	UNITED KINGDOM
526	RMC AGGREGATES (BUKIT TAMBUN) SDN BHD	MALAYSIA
527	RMC AGGREGATES (DOVE HOLES) LIMITED	UNITED KINGDOM
528	RMC AGGREGATES (EASTERN) LIMITED	UNITED KINGDOM
529	RMC AGGREGATES (GREATER LONDON) LIMITED	UNITED KINGDOM
530	RMC AGGREGATES (LUMUT) SDN BHD	MALAYSIA
531	RMC AGGREGATES (SOUTH WALES) LIMITED	UNITED KINGDOM
532	RMC AGGREGATES (UK) LIMITED	UNITED KINGDOM
533	RMC AGGREGATES LIMITED	UNITED KINGDOM
534	RMC ATLANTA LTD.	UNITED KINGDOM
535	RMC ARIZONA, INC.	ARIZONA
536	RMC AUSTRALIA	UNITED KINGDOM
537	SIA CEMEX	LATVIA
538	RMC BETON SLASK SP. Z O.O.	POLAND
539	RMC BUILDING PRODUCTS (BORNEO) SDN BHD	MALAYSIA
540	RMC BUILDING PRODUCTS (UK) LIMITED	UNITED KINGDOM
541	RMC CATHERWOOD TRANSPORT LIMITED	UNITED KINGDOM (N. Ireland)
542	RMC CENTRAL EUROPE GMBH	GERMANY
543	RMC CONCRETE FLOORS LIMITED	UNITED KINGDOM
544	RMC CONCRETE PRODUCTS (UK) LIMITED	UNITED KINGDOM
545	RMC CONCRETE (MALAYSIA) SDN BHD	MALAYSIA
546	RMC CONCRETE (SINGAPORE) PTE LTD	SINGAPORE
547	RMC CONSTRUCTION SERVICES LIMITED	UNITED KINGDOM
548	RMC DOLLARS	UNITED KINGDOM
549	RMC DORMANT NO 1 LIMITED	UNITED KINGDOM
550	RMC ENGINEERING & TRANSPORT LIMITED	UNITED KINGDOM
551	RMC ENVIRONMENTAL SERVICES LIMITED	UNITED KINGDOM
552	RMC EUROLAND LIMITED	UNITED KINGDOM
553	RMC EUROPE LIMITED	UNITED KINGDOM
554	RMC EXPLORATIONS LIMITED	UNITED KINGDOM
555	RMC EURO (SAS)	FRANCE
556	RMC EWELL, INC.	FLORIDA
557	RMC FINANCE LIMITED	UNITED KINGDOM
558	RMC FLORIDA GROUP LTD.	UNITED KINGDOM
559	RMC FORMATION (SAS)	FRANCE
560	RMC FRANCE (SAS)	FRANCE
561	RMC-FRANCE INTERNATIONAL (SAS)	FRANCE
562	RMC GEORGIA	UNITED KINGDOM
563	RMC GROUP LIMITED	UNITED KINGDOM
564	RMC GROUP SECRETARIES LIMITED	UNITED KINGDOM
565	RMC GROUP SERVICES	GERMANY
566	RMC GROUPE SERVICES (GIE)	FRANCE
567	RMC GROUP SERVICES LIMITED	UNITED KINGDOM
568	RMC HBM TRADING HUB LIMITED	UNITED KINGDOM
569	RMC HOLDINGS B.V.	THE NETHERLANDS
570	RMC HOLDINGS ISRAEL LTD	ISRAEL
571	RMC HOMECARE LIMITED	UNITED KINGDOM
572	RMC INCA LIMITED	UNITED KINGDOM
573	RMC INDUSTRIAL MINERALS LIMITED	UNITED KINGDOM
574	RMC INDUSTRIES (MALAYSIA) SDN BHD	MALAYSIA
575	RMC INTERNATIONAL CEMENT LIMITED	UNITED KINGDOM
576	RMC INTERNATIONAL HOLDINGS LIMITED	UNITED KINGDOM
577	RMC INTERNATIONAL HOLDINGS LTD	FRANCE
578	RMC KEEGAN LIMITED	UNITED KINGDOM
579	RMC KEEGAN LIMITED	UNITED KINGDOM
580	RMC LEASING LIMITED	UNITED KINGDOM
581	RMC LEISURE LIMITED	UNITED KINGDOM
582	RMC LIMITED	UNITED KINGDOM
583	RMC LOGISTICS EASTERN LIMITED	UNITED KINGDOM
584	RMC LOGISTICS NORTH EAST LIMITED	UNITED KINGDOM
585	RMC LOGISTICS NORTHERN LIMITED	UNITED KINGDOM
586	RMC LOGISTICS SCOTLAND LIMITED	UNITED KINGDOM
587	RMC LOGISTICS SOUTH EAST LIMITED	UNITED KINGDOM
588	RMC LOGISTICS WESTERN LIMITED	UNITED KINGDOM
589	RMC MARINE (EUROPE) LIMITED	UNITED KINGDOM
590	RMC MARINE (GUERNSEY) LIMITED	UNITED KINGDOM (Guernsey)
591	RMC MARINE LIMITED	UNITED KINGDOM
592	RMC MATERIALS LIMITED	UNITED KINGDOM
593	RMC MID-ATLANTIC, LLC	SOUTH CAROLINA
594	RMC MONEY PURCHASE PENSION TRUST LIMITED	UNITED KINGDOM
595	RMC MORTARS LIMITED	UNITED KINGDOM
596	RMC NEVADA, INC.	NEVADA
597	RMC NEW MEXICO, LLC	NEW MEXICO
598	RMC OVERSEAS LIMITED	UNITED KINGDOM
599	RMC PACIFIC MATERIALS, INC.	DELAWARE
600	RMC PACKED PRODUCTS LIMITED	UNITED KINGDOM
601	RMC PENSION TRUST LIMITED	UNITED KINGDOM
602	RMC PLANT LIMITED	UNITED KINGDOM
603	RMC PLANT SALES LIMITED	UNITED KINGDOM
604	RMC POLSKA SP. Z O.O.	POLAND
605	RMC PROPERTIES LIMITED	UNITED KINGDOM
606	RMC PROPERTY INVESTMENTS LIMITED	UNITED KINGDOM
607	RMC READYMIX (MALAYSIA) SDN BHD	MALAYSIA

No.	Name	Jurisdiction
608	RMC READYMIX EAST ANGLIA LIMITED	UNITED KINGDOM
609	RMC READYMIX LIMITED	UNITED KINGDOM
610	RMC READYMIX SOUTH WEST LIMITED	UNITED KINGDOM
611	RMC RESERVE NO 1 LIMITED	UNITED KINGDOM
612	RMC RETAIL AND MERCHANTING LIMITED	UNITED KINGDOM
613	RMC ROADSTONE LIMITED	UNITED KINGDOM
614	RMC ROMBUS MATERIALS LIMITED	UNITED KINGDOM
615	RMC RUSSELL plc	UNITED KINGDOM
616	RMC SOUTH FLORIDA, INC.	FLORIDA
617	RMC SPECIALIST PRODUCTS LIMITED	UNITED KINGDOM
618	RMC SUPERMIX	UAE
619	RMC SURFACING LIMITED	UNITED KINGDOM
620	RMC TOPMIX LLC	UAE
621	RMC TRAINING SERVICES LIMITED	UNITED KINGDOM
622	RMC TRANSPORT POLSKA SP. Z O.O.	POLAND
623	RMC TREASURY LIMITED	UNITED KINGDOM
624	RM TRIPPL STEINBRUCH GMBH	AUSTRIA
625	RMC TRUSTEES (LTIP) LIMITED	UNITED KINGDOM (Jersey)
626	RMC TRUSTEES (QUEST) LIMITED	UNITED KINGDOM
627	RMC USA HOLDINGS, INC.	DELAWARE
628	RMC USA HOLDINGS LIMITED	UNITED KINGDOM
629	RMC USA	FRANCE
630	RMC USA, INC.	DELAWARE
631	RM LESENCE KFT.	HUNGARY
632	RM VIGVAM KFT.	HUNGARY
633	ROADE AGGREGATES LIMITED	UNITED KINGDOM
634	ROFA BETON GMBH	GERMANY
635	ROMBUS FINANCE LIMITED	UNITED KINGDOM
636	ROMBUS INSURANCE BROKERS LIMITED	UNITED KINGDOM
637	ROMBUS LEASING LIMITED	UNITED KINGDOM
638	ROMBUS LIMITED	UNITED KINGDOM
639	ROMBUS MATERIALS LIMITED	UNITED KINGDOM
640	ROMBUS SAND AND GRAVEL LIMITED	UNITED KINGDOM
641	ROMEY DECKEN BETRIEBSGESELLSCHAFT MBH, PLAIDT	GERMANY
642	ROTHERVALE JOINERY LIMITED	UNITED KINGDOM
643	RUDERSDORFER ZEMENT GMBH, RUDERSDORF	GERMANY
644	ROSEMANN ERDBAU GMBH	AUSTRIA
645	RUGBY ADELAIDE PTY LIMITED	AUSTRALIA
646	RUGBY ANKOBET	POLAND
647	RUGBY AUSTRALIA INVESTMENTS PTY LTD	AUSTRALIA
648	RUGBY BUILDING SYSTEMS LIMITED	UNITED KINGDOM
649	RUGBY CEMENT CONSULTANTS LIMITED	UNITED KINGDOM
650	RUGBY CO-EXTRUDED PLASTICS LIMITED	UNITED KINGDOM
651	RUGBY DORMANT NO. 1 LIMITED	UNITED KINGDOM
652	RUGBY DORMANT NO. 16 LIMITED	UNITED KINGDOM
653	RUGBY DORMANT NO. 2 LIMITED	UNITED KINGDOM
654	RUGBY DORMANT NO. 3 LIMITED	UNITED KINGDOM
655	RUGBY FARMS LIMITED	UNITED KINGDOM
656	RUGBY HOLDING B.V.	THE NETHERLANDS
657	RUGBY HOLDINGS LIMITED	AUSTRALIA
658	RUGBY JAMAICA LIME AND MINERALS, LIMITED	JAMAICA
659	RUGBY JOINERY LIMITED	UNITED KINGDOM
660	RUGBY LIMITED	UNITED KINGDOM
661	RUGBY PERTH PTY LIMITED	AUSTRALIA
662	RUSSELL BUILDING MATERIALS LIMITED	UNITED KINGDOM
663	RUSSELL COAL LIMITED	UNITED KINGDOM
664	RUSSELL CONCRETE PRODUCTS LIMITED	UNITED KINGDOM
665	RUSSELL DESIGN & ENGINEERING LIMITED	UNITED KINGDOM
666	RUSSELL DEVELOPMENTS LIMITED	UNITED KINGDOM
667	RUSSELL MASONRY PRODUCTS LIMITED	UNITED KINGDOM
668	RUSSELL PLASTIC MOULDINGS LIMITED	UNITED KINGDOM
669	RUSSELL QUARRY PRODUCTS (SOUTHERN) LIMITED	UNITED KINGDOM
670	RUSSELL QUARRY PRODUCTS LIMITED	UNITED KINGDOM
671	RUSSELL ROOF TILES LIMITED	UNITED KINGDOM
672	RUSSLATE LIMITED	UNITED KINGDOM
673	RUV TRANSPORTBETON MAXHUTTE GMBH, MAXHUTTE-HAIDHOF	GERMANY
674	S & J QUARRIES LIMITED	UNITED KINGDOM
675	S.M. TIDY (HAULAGE) LIMITED	UNITED KINGDOM
676	SABLES ET GRAVIERS DE L'ORLEANAIS (SNC)	FRANCE
678	SABLES ET GRAVIERS WILLERSINN S.A.R.L., FORT-LOUIS	FRANCE
679	SABLIERES ET ENTREPRISES MORILLON CORVOL (SA)(SEMC in the organizational chart)	FRANCE
680	SAGRAMO (SAS)	FRANCE
681	SAKRET HAMBURG-BERLIN GMBH & CO. KG	GERMANY
682	SAKRET POLSCA POLNOC SP. Z O.O.	POLAND
683	SAKRET TROCKENBAUSTOFFE GMBH & CO. KG, GIE(beta)EN	GERMANY
684	SAKRET TROCKENBAUSTOFFE GMBH, GIE(beta)EN	GERMANY
685	SAMIC BUILDERS MERCHANTS LIMITED	UNITED KINGDOM
686	SAND- UND KIESWERK PECHGRABEN GMBH & CO. KG	GERMANY
687	SAND- UND KIESWERK PECHGRABEN VERWALTUNGS-GMBH	GERMANY
688	SANTA CLARA SAND & GRAVEL CO.	CALIFORNIA
689	SARI BETONPUMPENDIENST GMBH & CO. KG	GERMANY
690	SARI BETONPUMPENDIENST VERWALTUNGS-GMBH	GERMANY
691	SAS DES GRESILLONS (SAS)	FRANCE
692	SBS SPEZIALBAUSTOFFE GMBH & CO. KG, DRESDEN	GERMANY
693	SBS SPEZIALBAUSTOFFE VERWALTUNGS-GMBH, DRESDEN	GERMANY
694	SCHAFER NATURSTEIN GMBH & CO. KG, SINDELFINGEN	GERMANY
695	SCHAFER NATURSTEIN VERW.-GMBH, SINDELFINGEN	GERMANY
696	SCHOTTER-BETONWERK DONNERSDORF GMBH	AUSTRIA
697	SCI CHATEAUNEUF DU RHONE (SCI)	FRANCE
698	SCI LES HAUTS TERRIERS (SCI)	FRANCE
699	SCI GRAND VOYEUX DE CONGIS (SCI) (SCI CONGIS in the organizational chart)	FRANCE
700	SCI CHARLEMAGNE (SCI)	FRANCE
701	SCI D'ENCAULET (SCI)	FRANCE
702	SCI DU BOIS DE LA PECHERIE (SCI)	FRANCE
703	SCI DU COLOMBIER (SCI)	FRANCE
704	SCI CHANGIS (SCI)	FRANCE
705	SCI IMMOPAR (SCI)	FRANCE
706	SCI MORET CONIE (SCI)	FRANCE
707	SCI SAUTS DE L'AIGLE (SCI)	FRANCE
708	SCOTTISH AGGREGATES LIMITED	UNITED KINGDOM
709	SCOTTISH AND NORTHERN AGGREGATES LIMITED	UNITED KINGDOM
710	SEA ENERGY ASSOCIATES LIMITED	UNITED KINGDOM
711	SEAMENT (UK) LIMITED	UNITED KINGDOM
712	SEAMENT LIMITED	UNITED KINGDOM

713	SECURITY ALARMS (NORTHERN) LIMITED	UNITED KINGDOM
714	SHAP CONCRETE PRODUCTS LIMITED	UNITED KINGDOM
715	SIMPSON CONSTRUCTION MATERIALS, LLC	MISSOURI
716	SIPOREX LIMITED	UNITED KINGDOM
717	SKG GMBH	AUSTRIA
718	SLO, SPOL S.R.O.	CZECH REPUBLIC
719	SOCIEDADES DE BRITAS E CALCAREOS DA CARAPINHA DE ALENQUER LTD.	PORTUGAL
720	SOCIETE BRIGNOLAISE DE BETON ET D'AGGLOMERES (SARL)	FRANCE
721	SOCIETE D'EXPLOITAION DE CARRIERES (SAS)	FRANCE
722	SOCIETE MERIDIONALE DE CARRIERES (SAS)	FRANCE
723	SOCIETE PARISIENNE DE SABLIERES (SAS)	FRANCE
724	SOL RAD	ISRAEL
725	SONDERBETON GMBH	AUSTRIA
726	SOUTH COAST SAND AND BALLAST COMPANY LIMITED	UNITED KINGDOM
727	SOUTH COAST SHIPPING COMPANY LIMITED	UNITED KINGDOM
728	SOUTHERN ROADSTONE LIMITED	UNITED KINGDOM
729	SOUTHERN SECURITY SERVICES (SHEPWAY) LIMITED	UNITED KINGDOM
730	SPOONER AVIATION (ENGINEERING) LIMITED	UNITED KINGDOM
731	SPRINGETT COATED STONE LIMITED	UNITED KINGDOM
732	ST. ALBANS SAND AND GRAVEL COMPANY LIMITED	UNITED KINGDOM
733	STADTMARKETING UND WIRTSCHAFTSFORDERUNGSGES.MBH	GERMANY
734	STAFF NOMINEES LIMITED	UNITED KINGDOM
735	STB SAUERLANDER TRANSPORTBETON GMBH & CO. KG, LUDENSCHEID	GERMANY
736	STB SAUERLANDER TRANSPORTBETON GMBH, LUDENSCHEID	GERMANY
737	STEEPHOLME INVESTMENTS LIMITED	UNITED KINGDOM (Jersey)
738	STEINWERKE WILHELM KOSTER GMBH & CO. KG, HAGEN	GERMANY
739	STEYRTAL BETON GMBH	AUSTRIA
740	STEYRTAL BETON GMBH & CO. KG.	AUSTRIA
741	STOCKTON TIMBER PRODUCTS PTY LIMITED	AUSTRALIA
742	STONE HILL QUARRIES LIMITED	UNITED KINGDOM
743	SUDBAYERISCHER BETONPUMPEN-VERLEIH GMBH & CO. KG, UNTERSCHLEI(beta)HEIM	GERMANY
744	SUNDERMEYER FRISCHBETON GMBH & CO. KG, BISSENDORF	GERMANY
745	SUNDERMEYER GMBH, BISSENDORF	GERMANY
746	SWIFT 258 LIMITED	UNITED KINGDOM
747	SWK GMBH & CO. KG SUDWESTDEUTSCHE KIESHANDELSGES., IFFEZHEIM	GERMANY
748	SWK GMBH, IFFEZHEIM	GERMANY
749	TAUNUS-QUARZIT-WERKE GMBH & CO. KG, FRIEDRICHSDORF/TS. (WERHEIM)	GERMANY
750	TAUNUS-QUARZIT-WERKE-VERWALTUNGS GMBH, FRIEDRICHSDORF/TS.	GERMANY
751	TB HAMM GMBH & CO. KG, HAMM	GERMANY
752	TB HAMM VERWALTUNGS-GMBH, HAMM	GERMANY
753	TB REISINGER & CO., GEISENFELD	GERMANY
754	TB WESTFALIA BAUSTOFFHANDEL GMBH & CO. KG, HAMM	GERMANY
755	TB WESTFALIA BAUSTOFFHANDEL VERWALTUNGS-GMBH, HAMM	GERMANY
756	TBE TRANSPORTBETON EISERN GMBH, SIEGEN	GERMANY
757	TBG PFAFFENHOFEN GMBH & CO. KG, PFAFFENHOFEN	GERMANY
758	TBG SZEGED KFT.	HUNGARY
759	TBG TRANSPORTBETON GMBH & CO. KG, BAYREUTH	GERMANY
760	TBG TRANSPORTBETON GOHFELD GMBH & CO. KG, LOHNE	GERMANY
761	TBG TRANSPORTBETON GOHFELD VERWALTUNGS-GMBH, LOHNE	GERMANY
762	TBG TRANSPORTBETON MUNCHBERG GMBH & CO. KG, MUNCHBERG	GERMANY
763	TBG TRANSPORTBETON VERWALTUNGSGESELLSCHAFT MBH, PFAFFENHOFEN	GERMANY
764	TBG TRANSPORTBETON VERWALTUNGS-GMBH, BAYREUTH	GERMANY
765	TBL TRANSPORTBETON LUNEN GMBH & CO. KG, LUNEN	GERMANY
766	TBL TRANSPORTBETON LUNEN VERWALTUNGS-GMBH, LUNEN	GERMANY
767	TBM TRANSPORTBETON GMBH & CO. KG, MALLERSDORF	GERMANY
768	TBM TRANSPORTBETON MUNSTER GMBH & CO. KG, MUNSTER	GERMANY
769	TBM TRANSPORTBETON MUNSTER VERWALTUNGS-GMBH, MUNSTER	GERMANY
770	TBM TRANSPORTBETON VERWALTUNGS-GMBH, MALLERSDORF	GERMANY
771	TBN TRANSPORTBETON NORDTHURINGEN GMBH & CO. KG, ERFURT	GERMANY
772	TBN TRANSPORTBETON NORDTHURINGEN VERWALTUNGS-GMBH, ERFURT	GERMANY
773	TBR TRANSPORTBETON GMBH & CO. KG, ASCHHEIM	GERMANY
774	TBR TRANSPORTBETON GMBH & CO. KG, REGENSBURG	GERMANY
775	TBR TRANSPORTBETON REGEN GMBH & CO. KG, REGEN	GERMANY
776	TBR TRANSPORTBETON REGENSBURG GMBH, PENTLING	GERMANY
777	TBR TRANSPORTBETON VERWALTUNGS-GMBH, ASCHHEIM	GERMANY
778	TBU TRANSPORTBETON UNNA GMBH & CO. KG, UNNA	GERMANY
779	TBU TRANSPORTBETON UNNA VERWALTUNGS-GMBH, UNNA	GERMANY
780	TBW TRANSPORTBETON WORTH / ISAR GMBH & CO. KG, LANDSHUT	GERMANY
781	TEMPERED SAFETY GLASS LIMITED	UNITED KINGDOM
782	TESTING SERVICES LIMITED	UNITED KINGDOM
783	THAMES CEMENT LIMITED	UNITED KINGDOM
784	THE BARRINGTON LIGHT RAILWAY COMPANY	UNITED KINGDOM
785	THE BURRY SAND COMPANY LIMITED	UNITED KINGDOM
786	THE FIFE SAND AND GRAVEL COMPANY LIMITED	UNITED KINGDOM
787	THE LONDON GRANITE COMPANY LIMITED	UNITED KINGDOM
788	THE RUGBY GROUP LIMITED	UNITED KINGDOM
789	THE RUGBY PORTLAND CEMENT COMPANY LIMITED	UNITED KINGDOM
790	THE SHAP GRANITE COMPANY LIMITED	UNITED KINGDOM
791	TIMOR BARAT BATU SDN BHD	MALAYSIA
792	TLALIM	ISRAEL
793	TONGRUBE ULMITZ GMBH	AUSTRIA
794	TRENT GRAVELS LIMITED	UNITED KINGDOM
795	TRANSBETON GMBH	AUSTRIA
796	TRANSMOBIL BAUSTOFF GMBH & CO. KG, RATINGEN	GERMANY
797	TRANSMOBIL VERWALTUNGS-GMBH, RATINGEN	GERMANY
798	TRANSPORT- UND FRISCHBETON GMBH & CO. KG, AACHEN	GERMANY
799	TRANSMOBILGMBH	AUSTRIA
800	TRANSPORTBETON GMBH	AUSTRIA
801	TRANSBETON HUNGARIA KFT.	HUNGARY
801	TRANSPORTBETON MORAVA S.R.O.	CZECH REPUBLIC
802	TRANSPORTBETON BREMERHAVEN GMBH & CO. KG, BREMERHAVEN	GERMANY
803	TRANSPORTBETON DORTMUND GMBH & CO. KG, DORTMUND	GERMANY
804	TRANSPORTBETON DORTMUND VERWALTUNGS-GMBH, DORTMUND	GERMANY
805	TRANSPORTBETON GMBH & CO. KG, WUPPERTAL	GERMANY
806	TRANSPORTBETON GMBH, WUPPERTAL	GERMANY
807	TRANSPORTBETON HENNHOFEN GMBH & CO. KG, ALTENMUNSTER-HENNHOFEN	GERMANY
808	TRANSPORTBETON HENNHOFEN VERWALTUNGS-GMBH, ALTENMUNSTER-HENNHOFEN	GERMANY
809	TRANSPORTBETON HUTTEN GMBH & CO. KG, IRCHENRIETH	GERMANY
810	TRANSPORTBETON HUTTEN VERWALTUNGS GMBH, IRCHENRIETH	GERMANY
811	TRANSPORTBETON INGOLSTADT GMBH & CO. KG, INGOLSTADT	GERMANY
812	TRANSPORTBETON INGOLSTADT GMBH, INGOLSTADT	GERMANY
813	TRANSPORTBETON PLAUEN GMBH & CO. KG	GERMANY
814	TRANSPORTBETON PLAUEN VERWALTUNGS-GMBH	GERMANY
815	TRANSPORTBETON REGEN VERWALTUNGS-GMBH, REGEN	GERMANY
816	TRANSPORTBETON SCHLESWIG-HOLSTEIN GMBH, KIEL	GERMANY
817	TRANSPORTBETON-WERK AHLEN GMBH, AHLEN	GERMANY

818	TRANSPORT-BETONWERK HEIDENHEIM GMBH & CO. KG, HEIDENHEIM A.D. BRENZ	GERMANY
819	TRANSPORTBETON-WERK MARK GMBH & CO. KG, DORTMUND	GERMANY
820	TRANSPORTBETON-WERK MARK GMBH, HAMM	GERMANY
821	TRANSPORTCOMMERCE D.D. 39,04% in share capital	CROATIA
822	TRANSBIC - TRANSPORTES DE BETAO INERTES ET CIMENTO UNIPESSOAL LTD.	PORTUGAL
823	TUCSON READY-MIX, INC.	ARIZONA
824	TUNDERNSEE GMBH & CO. KG, HAMELN-TUNDERN	GERMANY
825	TUNDERNSEE VERWALTUNGSGESELLSCHAFT MBH, HAMELN-TUNDERN	GERMANY
826	UNION BETON BETTELS & CO. TRANSPORTBETONGESELLSCHAFT MBH KG	GERMANY
827	UNION BETON BETTELS & CO. VERWALTUNGSGESELLSCHAFT	GERMANY
828	UNION BETON NIEDERSACHSEN GMBH & CO. KG, HANNOVER	GERMANY
829	UNION BETON NIEDERSACHSEN VERWALTUNGS-GMBH, HANNOVER	GERMANY
830	UNION GERMANIA BETON GMBH & CO. KG	GERMANY
831	UNION GERMANIA BETON VERWALTUNGS-GMBH	GERMANY
832	VALENSEINE (SOCIETE D'ECONOMIE MIXTE)	FRANCE
833	VEGRAD FEBAU	SLOVENIA
834	VEREINIGTE KIESWERKE SCHLADEN GMBH & CO. KG	GERMANY
835	VEREINIGTE KIESWERKE SCHLADEN VERWALTUNGSGESELLSCHAFT MBH	GERMANY
836	VIRTUAL EARNINGS SDN BHD	MALAYSIA
837	VONDEL UNLIMITED	UNITED KINGDOM (Jersey)
838	VS DECKENVERTRIEB GMBH	AUSTRIA
839	WALDHEIM-BETON GMBH & CO. KG, WALDHEIM	GERMANY
840	WALDHEIM-BETON VERWALTUNGS-GMBH, WALDHEIM	GERMANY
841	WANLIP GRAVELS LIMITED	UNITED KINGDOM
842	WARD SURFACING LIMITED	UNITED KINGDOM
843	WASCHKIESWERK EICH GMBH & CO. KG, EICH	GERMANY
844	WASCHKIESWERK EICH VERWALTUNGS-GMBH, EICH	GERMANY
845	WENCKER GMBH & CO. KG, DORTMUND	GERMANY
846	WENCKER VERWALTUNGS-GMBH, DORTMUND	GERMANY
847	WEST LONDON AGGREGATES LIMITED	UNITED KINGDOM
848	WESTERN AGGREGATES LIMITED	UNITED KINGDOM
849	WESTERN ROADSTONE LIMITED	UNITED KINGDOM
850	WETTERN BROTHERS LIMITED	UNITED KINGDOM
851	WF-MORTEL GMBH, HERFORD	GERMANY
852	WICKWAR QUARRIES LIMITED	UNITED KINGDOM
853	WILLERSINN KIES UND SPLITT GMBH & CO. KG, LUDWIGSHAFEN	GERMANY
854	WILLERSINN KIES UND SPLITT VERWALTUNGS-GMBH, LUDWIGSHAFEN	GERMANY
855	WILLIAM COOPER & SONS (DREDGING) LIMITED	UNITED KINGDOM
856	WILLSDOWN FARMS LIMITED	UNITED KINGDOM
857	WIRTZ NATURSTEINE UND STRA(beta)ENBAUSTOFFHANDELS-GMBH, ATTERSHEIM	GERMANY
858	WOLF-ROTERMUND GMBH	GERMANY
859	WONDERTEX LIMITED	UNITED KINGDOM
860	WOODSIDE WASTE SERVICES LIMITED	UNITED KINGDOM
861	WORCESTERSHIRE MINIMIX LIMITED	UNITED KINGDOM
862	WOTTON BROS., LIMITED	UNITED KINGDOM
863	WOTTON ROADSTONE LIMITED	UNITED KINGDOM
864	WONDERTEX LIMITED	UNITED KINGDOM
865	WUNDER KIES GMBH & CO. KG, SCHWARZENBEK	GERMANY
866	WUNDER KIESVERWALTUNGS-GMBH, SCHWARZENBEK	GERMANY
867	X. BUCHENRIEDER GMBH & CO. TRANSPORTBETON KG, LANDSHUT	GERMANY
868	X. BUCHENRIEDER GMBH, LANDSHUT	GERMANY
869	YORK COATED STONE LIMITED	UNITED KINGDOM
870	ZEMENT UNION GMBH	AUSTRIA
871	ZORAN	ISRAEL
872	ZUTER	POLAND
873	ZWIROWNIA KSM SP. Z O.O.	POLAND

(1) This company is owned by Simpson Construction Materials, LLC.
(2) This is a 50% Joint Venture between RMC USA, Inc. and Simpson Sand and Gravel Company an unrelated party.

SCHEDULE 5.5

FINANCIAL STATEMENTS

Consolidated Annual Accounts December 31, 2004, 2003, 2002, 2001 and 2000 and 2004 Director's Report (With Auditors Report Thereon).

The financial statements of Cemex Espana and its Subsidiaries delivered to each Purchaser pursuant to Section 5.5 and listed herein do not reflect the acquisition of RMC Group Limited, which occurred on March 1, 2005, or asset sales subsequent to December 31, 2004.

SCHEDULE 5.8

LITIGATION

None.

SCHEDULE 5.11

LICENSE, ETC. EXCEPTIONS

None.

SCHEDULE 5.15
FINANCIAL INDEBTEDNESS

As of 03.31.05
Figures in millions of (euro)*

BORROWER	INSTRUMENT	OUTSTANDING AMOUNT	FINAL MATURITY
CEMEX ESPANA, S.A.	Bilateral Lines	285	April 2005-January 2007
	(euro)250 M & (Y)19.308 M Syndicated Loan	289	Between 2006-2009
	$2,300 M Syndicated Loan (Acq. Financ.)	1,769	Between 2007-2009
	Others	28	Between 2005-2006
	SUBTOTAL	2,371	
CEMEX ESPANA FINANCE, LLC.	Priv. Plac. ($103 M)	80	June 2010
	Priv. Plac. ($96 M)	75	June 2013
	Priv. Plac. ($201 M)	157	June 2015
	Priv. Plac. ((Y)4,981 M)	36	April 2010
	Priv. Plac. ((Y)6,087 M)	44	April 2011
	SUBTOTAL	393	
CEMEX FINANCE EUROPE, B.V.	EMTN	101	July 2006
	SUBTOTAL	101	
CEMEX UK, LTD	Loan Notes (1)	33	June 2005-December 2009
	SUBTOTAL	33	
RMC GROUP, LTD	(pound)604 M Term & Revolving Credit Facilities	803	October 2005-October 2008
	Priv. Plac. ((pound)70 M) (2)	102	Between 2009-2019
	Priv. Plac. ($75 M) (3)	58	July 2006
	Priv. Plac. ($255 M) (4)	197	Between 2010-2020
	Priv. Plac. ($222 M) (5)	171	Between 2009-2014
	Other debt (6)	100	Between 2005-2014
RMC USA	Priv. Plac. ($155 M) (7)	120	Between 2008-2018
	Line of Credit	5	December 2005
	Other debt at RMC subsidiary level	66	Between 2005-2016
	SUBTOTAL	1,622	
CEMEX, INC.	Priv. Plac. ((euro)50 M)	50	March 2006
	Priv. Plac. ($315 M)	244	March 2006
	Priv. Plac. ($396 M)	306	March 2008
	SBLC (8)	38	Dec 2006-April 2025
	SUBTOTAL	638	
PUERTO RICAN CEMENT COMPANY	$40 M Credit Line	23	June 2005
	$50 M Credit Line	21	January 2006
	SUBTOTAL	44	
APO CEMENT CORP.	ECA Loan	10	July 2005-March 2006
	SUBTOTAL	10	
OTHER COMPANIES	Credit Lines	30	
	SUBTOTAL	30	
	TOTAL DEBT	5.242	

* Exchange rates
$/(euro)=1.2965
(Y)/(euro)=138.97

(euro)/(pound)=1.4575

(1) Held by RMC Shareholders who elected to receive Loan Notes instead of cash as payment for their RMC's shares.
(2) On May 17, 2005 this issuance was fully prepaid
(3) On May 17, 2005 Notes for an amount of $55.0 M were prepaid
(4) On May 17, 2005 Notes for an amount of $0.7 M were prepaid
(5) On May 17, 2005 Notes for an amount of $119.5 M were prepaid
(6) This caption basically includes Bank Loans, Overdraft Facilities and Financial Leases.
(7) On May 17, 2005 Notes for an amount of $11.0 M were prepaid
(8) Stand By Letters of Credit over tax-exempt bonds. Maturities shown correspond to these bonds. SBLC renewed on an annual basis.

SCHEDULE 10.3

EXISTING LIENS

CONSOLIDATED GROUP
LIEN SCHEDULE
(Figure In million. of Euros)

COMPANY	LENDER	LIEN CONCEPT	BALANCE (euro)
CEMEX, Inc.	GE Capital (FKIT 279, 280)	Equipment related with the credit	0.63
Kosmos Cement Company	First Corp (FKIT 101649)	Equipment related with the credit	0.01
CEMEX, Inc.	Hampton	Land related with the credit	0.18
Mineral Resource Technologies, Inc	Met-South, Inc	Ash storage facility	0.13
Cementownia Rudniki S.A.	SOCIETE GENERALE	Plant Equipment	11.42
BETON PRET DE L'EST	SOCIETE GENERALE	Equipment related with the credit	0.12
A Beton Viacolor Terko Rt.	Raiffeisen Bank	Mortgage	1.35
Danubiusbeton Dunantul Kft.	Raiffeisen Bank	Mortgage	1.16
4K Beton (Cemex) A/S, Denmark	Nordea Leasing; Denmark	Leased equipment	1.10
Cemex, Latvia	Disko Leasing GMBH	truck finance lease	0.17
Transbeton Lieferbeton	Raiffeisen Bank	Equipment related with the credit	0.39
Transbeton Lieferbeton	Raiffeisen Bank	Equipment related with the credit	0.34
Transbeton Lieferbeton	Raiffeisen Bank	Equipment related with the credit	0.25
Betonring Sud	Raiffeisen Bank	Equipment related with the credit	0.45
Transportbeton Hutten GmbH & Co. KG	Dresdner Bank AG	Land related with the credit	0.28
X. Buchanrieder GmbH & Co.			
Transportbeton KG	Raiffeisenbank	Land related with the credit	0.93
Wunder Kies GmbH & Co. KG (7724)	Kreissparkasse Schwarzenbek	Land related with the credit	0.24
Wunder Kies GmbH & Co. KG (7725)	Kreissparkasse Schwarzenbek	Land related with the credit	0.09
Wunder Kies GmbH & Co. KG (7725)	Landesbank Kiel	Land related with the credit	0.09
Wunder Kies GmbH & Co. KG (7726)	Kreissparkasse Schwarzenbek	Land related with the credit	0.24
Wunder Kies GmbH & Co. KG (7726)	Landesbank Kiel	Land related with the credit	0.24
Wunder Kies GmbH & Co. KG (7727)	Kreissparkasse Schwarzenbek	Land related with the credit	0.16
Quarzsandwerk Wellmersdorf GmbH & Co. KG	Raiffeisenbank	Land related with the credit	0.23
Wunder Kies GmbH & Co. KG	LGS Sparkassen Leasing	Finance Lease for aggregates washing unit	0.44
Rudersdorfer Zement GmbH	Rudersdorfer Logistik GmbH	Finance Lease for mixing facility	0.20
Betonforderung Nordwest	Hanseatische Leasing	Finance Lease for concrete pump	0.21
Cemex Deutschland AG	KGAL Asset Rental	Equipment related with the credit	11.27
ROMBUS LEASING/RMC (UK)	ING	HP equipment finance	1.33
Cemex Co, UK	ING	Equipment related with the credit	16.82
Cemex Co, UK	ING	Equipment related with the credit	48.45
Cemex Co. UK	Lloyds t.s.b.	Equipment related with the credit	5.35
			104.27

EXHIBIT 1(a)

FORM OF SERIES A NOTE

CEMEX ESPANA FINANCE LLC

5.18% SENIOR NOTE, SERIES A, DUE 2010

No.[_____] [DATE]
$[____________] PPN 15128@ AF 0

FOR VALUE RECEIVED, the undersigned, CEMEX ESPANA FINANCE LLC (herein called the "Company"), a limited liability company organized and existing under the laws of Delaware, hereby promises to pay to [_________________________], or registered assigns, the principal sum of [_______________________________] DOLLARS on June 13, 2010, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.18% per annum from the date hereof, payable semiannually, on the 13th day of June and December in each year, commencing with the June 13th or December 13th next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 7.18% or (ii) 2% over the rate of interest publicly announced by Citibank, N.A. from time to time in New York, New York as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Citibank, N.A, 111 Wall Street, 14th Floor, New York, New York 10043, Corporate Agency and Trust Department or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of June 13, 2005 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), among the Company, Cemex Espana, S.A. and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representations set forth in USections 6.1 and 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Payment of the Principal of, Make-Whole Amount, if any, and interest on this Note has been guaranteed by Cemex Espana, S.A. and certain other

Guarantors (as defined in the Note Purchase Agreement) pursuant to a Note Guarantee (as defined in the Note Purchase Agreement).

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof 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.

CEMEX ESPANA FINANCE LLC

By______________________
[Title]

EXHIBIT 1(b)

FORM OF SERIES B NOTE

CEMEX ESPANA FINANCE LLC

5.62% SENIOR NOTE, SERIES B, DUE 2015

No.[_____]	[DATE]
$[____________]	PPN 15128@ AG 8

FOR VALUE RECEIVED, the undersigned, CEMEX ESPANA FINANCE LLC (herein called the "Company"), a limited liability company organized and existing under the laws of Delaware, hereby promises to pay to [_________________________], or registered assigns, the principal sum of [_______________________________] DOLLARS on June 13, 2015, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.62% per annum from the date hereof, payable semiannually, on the 13th day of June and December in each year, commencing with the June 13th or December 13th next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 7.62% or (ii) 2% over the rate of interest publicly announced by Citibank, N.A. from time to time in New York, New York as its "base" or "prime" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Citibank, N.A, 111 Wall Street, 14th Floor, New York, New York 10043, Corporate Agency and Trust Department or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of June 13, 2005 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), among the Company, Cemex Espana, S.A. and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representations set forth in Sections 6.1 and 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase

Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Payment of the Principal of, Make-Whole Amount, if any, and interest on this Note has been guaranteed by Cemex Espana, S.A. and certain other Guarantors (as defined in the Note Purchase Agreement) pursuant to a Note Guarantee (as defined in the Note Purchase Agreement).

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof 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.

CEMEX ESPANA FINANCE LLC

By______________________
[Title]

EXHIBIT 4.4(a)

FORM OF OPINION OF COUNSEL
FOR CEMEX ESPANA

EXHIBIT 4.4(b)

FORM OF OPINION OF SPECIAL NEW YORK
COUNSEL TO THE COMPANY

Matters To Be Covered In
Opinion of Special New York Counsel To the Company

1. The Company being duly formed, validly existing and in good standing and having requisite limited liability company power and authority to issue and sell the Notes and to execute and deliver the documents.

2. Due authorization and execution of the documents by the Company, and such documents being legal, valid, binding and enforceable against the Company and the Guarantors.

3. No conflicts with US or NY laws or other material English language debt agreements.

4. All US and NY consents required to issue and sell the Notes and to execute and deliver the documents having been obtained.

5. The Notes not requiring registration under the Securities Act of 1933, as amended; no need to qualify an indenture under the Trust Indenture Act of 1939, as amended.

6. Company not an "investment company", or a company "controlled" by an "investment company", under the Investment Company Act of 1940, as amended.

EXHIBIT 4.4(c)

FORM OF OPINION OF SPECIAL
NETHERLANDS COUNSEL

EXHIBIT 4.4(d)

FORM OF OPINION OF SPECIAL US COUNSEL
TO THE PURCHASERS

EXHIBIT 4.4(e)

FORM OF OPINION OF SPECIAL SPANISH COUNSEL
TO THE PURCHASERS

Exhibit 4.17

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
CEMEX SOUTHEAST LLC,
A DELAWARE LIMITED LIABILITY COMPANY

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "LLC Agreement") of CEMEX SOUTHEAST LLC, a Delaware limited liability company (the "Company"), effective as of July 1, 2005, is by and among the Company, CEMEX SOUTHEAST HOLDINGS, LLC, a Delaware limited liability company ("Cemex"), and READY MIX USA, INC., an Alabama corporation ("RMUSA") (Cemex and RMUSA are hereinafter sometimes collectively referred to as the "Members"), and, solely for the purposes set forth in Section 9.6, CEMEX, INC., a Louisiana corporation ("Cemex, Inc.")

W I T N E S S E T H:

WHEREAS, the Company was formed for the purpose of engaging in the Primary Business (as defined herein) and now desire to set forth the agreement among the Members and the Company regarding the governance of the affairs of the Company and the conduct of its business; and

WHEREAS, Cemex, Inc. has agreed to enter into this LLC Agreement solely for the purposes set forth in Section 9.6 hereof.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, agreements and undertakings of the Members and the Company contained herein, it is agreed as follows:

1. Name, Office, Agent for Service of Process and Members' Names and Mailing Addresses.

1.1 Name. The name of the Company shall be CEMEX SOUTHEAST LLC.

1.2 Office. The address of the registered office and the mailing address of the Company shall be c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, or such other address(es) as the Manager may hereafter determine.

1.3 Agent for Service of Process. The name and address of the Company's initial registered agent for service of process shall be c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801.

1.4 Initial Members' Names, Mailing Addresses and Percentage and Voting Interests. The name and mailing address of each of the initial Members of the Company, and the Percentage Interest and Voting Interest of each such Member, are as set forth on Exhibit A attached hereto. The Manager shall update Exhibit A from time to time as necessary to accurately reflect the information therein, including any adjustment of the Percentage Interests required by this LLC Agreement, and to reflect the admission of additional Members in accordance with this LLC Agreement. Any such amendment or revisions to Exhibit A shall not be deemed an amendment to this LLC Agreement requiring approval of the Board.

2. Duration. The existence of the Company shall commence on the date of the filing of the Certificate of Formation in the Office of the Secretary of State of Delaware, and shall continue in perpetuity until dissolved pursuant to Section 12.1 hereof.

3. Purpose and Definitions.

3.1 Purpose. The Company is organized for the following purposes:

(a) to engage in the production and sale of Portland cement (excluding white cement), blended cement and masonry products within the Cement Boundaries (as defined in Section 3.2 hereof) (the "Primary Business"); and

(b) to engage in such additional activities that are necessary or appropriate to conduct the Primary Business.

3.2 Definitions. Capitalized terms used in this LLC Agreement and not otherwise defined herein shall have the meanings set forth below:

"Acquired Business" has the meaning set forth in Section 9.6.3.(c) hereof.

"Acquisition Date" has the meaning set forth in Section 9.6.3.(c) hereof.

"Additional Capital Contributions" has the meaning set forth in Section 4.1(b)(i) hereof.

"Adjusted Book Value" means total assets less total liabilities as determined under GAAP, as consistently applied and as reflected on the Company's balance sheet as of the date of the event giving rise to the calculation of Adjusted Book Value, plus the aggregate depreciation expense reflected in net income during the measurement period minus the Put Option Depreciation amount for the measurement period. For the avoidance of doubt, and as reflected in the Contribution Agreement, the assets contributed to the Company by RMUSA and Cemex on the Contribution Date will be valued for book purposes at $8,000,000.00 and $398,193,477.60, respectively, subject to adjustment as provided in Section 2.3 of the Contribution Agreement. An example of this calculation is shown in Exhibit B-3.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentence of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Adverse Act" means, with respect to a particular Member or Cemex, Inc., any of the following:

(i) the occurrence of an Event of Bankruptcy with respect to such Member or Cemex, Inc.;

(ii) any dissolution of such Member that is a corporation, partnership, limited liability company or other entity, or any dissolution of Cemex, Inc., without the prior written consent of the Manager, provided that if the Member to be dissolved, or Cemex, Inc., as the case may be, is also the Manager, or an Affiliate of the Manager, such consent shall be required to be obtained from the Board;

(iii) any failure by Cemex, Inc. to tender the Purchase Price as and when due in accordance with Section 9.6 hereof; provided, that RMUSA and each of its Affiliates has tendered its Percentage Interest or Membership Interest, as the case may be, free of any Liens at the Put Option Closing or such later closing on the first anniversary or second anniversary of the Put Option Closing, as the case may be.

(iv) at the election of the Transferring Member, the failure of a Non-Transferring Member who gives an Offer Acceptance Notice within the Offer Option Period to consummate the contemplated transaction within one (1) year after it gives such Offer Acceptance Notice, as provided in Section 9.3(a) hereof;

(v) at the election of the Contribution Complying Members, the failure of a Delinquent Member to make an Additional Capital Contribution pursuant to Section 4.1 hereof if the aggregate outstanding amount of (i) Additional Capital Contributions that the Delinquent Member and its Affiliates have failed to make under this Agreement and (ii) "Additional Capital Contributions" under the Ready Mix LLC Agreement with respect to such Member or any of its Affiliates is a "Delinquent Member" under Section 4.1 of the Ready Mix LLC Agreement, exceeds $10 million; or

(vi) at the election of the Transferring Member, a breach by a Non-Transferring Member who gives a Tag Along Notice within the Offer Option Period to Transfer its entire Membership Interest pursuant to the transaction set forth in the Offer Notice of any of its obligations to the purchaser under the Non-Transferring Member's agreement with the purchaser related to such transaction, which breach causes the contemplated transaction to be terminated, as provided in Section 9.4 hereof.

"Adverse Act Exercise Date" has the meaning set forth in Section 11.1(d)(i) hereof.

"Adverse Member" means, with respect to a particular Adverse Act, the Member with respect to which such Adverse Act has occurred.

"Adverse Member Buyout Closing" has the meaning set forth in Section 11.1(d) hereof.

"Affiliate" when used with respect to a specified Person, means a Person that:

(i) directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person;

(ii) is a director, officer, employee, trustee, member or general partner of, or an owner of an equity interest of more than fifty percent (50%), or a beneficiary of a trust owning an equity interest of more than fifty percent (50%) in, such specified Person or any Person specified in clause (i) of this definition; or

(iii) is a member of the immediate family of such specified Person or any Person specified in clause (i) or (ii) of this definition, and any partnership, corporation, trust, limited liability company, association or other entity or organization that is controlled by such immediate family member. For purposes hereof, the members of a Person's "immediate family" shall include such Person's parents, grandparents, spouse, children (natural or adopted), grandchildren (natural or adopted), siblings (natural or adopted) and children of siblings (natural or adopted). For purposes of this definition, the term "control" (and any derivative thereof) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting stock, by contract or otherwise.

"Approved Extraordinary Required Additional Capital Contribution" has the meaning set forth in Section 4.1(b) hereof.

"Applicable Tax Rate" means the then maximum current statutory corporate federal tax rate (currently 35%) plus 65% of the maximum statutory corporate state tax rate of the states in which the joint venture transacts business, both rates to be adjusted annually for changes in the tax rates and

the states in which the Company operates.

"Back-Up Supply Agreement" means the Cement Supply Agreement of even date herewith between the Company and Cemex, Inc., as such agreement may be amended or modified from time to time.

"Base Member" has the meaning set forth in Section 9.1(c) hereof.

"Board" means a group of eight (8) individuals, four (4) of whom shall be appointed by each Member pursuant to Section 8.1(e) hereof.

"Budgeted Additional Capital Contribution" has the meaning set forth in Section 4.1(b) hereof.

"Business Day" means a day (other than a Saturday) on which banks generally are open in New York City, Houston, Texas and Birmingham, Alabama, for a full range of business.

"Buyout Option" has the meaning set forth in Section 11.1(d) hereof.

"Buyout Purchase Price" has the meaning set forth in Section 11.1(d) hereof.

"Capital Account" means, with respect to any Member, the Capital Account maintained for such Member in accordance with Section 4.5 hereof.

"Capital Contributions" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any assets (other than money) contributed to the Company with respect to the Membership Interests in the Company held or purchased by such Member, including additional Capital Contributions.

"Certificate of Formation" means the Certificate of Formation of the Company which was filed on March 1, 2005 (the "Effective Date"), in the Office of the Secretary of State of Delaware, and all amendments thereto.

"Cemex" has the meaning set forth in the Introduction hereof.

"Cemex. Inc." has the meaning set forth in the Introduction hereof.

"Cement Boundaries" means the states of Alabama, Georgia and Mississippi, the Cement Florida Panhandle (as defined herein) and the Cement Limited Tennessee Area (as defined herein).

"Cement Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf and Franklin. The Cement Florida Panhandle shall exclude the City of Tallahassee, Florida.

"Cement Limited Tennessee Area" means the Metropolitan Statistical Areas of Chattanooga and Memphis, Tennessee.

"Cemex Post-Exercise Regular Cash Distribution" has the meaning set forth in Section 9.6.4(c) hereof.

"Cemex Post-Exercise Special Cash Distribution" has the meaning set forth in Section 9.6.4(a) hereof.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any federal laws of similar import, and to the extent applicable, any Regulations promulgated thereunder.

"Company" means CEMEX SOUTHEAST LLC, a Delaware limited liability company, and any successor limited liability company.

"Company Minimum Gain" has the meaning of "partnership minimum gain" as set forth in Section 1.704-2(d) of the Regulations.

"Company's Accounting Firm" has the meaning set forth in Section 7.1 hereof.

"Competitive Business" means any business that sells Portland cement (excluding white cement), blended cement and/or masonry products within the Cement Boundaries and which is owned, operated or controlled by any Person other than the Company or any of its Subsidiaries.

"Competitive Business Approval" has the meaning set forth in Section 19(a) hereof.

"Contribution Agreement" means the Asset and Capital Contribution Agreement by and among the Members and the Company dated July 1, 2005.

"Contribution Complying Member" has the meaning set forth in Section 4.1(b)(iii) hereof.

"Contribution Date" means the later of (a) the date upon which the Company is legally formed and (b) the date upon which initial Capital Contributions are made pursuant to Section 4.1(a) hereof.

"Contributing Member" has the meaning set forth in Section 19(a) hereof.

"DGCL" means the Delaware General Corporation Law, as the same may be amended from time to time.

"Damages" has the meaning set forth in the Contribution Agreement.

"Debt(s)" means all borrowed funds of the Company or any of its Subsidiaries and all other obligations or liabilities of the Company or any of its Subsidiaries under Statement of Financial Accounting Standards No. 5, including, for the avoidance of doubt, capital leases but not operating leases; provided, however, that "Debt" shall not include any current liabilities.

"Debt Reduction Capital Contribution" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Delinquent Member" has the meaning set forth in Section 4.1(b)(iv) hereof.

"EBITDA" means with respect to a particular Person for a particular period, the consolidated operating income plus depreciation and amortization of such Person for such period and refers to the earnings of continuing operations and shall not include the effect of cumulative changes in accounting principles and material nonrecurring items for such entities on a combined basis for such period.

"Event of Bankruptcy" means, with respect to any Member, or Cemex, Inc., any of the following:

(i) making a general assignment for the benefit of creditors;

(ii) filing a voluntary petition in bankruptcy;

(iii) filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy, insolvency or other similar law;

(iv) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver or liquidator of such Member, or Cemex, Inc., or of all or any substantial part of its properties or assets under any bankruptcy, insolvency or other similar law; or

(v) the passage of one hundred twenty (120) days after the commencement of any involuntary proceeding against such Member, or Cemex, Inc., seeking reorganization, arrangement, composition,

readjustment, liquidation, dissolution or similar relief under any bankruptcy, insolvency or other similar law, if the proceeding has not been dismissed, or the passage of ninety (90) days after the appointment without its consent or acquiescence of a trustee, receiver or liquidator of such Member, or Cemex, Inc., or of all or any substantial part of its properties or assets, if the appointment is not vacated or stayed, or the passage of ninety (90) days after the expiration of any such stay, if the appointment is not vacated.

"Excess Amount" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Excess Distribution Amount" has the meaning set forth in Section 6.1(b)(i) hereof.

"Exercise Date" means the date upon which the Put Notice is actually or constructively delivered to Cemex, Inc.

"External Competitive Business" means a Competitive Business where less than fifty percent (50%) of such Competitive Business' consolidated total revenues during the most recently completed calendar year were derived from sales of Portland cement (excluding white cement), blended cement and masonry products within the Cement Boundaries.

"Extraordinary Required Additional Capital Contribution" has the meaning set forth in Section 4.1(b)(i) hereof.

"Fiscal Year" means (i) the period commencing on the Contribution Date and ending on December 31, 2005, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Section 5 hereof.

"GAAP" means generally accepted accounting principles in effect in the United States of America from time to time.

"Governmental Authority" means (i) any domestic or foreign national, state or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, court, department, bureau or entity, or (ii) any arbitrator with authority to legally bind a party or any of its Affiliates.

"Gross Asset Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Gross Asset Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Gross Asset Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Board; provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 4.1 hereof shall be as set forth in such section;

(ii) the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking

Code Section 7701(g) into account), as determined by the Board as of the following times: (A) the acquisition of an additional Membership Interest or other interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property or assets as consideration for a Membership Interest or other interest in the Company; and (C) the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, provided that an adjustment described in clauses (A) and (B) of this paragraph shall be made only if the Board reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(iii) the Gross Asset Value of any item of the Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as determined by the Board; and

(iv) the Gross Asset Values of the Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations and subparagraph (vi) of the definition of "Profits" and "Losses" or Section 5.2(g) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent that an adjustment pursuant to subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"HSR Act" has the meaning set forth in Section 9.6.6(c) hereof.

"Indemnified Party" has the meaning set forth in Section 21.1 hereof.

"Indemnifying Party" has the meaning set forth in Section 21.1 hereof.

"Indirect Sale" has the meaning set forth in Section 9.3(f) hereof.

"Initial Payment" has the meaning set forth in Section 9.6.4(b)(i) hereof.

"Internal Boundaries Assets" has the meaning set forth in Section 19(a) hereof.

"Internal Boundaries Assets Value" has the meaning set forth in Section 19(a) hereof.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of equity interests, equity rights, bonds, notes, debentures or other securities of any other Person, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP, but excluding commission, travel and similar advances to officers and employees made in the ordinary course of business; (b) the making of any deposit with, or advance, loan or other extension of credit (including without limitation a guarantee) to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person); and (c) any capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) any other Person. "Investment" shall exclude extensions of trade credit by the Company and its Subsidiaries in accordance

with normal trade practices of the Company and such Subsidiary, as the case may be.

"Law" means all applicable provisions of any constitution, statute, law, ordinance, code, rule, regulation, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted or issued by any Governmental Authority.

"Lien" mean liens (whether statutory or otherwise), mortgages, pledges, charges, security interest, sureties, options, easements, covenants, restrictions or other encumbrances.

"Liquidating Event" has the meaning set forth in Section 12.1 hereof.

"Liquidating Member" has the meaning set forth in Section 12.2 hereof.

"LLC Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

"LLC Agreement" has the meaning set forth in the Introduction hereof.

"Major Acquisition" means the acquisition (whether by merger, consolidation, share or asset acquisition, joint venture or similar transaction) of any business, in a single transaction or series of related transactions, the cost of which shall exceed US$10,000,000.

"Major Investment" means any Investment in any Person (other than a wholly owned Subsidiary), in a single transaction or series of related transactions, the cost of which shall exceed US$10,000,000.

"Majority-in-Interest" means, with respect to a particular matter, Members holding in excess of fifty percent (50%) of the Voting Interests at the time of the vote or action with respect to such matter.

"Majority Member" means, as of a particular time, any Member, or group of Affiliated Members that collectively hold in excess of fifty percent (50%) of the Voting Interests at such time.

"Manager" means CEMEX, or any replacement Manager elected pursuant to Section 8.6 hereof.

"Member Nonrecourse Debt" has the meaning of "partner nonrecourse debt" as set forth in Section 1.704-2(b)(4) of the Regulations.

"Member Nonrecourse Debt Minimum Gain" means an amount with respect to each Member Nonrecourse Debt equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

"Member Nonrecourse Deductions" has the meaning of "partner nonrecourse deductions" as set forth in Section 1.704-2(i)(2) of the Regulations.

"Members" means the Persons designated as Members in the first paragraph of this LLC Agreement, together with any Person(s) who become substituted or additional Members as provided herein, in such Person(s) capacities as Members of the Company. Any Member that transfers its entire Membership Interest in the Company pursuant to the terms of this LLC Agreement shall be deemed to have retired and shall cease to be a Member as of the effective date of such transfer. "Member" means any one of the Members.

"Member Shortfall Amount" shall have the meaning set forth in Section 6.1(b)(ii) hereof.

"Membership Interest" shall mean, with respect to a Member at any particular time, such Member's entire equity and beneficial interest in the Company, including, without limitation, such Member's Percentage Interest, Voting Interest, and the right of such Member to any and all other benefits to

which a Member may be entitled as provided in this LLC Agreement, together with the obligations of such Member to comply with all the terms and provisions of this LLC Agreement.

"Minor Acquisition" means the acquisition (whether by merger, consolidation, share or asset acquisition, joint venture or similar transaction) of any business, in a single transaction or series of related transactions, the cost of which shall be in excess of US$1,000,000, but less than US$10,000,000.

"Minor Acquisition Criteria" has the meaning set forth in Section 8.2(b)(iv) hereof.

"Minor Investment" means any Investment in any Person (other than a wholly owned Subsidiary), in a single transaction or series of related transactions, the cost of which shall be in excess of US$1,000,000, but less than US$10,000,000.

"Minor Investment Criteria" has the meaning set forth in Section 8.2(b)(xxv) hereof.

"Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

"Nonrecourse Liability" has the meaning set forth in Sections 1.704-2(b)(3) and 1.752-1(a)(2) of the Regulations.

"Non-Transferring Member" has the meaning set forth in Section 9.3(a) hereof.

"Notice" has the meaning set forth in Section 9.6.2 hereof.

"Offer Acceptance Notice" has the meaning set forth in Section 9.3(a) hereof.

"Offer Notice" has the meaning set forth in Section 9.3(a) hereof.

"Offer Option Period" has the meaning set forth in Section 9.3(a) hereof.

"Offer Price" has the meaning set forth in Section 9.3(a) hereof.

"Offer Sale Reference Date" has the meaning set forth in Section 9.3(e) hereof.

"Overlapping Members" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Paid Services" means any and all administrative and corporate support services provided by or procured by the Manager or any Affiliate thereof, including, without limitation, the following services: (a) the administration, management and preparation of the Company's and its Subsidiaries' payroll, compensation and benefits plans, customer billing and collections; (b) the corporate arrangement, management, administration and coordination of the Company's and its Subsidiaries' employee and labor relations and credit analysis; and (c) the corporate management and administration of the following support services: accounting, safety, information technology, logistics, procurement, legal and technical services. For purposes of this definition, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries.

"Parties" has the meaning set forth in Section 7.2 hereof.

"Percentage Interest" means a Member's relative share of the Company's Profits and Losses and other allocations and distributions which are to be shared in proportion to Percentage Interests under the terms of this LLC Agreement, as set forth opposite such Member's name on Exhibit A attached hereto, as shall be amended from time to time in accordance with Section 1.4

hereof.

"Permitted Affiliate Transaction" means (i) the provision of the Paid Services and the payment of the Services Fee, (ii) transactions pursuant to the Back-Up Supply Agreement, and (iii) transactions listed on Schedule 3.2 attached hereto, and (iv) payments made by the Company pursuant to Section 20 hereof.

"Permitted Transfer" has the meaning set forth in Section 9.5 hereof.

"Permitted Transferee" has the meaning set forth in Section 9.5 hereof.

"Person" means any individual, partnership, corporation, trust, limited liability company, association or other entity or organization, including any government or political subdivision or any agency or instrumentality thereof.

"Primary Business" has the meaning set forth in Section 3.1 hereof.

"Profits" and "Losses" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(iv) gain or loss resulting from any disposition of assets with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the assets disposed of, notwithstanding that the adjusted tax basis of such assets differs from its Gross Asset Value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Gross Asset Depreciation for such Fiscal Year, computed in accordance with the definition of Gross Asset Depreciation;

(vi) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Section 1.704-(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the

disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 5.2 or Section 5.3 hereof shall not be taken into account in computing Profits or Losses.

The amounts of the items of the Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 5.2 and 5.3 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

"Prorata EBITDA" has the meaning set forth in Section 9.6.3 hereof.

"Prorata Portion" has the meaning set forth in Section 9.4(a) hereof.

"Purchase Price" has the meaning set forth in Section 9.6.3 hereof.

"Purchased Interests" has the meaning set forth in Section 11.1(d) hereof.

"Put Option" has the meaning as set forth in Section 9.6 hereof.

"Put Option Closing" has the meaning set forth in Section 9.6.5 hereof.

"Put Option Depreciation Amount" means, with respect to a particular period, an amount equal to a ten percent (10%) per annum reduction in the value of the Company's fixed assets on a declining basis during such period. Acquisitions of fixed assets and capital investments will also be depreciated with a ten percent (10%) per annum declining basis. These shall be adjusted on a prorated basis with respect to the date of closing in the case of an acquisition or the date of purchase in the case of a capital investment.

"Ready Mix Contribution Agreement" means that certain Asset and Capital Contribution Agreement, dated July 1, 2005, by and among Ready Mix LLC and the Members.

"Ready Mix Distribution" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Ready Mix LLC" means READY MIX USA, LLC, a Delaware limited liability company, and any successor limited liability company.

"Ready Mix LLC Agreement" means that certain Limited Liability Company Agreement by and among RMUSA, Cemex and Ready Mix LLC dated July 1, 2005.

"Ready Mix LLC Percentage Interest" means, with respect to a particular member of Ready Mix LLC, the "Percentage Interest" of such member as defined in the Ready Mix LLC Agreement.

"Regulations" means the federal income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Regulatory Allocations" has the meaning set forth in Section 5.3 hereof.

"RMUSA" has the meaning set forth in the Introduction hereof.

"Ready Mix Boundaries" means the states of Alabama, Arkansas, Georgia, excluding the Metropolitan Statistical Area of Brunswick, Georgia, Mississippi and Tennessee and the Ready Mix Florida Panhandle (as defined herein).

"Ready Mix Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf, Franklin, Liberty, Gadsden, Leon, Wakulla,

Jefferson, Madison and Taylor.

"Second Installment" has the meaning set forth in Section 9.6.4(b)(ii) hereof.

"Services Fee" has the meaning set forth in Section 8.8(a) hereof.

"Significant Prepayment" has the meaning set forth in Section 9.6.5(c) hereof.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture or other legal entity in which such Person (either directly or through or together with other Subsidiaries) owns more than fifty percent (50%) of the voting securities of such corporation, partnership, limited liability company, joint venture or other legal entity.

"Supply Agreement" means that certain Supply Agreement dated July 1, 2005, by and between the Company and Ready Mix LLC.

"Tag Along Notice" has the meaning set forth in Section 9.4(a) hereof.

"Tag Along Right" has the meaning set forth in Section 9.4(a) hereof.

"Tax Distributions" has the meaning set forth in Section 6.2 hereof.

"Tax Matter Member" has the meaning set forth in Section 8.3 hereof.

"Third Installment" has the meaning set forth in Section 9.6.4(b)(iii) hereof.

"Transaction Documents" means this LLC Agreement, the Contribution Agreement and all other agreements entered into in connection herewith or therewith.

"Transfer" means, as a noun, any voluntary or involuntary transfer, sale, assignment, pledge, hypothecation or other disposition, and, as a verb, voluntarily or involuntarily to transfer, sell, assign, pledge, hypothecate or otherwise dispose of, in each case, including, but not limited to, any involuntary transfer or transfer by operation of law in bankruptcy or otherwise or by way of execution, seizure or sale by legal process.

"Transfer Closing" has the meaning set forth in Section 9.3(b) hereof.

"Transferring Member" has the meaning set forth in Section 9.3(a) hereof.

"Ultimate Percent" has the meaning set forth in Section 9.1(b) hereof.

"Unfunded Portion" has the meaning set forth in Section 4.1(b)(iii) hereof.

"Voting Interest" means the relative right of a Member to vote on, consent to, or otherwise participate in any decision, vote or action of or by the Members required or permitted pursuant to this LLC Agreement or the LLC Act, as set forth opposite such Member's name on Exhibit A attached hereto, as shall be amended from time to time in accordance with Section 1.4 hereof.

"Working Capital" means the sum of the Company's inventory, accounts receivable, prepaid expenses and cash minus the current liabilities of the Company, as such current liabilities are reflected by the most recent balance sheet prepared by or for the Company.

4. Capital Contributions and Capital Accounts.

4.1 Members' Capital Contributions.

(a) The Members shall initially contribute to the capital of the

Company upon or prior to the execution of this LLC Agreement the contributions specified in the Contribution Agreement.

(b) If, subsequent to the making of the initial Capital Contributions referred to in Section 4.1(a) hereof, the annual business plan and the annual budget of the Company specifically provide for additional contributions to capital in order to fund the Company's business, the Manager may from time to time give written notice to each Member of the amount(s) and date(s) on which such additional contributions are required (a "Budgeted Additional Capital Contribution"). If, subsequent to the making of the initial Capital Contributions referred to in Section 4.1(a) hereof, the Manager determines that the Company requires additional contributions to capital in order to pay when due the obligations or expenses of the Company, or to fund the Company's business, and such contributions to capital are not provided for in the annual business plan and annual budget for the Company, the Manager shall give written notice to each Member of the amount(s) and date(s) on which such additional contributions are required (an "Extraordinary Required Additional Capital Contribution"); provided that any such Extraordinary Required Additional Capital Contribution shall require the prior approval of the Board (an approved Extraordinary Required Additional Capital Contribution being hereinafter sometimes referred to as an "Approved Extraordinary Required Additional Capital Contribution"). Each Member's respective share of each Budgeted Additional Capital Contribution or Approved Extraordinary Required Additional Capital Contribution (an "Additional Capital Contribution") specified in a notice from the Manager shall be in proportion to each Member's Percentage Interest immediately prior to the request for the Additional Capital Contribution and shall be specified in such notice and shall be contributed no later than thirty (30) days from the date of such notice. Each Member shall contribute to the capital of the Company its share (based on its Percentage Interest) of the Additional Capital Contribution in cash on or before the due date specified in such notice. A Member's obligation to make Additional Capital Contributions shall be enforceable by the Company or by any other Member, or by the Manager, against a Member, but the Company may not assign a Member's obligation to make Additional Capital Contributions to any creditor or other third party nor may any creditor or other third party enforce such a Member's obligation, as the Member's obligations hereunder are not for the benefit of any creditor or third party.

(ii) The foregoing provisions of paragraph (i) notwithstanding, in the event that (A) the Manager determines that an additional contribution to the capital of the Company in an amount not to exceed $2,000,000 is necessary or desirable in order to pay indebtedness of the Company (including indebtedness to a Member), and (B) Ready Mix LLC is at such time maintaining cash in an amount in excess of the sum of (x) the average current liabilities of Ready Mix LLC for the preceding twelve (12) months, plus (y) its projected distributions for the then current quarter to be made pursuant to Section 6.1 of the Ready Mix LLC Agreement, plus (z) its budgeted capital expenditures through the next quarter (the amount in excess of the sum of (x), (y) and (z) being hereinafter referred to as the "Excess Amount"), and (1) such Excess Amount, when multiplied by the Overlapping Members' (as herein defined) combined Percentage Interest in Ready Mix LLC (as such term is defined in the Ready Mix LLC Agreement), produces a product in excess of the proposed additional capital contribution (a "Debt Reduction Capital Contribution"), and (2) such Overlapping Members together hold or control a Majority-in-Interest in Ready Mix LLC, the Manager may give written notice to each Member who is also a member of Ready Mix LLC or an Affiliate of a Member of Ready Mix LLC (the "Overlapping Members") setting forth the amount(s) and date(s) on which such Debt Reduction Capital Contributions are required and, within thirty (30) days of the giving of such notice, the Overlapping Members shall take all commercially reasonable action (including directing their respective board members of Ready Mix LLC to vote in favor of such action) to require Ready Mix LLC to make a distribution to its members in an aggregate amount at least equal to the Debt Reduction Capital Contribution (the "Ready Mix Distribution") and such Overlapping Members shall, within five (5) business days after such distribution

is made by Ready Mix LLC, contribute to the capital of the Company the lesser of (i) its share of the Debt Reduction Capital Contribution, or (ii) the portion of the Ready Mix Distribution received by it. In the event the amount of the Ready Mix Distribution received by an Overlapping Member is less than its share of the Debt Reduction Capital Contribution, such Member shall have the right, but not the obligation to contribute an additional amount to fund its share of the Debt Reduction Capital Contribution. In the event such Overlapping Member elects not to fund such shortfall, the other Member(s) shall have the rights set forth in paragraphs (iii) and (iv) below. A Member's obligation hereunder shall be enforceable by the Company or by any other Member, or by the Manager, but the Company may not assign such Member's obligation to any creditor or other third party nor may any creditor or other third party enforce such a Member's obligation, as the Member's obligations hereunder are not for the benefit of any creditor or third party. The Manager shall not be authorized to call for more than one (1) Debt Reduction Capital Contribution per fiscal quarter pursuant to this subsection (ii).

(iii) In addition to the right of the Company, a Member and/or the Manager to enforce another Member's obligation to fund an Additional Capital Contribution or Debt Reduction Capital Contribution as provided in subsections (i) and (ii) above, the Member(s) which have fully funded their Additional Capital Contribution(s) or Debt Reduction Capital Contribution(s), as the case may be (the "Contribution Complying Members"), shall have the right, but not the obligation, to contribute all or any portion of any such Additional Capital Contribution or Debt Reduction Capital Contribution not funded as required above (the "Unfunded Portion") as additional capital to the Company.

(iv) In addition to the rights set forth in paragraph (iii) above, the Contribution Complying Members shall have the right, but not the obligation, to deliver to the Company all or any portion of any Unfunded Portion and have such amount treated as a loan to the Member who failed to fulfill its obligation to make an Additional Capital Contribution or Debt Reduction Capital Contribution as required herein (such Member, a "Delinquent Member"), which loan shall be repaid in a maximum term of five (5) years, in monthly installments, on the first (1st) business day of each month commencing immediately following the date on which the Contribution Complying Members contributed the Unfunded Portion to the Company, based on level principal amortization, and shall bear interest at the rate of ten percent (10%) per annum, or, if lower, the highest rate permitted by applicable law.

(v) In addition to other remedies available under this Agreement or otherwise, in the event that all of the obligations of a Delinquent Member are not fulfilled by another Member in accordance with paragraph (iv) above, the Percentage Interest of the Contribution Complying Member shall be increased, and the Percentage Interest of the Delinquent Member shall be reduced, as follows:

(A) the Percentage Interest of the Contribution Complying Member shall be increased to the amount obtained by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Contribution Complying Member prior to such adjustment and the Adjusted Book Value immediately prior to such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, and (2) the amount of the Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, actually made by the Contribution Complying Member, including any amount contributed by such Member pursuant to paragraph (iii) above (but excluding for the avoidance of doubt any amount loaned by such Member to a Delinquent Member pursuant to paragraph (iv) above), by (y) the Adjusted Book Value immediately after such Additional Capital Contribution or

Debt Reduction Capital Contribution, as the case may be; and

(B) the Percentage Interest of the Delinquent Member shall be reduced to the amount obtained by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Delinquent Member prior to such adjustment and the Adjusted Book Value immediately prior to such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, and (2) the amount of the Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, actually made by the Delinquent Member (or on behalf of the Delinquent Member pursuant to paragraph (iv) above), by (y) the Adjusted Book Value immediately after such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be.

For purposes of making any calculation pursuant to this paragraph (v), references to "such Additional Capital Contribution or Debt Reduction Capital Contribution" shall mean all amounts contributed by all Members with respect to a particular required Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be.

(vi) In the event a Contribution Complying Member shall elect to fulfill the obligation of a Delinquent Member pursuant to paragraphs (iii) or (iv) of this Section 4.1(b), the failure of the Delinquent Member to make such an Additional Capital Contribution shall not constitute an Adverse Act, notwithstanding anything to the contrary contained in this LLC Agreement.

4.2 Additional Members. The Company shall not admit additional Members to the Company unless either (x) one hundred percent (100%) of the Members or (y) the Board shall consent to the same in writing. The Company may, however, if either of the above written consents are obtained, admit additional Members upon such terms and conditions as may be set forth in such written consent. In the event that upon the admission of an additional Member, the Company shall make an election under Section 743(b) of the Code, such additional Member shall pay all expenses incurred by the Company in the making of such election, including, but not limited to, legal and accounting expenses.

4.3 Execute Adoption Agreement. Any additional Member who makes a Capital Contribution to the Company and who is admitted to the Company after the execution of this LLC Agreement shall execute and deliver an Adoption Agreement substantially in the form of Exhibit D attached hereto.

4.4 Summary of Capital Contributions. For the purposes of this LLC Agreement, the capital of the Company shall be deemed to include the initial Capital Contributions to the Company made by the Members at the values referred to in the Contribution Agreement and any other amounts subsequently contributed to the capital by the Members.

4.5 Capital Accounts. A separate capital account ("Capital Account") shall be maintained in the name of each Member. The Capital Account shall reflect the capital interest of each Member as defined below and shall be maintained in accordance with Section 1.704-1(b)(2)(iv) of the Regulations. The Capital Contributions actually paid into the Company (which for this purpose shall include "deemed" contributions of property to the Company under Code Section 708) shall be credited to each Member's Capital Account. The Capital Account of each Member shall be increased by (1) the amount of money contributed by that Member to the Company, (2) the fair market value of property or assets contributed by that Member to the Company (net of liabilities secured by such contributed property or assets that the Company is considered to assume or take subject to under Code Section 752), and (3) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(g) of the Regulations, but excluding income and gain described in Section 1.704-1(b)(4)(i) of the Regulations; and shall be decreased by (a) the amount

of money distributed to that Member by the Company, (b) the fair market value of property or assets distributed to that Member by the Company (net of liabilities secured by such distributed property or assets that such Member is considered to assume or take subject to under Code Section 752), (c) allocations to that Member of expenditures of the Company described in Code Section 705(a)(2)(B), and (d) allocations of the Company loss and deduction (or items thereof), including loss and deduction computed for book purposes, as described in Section 1.704-1(b)(2)(iv)(g) of the Regulations, but excluding items of expenditures of the Company described in Code Section 705(a)(2)(B) allocated to that Member and loss or deduction described in Section 1.704-1(b)(4)(i) or (b)(4)(iii) of the Regulations.

4.6 Interest on Capital Contributions. In no event shall any Member receive any interest on such Member's contribution to the capital of the Company, and no Member shall have the right to withdraw or to demand the return of all or any part of its capital contribution, except as specifically provided in this LLC Agreement.

4.7 Limited Liability. Except as required by law, no Member or Manager shall be personally liable for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise.

4.8 Members are not Agents. Pursuant to Section 8.2 hereof, the management of the Company is vested in the Manager, subject to the limitations set forth therein. The Members shall have no power to participate in the management of the Company except as expressly authorized by this LLC Agreement and except as expressly required by the LLC Act. No Member, acting solely in the capacity of a Member, is an agent of the Company nor does any Member, unless expressly and duly authorized in writing to do so by the Manager, have any power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

5. Allocation of Profits and Losses.

5.1 Profits and Losses. After giving effect to the special allocations set forth in Sections 5.2 and 5.3 hereof, and notwithstanding any provision to the contrary contained herein, all Profits and Losses derived from the Company, and each item of income, gain, loss, deduction and credit entering into the computation thereof, shall be allocated among the Members in accordance with their respective Percentage Interests in the Company.

5.1.1. Loss Limitation. Losses allocated pursuant to Section 5.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 5.1 hereof, the limitation set forth in this Section 5.1.1 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations.

5.2 Special Allocations. The special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Section 5, if there is a net decrease in Company Minimum Gain during any Fiscal Year of the Company, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Section 1.704-2(g) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in

accordance with Sections 1.704-2(f)(6) and 1.704-1(j)(2) of the Regulations. This Section 5.2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-1(f) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Section 5, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year of the Company, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 5.2(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5), or Section 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.2(c) shall be made only if and to the extent that such Member would have an adjusted Capital Account Deficit after all other allocations provided for this Section 5 have been tentatively made as if this Section 5.2(c) were not in the LLC Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this LLC Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.2(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 5 have been made as if Section 5.2(c) hereof and this Section 5.2(d) were not in this LLC Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their respective Percentage Interests in the Company.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Code Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its Membership Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the

Members in accordance with their interests in the Company in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Regulations applies, or to the Member to whom such distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations applies.

5.3 Curative Allocations. The allocations set forth in Sections 5.1.1 and 5.2 hereof (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either by other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.3. Therefore, notwithstanding any other provisions of this Section 5 (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this LLC Agreement and all Company items were allocated pursuant to Section 5.1 hereof; provided, however, that the Manager and the manager of Ready Mix LLC shall use the same allocation methodology with respect thereto. In exercising its discretion under this Section 5.3, the Manager shall take into account future Regulatory Allocations under Sections 5.2(a) and 5.2(b) hereof that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 5.2(e) and 5.2(f) hereof.

5.4 Other Allocation Rules.

(a) The Members are aware of the federal, state, and local income tax consequences of the allocations made by this Section 5 and hereby agree to be bound by the provisions of this Section 5 in reporting their shares of Company income and loss for income tax purposes.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Code Section 706 and the Regulations thereunder.

5.5 Priority Tax Allocation Rules Where Property Was Contributed To Company With Tax Basis Different From Value (704(c)). Notwithstanding any provision of this LLC Agreement to the contrary, but solely for tax purposes, any gain or loss with respect to property or assets contributed to the Company by a Member shall be allocated among the Members so as to take account of the variation between the adjusted basis and the fair market value of contributed property or assets at the time of contribution. The appreciation or diminution in value represented by the difference between the adjusted basis and the fair market value of the contributed property or assets at the time of the contribution will thus be attributed to the contributing Member upon a subsequent sale or exchange of the property or assets by the Company as required by Section 704(c) of the Code. The appreciation or diminution will also be used in allocating the allowable depreciation or depletion with respect to the property or assets among the contributing Member and the noncontributing Member(s) as required by Section 704(c) of the Code. Furthermore, any gain, loss, depreciation, depletion or amortization, as computed for tax purposes, with respect to property or assets which are revalued pursuant to Section 1.704-1(b)(2)(iv)(f) of the Regulations shall be allocated so as to take account of the variation between the adjusted tax basis and book value of the property or assets as required by Section 704(c) of the Code and Section 1.704-1(b)(4)(i) of the Regulations. Any elections or other decisions relating to allocations under this Section 5.5 will be made in any manner that the Members determine reasonably reflects the purpose and intention of this LLC Agreement; provided, however, that the same allocation methodology shall be used at Ready Mix LLC. Allocations under this Section 5.5 are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Member's Capital Account or share of income, losses or other items or distributions under any provision of this LLC Agreement.

6. Distributions.

6.1 Required EBITDA Distributions.

(a) Except as provided in Section 12 hereof relating to the liquidation of the Company, the Manager shall make quarterly distributions to the Members in an amount which shall be at least fifty percent (50%) of EBITDA for such period, but which may, in the sole discretion of the Manager, be as much as seventy-five percent (75%) of EBITDA for such period. For example, if EBITDA shall be US$5,000,000 for the applicable period, each Member's required distribution shall be at least an amount equal to US$2,500,000 multiplied by the Member's respective Percentage Interest, but, if the Manger so determines, the distribution may be as much as US$3,750,000 multiplied by each Member's respective Percentage Interest. Such distributions shall be in proportion to each Member's respective Percentage Interest and shall be made at such times and with such frequency as shall be determined by the Manager, in its discretion, provided that such distributions shall be made not less than on a quarterly basis.

(b) The Manager shall determine the Company's EBITDA for the period with respect to which the distribution is to be made (i.e., month, quarter or other multi-month period) from the regular internal financial reports of the Company prepared by the Manager. Upon the close of each Fiscal Year the Manager shall determine within thirty (30) days following receipt of the audited financial statements for such Fiscal Year (as required by Section 7 hereof) the Company's EBITDA for the Fiscal Year, as reflected by such audited financial statements and:

(i) in the event the total of all periodic distributions made to Members during the Fiscal Year exceeds seventy-five percent (75%) of the EBITDA of the Company for the Fiscal Year, the Manager shall determine the amount of each Member's respective distribution received in excess of said Member's Percentage Interest in seventy-five percent (75%) of the Company's EBITDA (the "Excess Distribution Amount") and the Company shall retain all future distributions to the Member until the Member's Excess Distribution Amount has been recouped by the Company; or

(ii) in the event the total of all periodic distributions made to the Members during the Fiscal Year is less than fifty percent (50%) of the EBITDA of the Company for the Fiscal Year, the Manager shall determine the amount of the shortfall and each Member's Percentage Interest in such shortfall amount (the "Member Shortfall Amount") and, within ten (10) days of such determination, shall cause the Company to distribute to each Member the Member Shortfall Amount.

6.2 Tax Distributions. If for any reason the distributions of EBITDA pursuant to Section 6.1 hereof are not adequate for such purpose, the Manager shall distribute sufficient amounts of cash to the Members to permit the Members to discharge their obligations to pay federal, state, and local taxes (including estimated taxes) with regard to the Profits and Losses of the Company, if any, calculated at the highest combined local, state and federal marginal income tax rates ("Tax Distributions") applicable to each Member. In the case of Members which are pass through entities, tax distributions shall be computed on the basis of the estimated taxes of the owners of such pass through entities which are attributable to the Profits and Losses of the Company. The Manager shall have the discretion to estimate the amount of taxable income applicable to each Member during the applicable quarter, and to determine the tax rate to be applied to such income; provided, however, that the Manager and the manager of Ready Mix LLC shall use the same methodology to make such estimates.

6.3 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment or distribution to the Members shall be treated as amounts distributed to the Members pursuant to this Section 6 for all purposes under this LLC Agreement. The Manager may allocate any such amounts among the Members in any manner that is in accordance with applicable law.

7. Fiscal Matters; Books of Account.

7.1 Books and Records. The Company books shall be maintained by the Manager at the office of the Company in accordance with the LLC Act. Each Member, Member's agent or attorney shall, upon reasonable request and at the expense of the Member or the Member's agent or attorney during regular business hours, have the right to inspect and copy or be sent copies of all such books and records and any other books and records of the Company. In addition, the Company shall maintain at its offices the following records: (a) a current list of the full name and last known business or residence address of each Member and Manager (which address shall be a street address); (b) a copy of the filed Certificate of Formation, together with executed copies of any powers of attorney pursuant to which any documents have been executed pursuant to the LLC Act; (c) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years; (d) copies of any then effective limited liability company agreement of the Company, including any amendments thereto; (e) copies of the Company's financial statements for at least the three (3) most recent years; and (f) a copy of the Minor Acquisition Criteria and Minor Investment Criteria, as such criteria may be amended from time to time by the Board. The books shall be closed and balanced at the end of each Fiscal Year and shall be audited for each Fiscal Year by a certified public accounting firm selected by the Manager, subject to the approval of the Board pursuant to Section 8.2(b) (the "Company's Accounting Firm"). The Manager shall be authorized, but not required, to establish reserves for annual accounting and legal fees, real estate taxes, insurance, and any other item for which reserves should be established, as determined by Manager or upon advice of accountants.

7.2 Confidentiality. Except as otherwise required by law or judicial order or decree or by any governmental agency or authority, each Member agrees that any information obtained by such Member with respect to the Company and its Subsidiaries shall be treated with the same degree of care (and in no event less than reasonable care) that such Member uses to protect its other confidential information; provided that each such Member may (a) disclose such information to legal counsel, consultants, financial advisors, professionals advising it on matters relating to the Transaction Documents where (i) such disclosure is related to the performance or enforcement of obligations under the Transaction Documents or the consummation of transactions contemplated under the Transaction Documents and (ii) such Member informs the Person to which it is making such disclosure that the disclosed information is confidential, instructs such Person to keep such information confidential and not disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with this Section 7.2), or (b) in connection with the sale or transfer of any Membership Interest, if such Member's transferee or prospective transferee agrees with the Company in writing to be bound by the provisions hereof. In addition, confidential information shall not include information that (i) is or becomes generally available to the public other than as a result of any disclosure or other action or inaction by such Member or anyone to whom such Member or any of its representatives transmit or have transmitted any information, (ii) is or becomes known or available to such Member on a nonconfidential basis from a source (other than the other Company), or (iii) was independently developed by such Member, provided such independent development can reasonably be proven by the Member's written records. Notwithstanding anything to the contrary in this LLC Agreement, the Company and the Members (collectively, the "Parties") (and each of their employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction, provided, however, that neither Party (nor any of its employees, representatives, or other agents) may disclose any information that is not necessary to understanding the tax treatment and tax structure of the transaction (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.

8. Management and Operations of the Company; Powers, and Duties of the Manager.

8.1 Various Matters Relating to Members and the Board.

(a) Unless otherwise provided in this LLC Agreement or by nonwaivable provisions of the LLC Act, all Members who have not ceased to be a Member shall be entitled to vote on any matter submitted to a vote of the Members. Except as otherwise provided in this LLC Agreement or by nonwaivable provisions of the LLC Act, all decisions concerning the business and affairs of the Company shall be made by the Manager in accordance with this LLC Agreement. Any action which requires the approval of the Members under this LLC Agreement or by applicable law shall require the approval of a Majority-in-Interest of the Members present or represented by proxy at a meeting at which a quorum is present, or such other proportion of the Members as may be specified in the particular provision of this LLC Agreement which requires any such approval.

(b) Any meeting of the Members shall be held at a location which shall be suggested by Manager and reasonably satisfactory to the Board. Members may be present at any meeting of the Members by telephone or other means of communication, provided that each Member can hear all other present Members. Members may also attend a meeting, and be represented at such meeting, by proxy executed in writing by such Member. The presence (in person, by a representative thereof or by proxy) of one hundred percent (100%) of the Members shall constitute a quorum. In case a quorum shall not be present at any meeting, a Majority-in-Interest present (in person or by proxy) at the meeting shall have the power to adjourn the meeting from time to time until a quorum is present.

(c) Any action which may be taken by the Members at a meeting may be taken in writing without a meeting if approved by the unanimous written consent of all Members.

(d) Notice of any meeting of the Members may be waived by a Member in writing, signed by the designated representative of the Member entitled to the notice, whether before, at or after the time stated for the meeting. Attendance of a Member at any meeting, whether in person, by proxy as provided above or by telephone or other means of communication as provided above, shall constitute waiver of notice of such meeting. Any waiver of notice of a meeting by a Member hereunder shall be equivalent to the giving of such notice for all purposes.

(e) Appointment of Board.

(i) The Board shall consist of eight individuals, four of whom shall be appointed by Cemex and four of whom shall be appointed by RMUSA. The Chairman of the Board shall be a member of the Board appointed by Cemex as determined by the members of the Board appointed by Cemex. Each member of the Board shall serve until the earlier of (i) the appointment of such Board member's successor, (ii) the removal of such Board member in accordance with the terms of this LLC Agreement, (iii) such Board member's resignation, and (iv) such Board member's death.

(ii) Any Board member may resign at any time by giving written notice to the Company or the Member who appointed such Board member and the remaining Board members. The resignation of any Board member shall take effect upon receipt of that notice or at such later time as shall be specified in the notice. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. Upon the resignation of any Board member, a successor may be appointed by the Member who appointed such Board member.

(iii) Any Board member may be removed at any time and with or without cause only by the Member who appointed such Board member. Upon the removal of any Board member with or without cause, a successor may be appointed by the Member who appointed such removed Board member.

(iv) Upon the vacancy of any Board member for any reason, a successor shall be appointed by the Member who appointed such Board

member.

(f) Action by Board.

(i) A meeting of the Board shall be held at least quarterly, at such time and place as shall be designated by the Chairman of the Board or by a majority of the Board. Other meetings of the Board may be called by the Manager, by the Chairman of the Board or by any Board member. All meetings shall be held upon at least two business days' written notice (with confirmed receipt) to all Board members. Notice of a meeting need not be given to any Board member who signs a waiver of notice or a consent to holding the meeting (which waiver or consent need not specify the purpose of the meeting) or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to its commencement, the lack of notice to such Board member. All such waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting. Meetings of the Board may be held at any place within or without the State of Delaware which has been designated in the notice of the meeting or at such place as may be approved by the Board. Notwithstanding the foregoing provisions of this paragraph (i), any meetings of the Board shall be held in Houston, Texas or Birmingham, Alabama unless otherwise required by law or agreed to by the Board. Board members may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment, so long as all Board members participating in such meeting can hear one another. Participation in a meeting in such manner constitutes a presence in person at such meeting. The presence of a majority of the members of the entire Board constitutes a quorum of the Board for the transaction of business with respect to such matter.

(ii) Except as otherwise specifically set forth herein, the vote of a majority of the Board members present shall constitute the act of the Board; provided, that such majority of the Board members voting (which vote constitutes the act of the Board) includes at least one Board member appointed by each Member.

(iii) Any action required or permitted to be taken by the Board may be taken by the Board without a meeting. Such action by written consent shall have the same force and effect as if taken at a meeting of the Board. The text of any such proposed action shall be sent to all members of the Board.

8.2 Management and Operations.

(a) Subject to the provisions of this LLC Agreement, including Sections 8.2(b) and (c), the business, property and affairs of the Company shall be managed and all powers of the Company shall be exercised by or under the direction of the Manager. Without limiting the generality of the foregoing, but subject to Sections 8.2(b) and (c), and subject to the express limitations set forth elsewhere in this LLC Agreement, the Manager shall have full authority and discretion and all necessary powers to (i) take any actions it deems necessary or advisable for the administration of the Company's affairs and (ii) manage and carry out the purposes, business, property, and affairs of the Company, including, the power to exercise, on behalf and in the name of the Company, all of the powers described in the LLC Act. The Members shall from time to time at the request of the Manager execute a resolution or other appropriate document which shall evidence the rights and duties of the Manager hereunder.

(b) Notwithstanding any other provisions of this LLC Agreement, without the prior approval of the Board in accordance with Section 8.1(f), the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) Adopt or amend in any material respect the annual business plan and the annual budget, including the capital expenditure

budget;

(ii) Make a single capital investment or series of related capital investments in plants, equipment or other capital assets in excess of US$1,000,000, other than (x) Minor Acquisitions that meet the Minor Acquisition Criteria (as defined below) and, (y) a single capital investment or series of related capital investments in plants, equipment or other capital assets which (I) do not, individually or in the aggregate, exceed $10,000,000, and (II) are required by Law or a Governmental Authority or are embodied in an order or settlement agreement with a Governmental Authority in a proceeding not initiated by the Company or its Affiliates, provided that, in the case of this clause (y), such investment or series of investments are -------- undertaken by the Company in a manner so as to cause the cost to the Company to be the lowest cost investment(s) that meets the requirements of the applicable Law, are acceptable to the applicable Governmental Authority, or comply with the applicable order or settlement agreement.

(iii) Make any Major Acquisition;

(iv) Make any Minor Acquisition which shall not be in compliance with the criteria set forth in Exhibit B-1 (the "Minor Acquisition Criteria"), as such criteria may be amended by the Board from time to time;

(v) Other than the sale of inventory in the ordinary course of business, make any sale, lease, exchange, transfer or other disposition of assets in any Fiscal Year where the aggregate value of all such assets during such Fiscal Year would exceed US$2,000,000;

(vi) Incur any indebtedness for borrowed money where the amount of such indebtedness incurred, together with all other indebtedness of the Company and its Subsidiaries, exceeds US$1,000,000 in the aggregate, provided that (x) the incurring of indebtedness pursuant to Section 19(a)(ii) or Section 19(c)(ii) shall not require approval of the Board so long as the incurring of such indebtedness, after giving effect thereto, shall not cause the Company's ratio of indebtedness for borrowed money to EBITDA to exceed 3.5:1. and (y) the incurring of indebtedness pursuant to Section 19(a)(iii) or Section 19(c)(iii) shall not require approval of the Board;

(vii) Issue any equity;

(viii) Make aggregate distributions to any Member of cash at any level above seventy-five percent (75%) or below fifty percent (50%) of EBITDA for any given Fiscal Year;

(ix) Amend the Cement Boundaries;

(x) Change, modify or amend this LLC Agreement;

(xi) Make any determination of the gross fair market value of any property or assets contributed to the Company;

(xii) Make any request for an Extraordinary Required Additional Capital Contribution pursuant to Section 4.1(b)(i) hereof;

(xiii) Enter into any material joint venture, partnership or consortium;

(xiv) Redeem, repurchase, retire or otherwise acquire for value any equity interest in the Company;

(xv) Engage in any material business activity outside the general scope of the Primary Business, taken as a whole;

(xvi) Approve the selection of any independent accounting

firm to audit the Company's financial statements if such firm is not a "Global Six" accounting firm;

(xvii) Engage in any merger, consolidation or similar transaction;

(xviii) Engage in any transaction or series of related transactions (other than any Permitted Affiliate Transaction) with or for the benefit of the Manager or any of its Affiliates with a value in excess of US$ 1,000,000; provided, that (x) this paragraph (xviii) shall not apply to any swap or other sale transaction with or for the benefit of the Manager or any of its Affiliates (which are the subject of paragraph (xix) below); (y) in any event, any such transaction or series of related transactions, shall be entered on terms no less favorable to the Company than those which it could obtain at that time on an arm's length basis from an unaffiliated third party; and (z) for purposes of this paragraph, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries;

(xix) Engage in any swap or other sale transaction with or for the benefit of the Manager or any of its Affiliates; provided, that (a) in any event, any such swap or other sale transaction shall be entered on terms no less favorable to the Company than those which it could obtain at that time on an arm's length basis from an unaffiliated third party; (b) no Board approval shall be required with respect to: (I) purchases of Cement by the Company under the Back-Up Supply Agreement; or (II) any swap or other sale of Cement with, to or for the benefit of Cemex or any of its Affiliates where (A) the Company or one or more of its Subsidiaries either (1) receives (or directs the receipt for its account) a like quantity of cement or (2) receives payment in an amount not less than the applicable Most-Favored Nation Price (as defined in the Supply Agreement) for the Cement it delivers, and (B) the quantities of Cement involved in such swap or sale do not affect the Company's ability to supply Ready Mix LLC the Required Amount (as defined in the Supply Agreement); and (c) for purposes of this paragraph, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries;

(xx) Guarantee or otherwise provide any financial accommodation with respect to any indebtedness for borrowed money of any other Person;

(xxi) Make any proposal to cause the Company to wind up, dissolve, liquidate or file for, or consent to, any bankruptcy or similar proceeding with respect to the Company;

(xxii) Make any non-cash distribution to the Members;

(xxiii) Grant any lien or encumbrance with respect to any asset of the Company or any of its Subsidiaries;

(xxiv) Make any Major Investment;

(xxv) Make any Minor Investment which shall not be in compliance with the criteria set forth in Exhibit B-2 (the "Minor Investment Criteria"), as such criteria may be amended by the Board from time to time;

(xxvi) Adopt any equity or other incentive plans for officers, directors or employees of the Company or any of its Subsidiaries; and

(xxvii) Make any payments to Cemex or any of its Affiliates to pay the Company's pro rata share of any rebate payable to national accounts of Cemex, Inc. where the amount to be paid by the Company exceeds ten percent (10%) of the purchase price subject to such rebate

on a per ton basis; provided that for purposes of this paragraph, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries.

(c) For so long as the Manager is a Member or an Affiliate of a Member, the other Member(s) shall have the right to reasonably direct the Company's prosecution or defense of any litigation or claim with, by or against the Member that is the Manager or any of such Member's Affiliates (other than the Company and any of its Subsidiaries).

(d) Officers.

(i) The Manager may, in its sole discretion, from time to time, appoint officers who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Manager. A single person may hold multiple offices. If appointed, the officers listed below shall have the following duties and authority, unless otherwise determined by the Manager, in connection with the management and operations of the Primary Business (provided that if an officer enters into a written employment agreement with the Company, such officer shall also have the duties and authority described in such employment agreement; provided further, that if there are any inconsistencies between such employment agreement and this Section 8.2(d), the provisions set forth in the employment agreement shall control).

(ii) President. The president shall be the chief executive officer of the Company and, subject to the general supervision by the Manager, shall have the general and active management, supervision and control of the business and all operations of the Company. The president shall, when present, preside at all meetings of the Members, Board and of the Manager. The president may sign and deliver deeds, mortgages, bonds, contracts, or other instruments on behalf of the Company, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Manager to some other officer or agent of the Company. In general, the president shall perform all duties and shall have the authority incident to the office of president and such other duties and authority as may be prescribed by the Manager from time to time.

(iii) Vice-Presidents. In the absence of the president or in the event of the president's death or inability to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents acting in the order determined by the Manager) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice-president shall perform such other duties as from time to time may be assigned to the vice-president by the president or by the Manager.

(iv) Secretary. The secretary shall prepare and keep the minutes of the proceedings of the Members and of the Manager in one or more books provided for that purpose; have responsibility for authenticating records of the Company; see that all notices are duly given in accordance with the provisions of this LLC Agreement or as required by law; be custodian of the records of the Company; keep a register of the post office address of each Member and Manager which shall be furnished to the secretary by such Member or Manager; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president, any vice president or the Manager. If there is no treasurer of the Company, the secretary shall assume the authority and duties of treasurer.

(v) Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Company, receive and give receipts for moneys due and payable to the Company

from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositories as may be designated by the Manager, and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president, any vice-president or the Manager.

(vi) Assistant Secretaries and Assistant Treasurers. The assistant secretary, or if there shall be more than one, the assistant secretaries acting in the order determined by the Manager, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. The assistant treasurer, or, if there shall be more than one, the assistant treasurers acting in the order determined by the Manager, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant secretaries and assistant treasurers shall all perform such other duties as shall be assigned to them by the secretary and treasurer, respectively, or by the president, any vice-president or the Manager.

(vii) Additional Officers. The Manager may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Manager.

All actions taken by the foregoing officers of the Company in accordance with the authority granted to them in this Section 8.2(d) shall be binding on the Company and may be relied upon by third parties, except to the extent any such third party has actual knowledge that such action is in contravention of a resolution passed by the Manager.

8.3 Tax Matter and Elections. The Manager shall, without any further consent of the Members being required (except as specifically required herein), make any and all elections for federal, state, local, and foreign tax purposes including, without limitation, any election, if permitted by applicable law: (i) to adjust the basis of Company assets pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state, local or foreign law, in connection with Transfers of Membership Interests and Company distributions; (ii) with the consent of all of the Members, to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state, local or foreign tax returns; and (iii) to the extent provided in Code Sections 6221 through 6231 and similar provisions of federal, state, local, or foreign law, to represent the Company and the Members before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company or the Members in their capacities as Members, and to file any tax returns and execute any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company and the Members. Cemex is specifically authorized to act as the "Tax Matters Member" under the Code and in any similar capacity under state or local law.

8.4 Cash Deposits. All funds of the Company shall be deposited in a United States national or state bank with federal deposit insurance, or in a national brokerage house with deposit insurance. However, the Manager shall not have a duty to seek the highest possible yield for Company funds. Only the Manager (or, in the case of a corporate Manager, its authorized officers or officers of the Company authorized by the Manager) may sign checks and drafts on such account or accounts.

8.5 General Duties. The Manager shall take all action that may be necessary or appropriate for the continuation of the Company's valid existence as a limited liability company under the laws of the State of Delaware (and each other jurisdiction in which such existence is necessary to protect the limited liability of the Members or to enable the Company to conduct the business in which it is engaged).

8.6 Removal.

(a) In the event the Manager is the Majority Member or an Affiliate thereof, the Majority Member shall have the right to remove and replace the Manager at any time with any Affiliate of the Majority Member (other than the Company and any of its Subsidiaries), provided that at the time of appointment as Manager, such Affiliate shall have, as of the end of the most recently completed fiscal quarter, and maintain a net worth of at least US $350,000,000 and a debt to equity ratio not to exceed 1.75, in each case, based on the most recent consolidated balance sheet of such Affiliate prepared in accordance with GAAP.

(b) In the event the Manager is not the Majority Member or an Affiliate thereof, at a meeting of the Members called expressly for that purpose, the Manager may be removed at any time, with or without cause, by the affirmative vote of Members holding a Majority-in-Interest in the Company. A successor Manager may be elected by the affirmative vote of Members holding a Majority-in-Interest in the Company.

(c) In the event of a Transfer of Membership Interests by one or more Members that results in a change in the Majority Member, the new Majority Member shall have the power to remove the Manager and appoint itself or any of its Affiliates as Manager.

8.7 Indemnification of Manager(s), Members, Officers and Employees.

(a) Every Person (and the heirs, executors and administrators of such Person) who serves, or has served as a manager (including the Manager), member (including the Members), officer, member of the Board, director or employee of the Company, or of any other entity when requested by the Company, and of which the Company directly or indirectly is or was a security holder or creditor, or otherwise interested, or in the stocks, bonds, securities or other obligations of which it is in any way interested, shall be indemnified by the Company against any and all liability and reasonable expense that may be incurred by such Person in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the right of the Company or such other entity or otherwise), civil or criminal, or in connection with an appeal relating thereto, in which such Person may become involved, as a party or otherwise, by reason of such Person being or having been a manager, member, officer, member of the Board, director or employee of the Company or such other entity, or by reason of any action taken or not taken by such Person in such capacity, whether such Person continues to be such manager, member, officer, member of the Board, director or employee at the time such liability or expense shall have been incurred, provided such Person acted in good faith and within the scope of such Person's authority in the course of the Company's or such other entity's business and, in addition, in any criminal action or proceeding, had no reasonable cause to believe that such Person's conduct was unlawful.

(b) As used herein, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines or penalties against, and amounts paid and settlements by or for such Person. The termination of any claim, action, suit or proceedings, civil or criminal by judgment, settlement (whether with or without court approval) or conviction shall not create a presumption that such person does not meet the standards of conduct set forth herein. Except in the case of an action or suit by or in the right of the Company to procure a judgment in its favor, no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of such Person's duties to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) Expenses incurred with respect to any such claim, action, suit or proceeding may be advanced by the Company prior to the final disposition thereof upon receipt of an undertaking by or on behalf of such Person to repay

such amount if and to the extent that it shall ultimately be determined that such Person is not entitled to indemnification hereunder.

(d) The Manager shall be fully protected in relying in good faith upon the records of the Company and its Subsidiaries and upon such information, opinions, reports or statements presented to the Company and its Subsidiaries by any of its other Members, or any of the officers, employees or committees of the Company or any of its Subsidiaries, or by any other person, as to matters the Manager reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company or any of its Subsidiaries (including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, or losses of the Company or any of its Subsidiaries or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid). In addition, the Manager may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by them, and any opinion of any such person as to matters which the Manager reasonably believe to be within such person's professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Manager hereunder in good faith and in accordance with such opinion.

(e) The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a manager, member, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee or agent of another company, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this LLC Agreement.

(f) The indemnification authorized in and provided by this Section 8.7 shall not be deemed exclusive of and shall be in addition to any other right to which those indemnified may be entitled under any statute, rule of law, provision of the Certificate of Formation, this LLC Agreement, other agreement, vote or action of Members or by the Manager, or otherwise, and shall continue as to a Person who has ceased to be a Member or Manager and shall inure to the benefit of the heirs, executors and administrators of such a Person.

8.8 Paid Services.

(a) The Company shall pay the Manager a management fee equal to one and one-half percent (1.5%) of gross revenues of the Company (the "Services Fee") for the performance by Manager of the Paid Services, and neither Manager nor any Affiliate of Manager shall be entitled to the payment of any other fees from the Company with respect to the Paid Services. The Company shall pay the Services Fee on a monthly basis, and the amount of each monthly installment of such fee shall be based on the gross revenues of the Company in the immediately preceding month. The Manager shall have the right to subcontract with an Affiliate of Manager, to provide the Paid Services to the Company. Notwithstanding the foregoing, the Manager shall be responsible, and neither the Company nor RMUSA shall be responsible, for (i) any costs or expenses of the Paid Services, and (ii) making any payments to providers of the Paid Services. Cemex, RMUSA and the Company acknowledge and agree that the Paid Services include and require the provision of substantive administrative and corporate support services (as enumerated in the definition of Paid Services) and not merely the procurement of such administrative and corporate support services from other unaffiliated parties; provided, however, that notwithstanding anything in this LLC Agreement to the contrary and for the avoidance of doubt (i) Paid Services shall not be deemed to include any non-administrative or non-corporate support services or functions (e.g., without limitation, legal and engineering services provided by non-affiliated third parties or transportation services regardless of whether provided by Affiliates or by third parties), notwithstanding that the administration or management of such function is a Paid Service and (ii) the cost and expense of any such non-administrative or non-corporate support services or functions

(other than the costs of administrating or managing such service or function) shall be borne by the Company. For purposes of this Section 8.8, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries.

(b) With respect to the Paid Services, the Manager shall only be liable to the Company for any loss, liability, damage, claim, expense, fine, penalty, interest cost, or other obligation of any nature arising out of this LLC Agreement to the extent caused by the Manager's, its Affiliates', and their respective directors', officers', employees', and agents' gross negligence, willful misconduct or fraud with respect to the Paid Services under this LLC Agreement. The Company hereby releases the Manager and its Affiliates, and their respective directors, officers, employees, and agents from, and the Company shall indemnify such Persons against, any claim, loss, damage, liability or obligation (including reasonable attorneys' fees and expenses) claimed or asserted in connection with the Paid Services by the Company or any third party attributable to causes other than such Persons' gross negligence, willful misconduct, fraud, or intentional breach of the Manager's obligations with respect to the Paid Services under this LLC Agreement. It is the intention of the parties hereto that the release by, and indemnity obligations of, the Company under this Section 8.8(b) hold the Manager and its Affiliates, and their respective directors, officers, employees, and agents harmless from and against the consequences of their own ordinary negligence with respect to the Paid Services under this LLC Agreement, including to the extent such ordinary negligence is the sole, concurrent, or joint cause of any such claim, loss, damage, liability or obligation.

8.9 Fiduciary Duties.

(a) Duty of Loyalty. The purposes of this Section 8.9(a) are (i) to set forth the agreement among the Members with respect to the duty of loyalty that the Manager owes to the Members and the Members owe to each other and (ii) to identify the types and categories of activities by the Manager and the Members that do not violate such duty of loyalty. The Members hereby agree that the duty of loyalty consists solely of the duty of the Manager (in its capacity as such) to act in good faith in a manner the Manager reasonably believes to be in the best interest of the Company and the Members. Except as expressly provided in Section 19, the Members and their Affiliates (including, if applicable, the Manager) may engage or invest in, independently or with others, any business activity of any type or description, including those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company. Except as expressly provided in Section 19, neither the Company nor any other Member shall have any right in or to such other ventures or activities or to the income or proceeds derived therefrom. Except as expressly provided in Section 19, neither any Member nor the Manager shall be obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented to the Company, could be taken by the Company. Except as expressly provided in Section 19, the Members and the Manager shall have the right to hold any investment opportunity or prospective economic advantage for their own account or to recommend such opportunity to Persons other than the Company. Each Member acknowledges that the other Members and their Affiliates (including, if applicable, the Manager) conduct other businesses, including businesses that may compete with the Company and for the Members' time. Each Member hereby waives any and all rights and claims that it may otherwise have against the other Members and their Affiliates (including, if applicable, the Manager) as a result of any of such activities. No Member or officer of the Company shall be required to manage the Company as such Member's or officer's sole and exclusive function. The parties hereby agree and acknowledge that the members of the Board shall be entitled to act solely in the interest of the Member that appointed them. For purposes of this paragraph, neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any Member.

(b) Duty of Care. The purpose of this Section 8.9(b) is to set forth the agreement among the Members with respect to the duty of care that the Manager owes to the Members and to the Company. The Members hereby agree that such duty of care consists solely of the duty to act with such care as an ordinarily prudent person in a like position would use under similar

circumstances. A Manager who so performs such duty of care shall not be liable to the Company or to any other Member for any loss or damage sustained by the Company or any other Member.

(c) Totality of Duties. Without limiting the generality of the foregoing, the Members agree that the foregoing subsections (a) and (b) describe in its totality the fiduciary duties of the Manager to the Company and its Members, and that the fiduciary duties of the Manager to the Company and its Members shall not be those of a director to a corporation and its shareholders under the DGCL or those of a partner to a partnership and its partners. Any Manager who performs the duties of a Manager in compliance with this Section 8.9 shall not have any liability by reason of being or having been a Manager of the Company. In any action challenging any action or determination of the Board of Managers, the party challenging such action or determination shall have the burden of proving its allegations, and nothing shall shift the burden of proof with respect to the satisfaction of the standard set forth above to the Manager.

8.10 Antitrust Compliance. The Members agree and will adhere to the appropriate competitive rules and firewalls set forth herein.

(a) RMUSA personnel who sit on the Company's Board shall not be involved in or privy to any decision making regarding customers or the price, terms, or conditions at which Cement is sold to other ready mix companies in the Cement Boundaries or Concrete Boundaries nor shall they have access to any such information.

(b) The Company agrees to develop and implement antitrust compliance programs to assure its compliance with all applicable antitrust and competition laws.

8.11 Cemex Intellectual Property. Notwithstanding anything contained herein to the contrary, at such time as Cemex and its Affiliates no longer hold Majority-In-Interest, the Company will cease using any Cemex, Inc., Cemex S.A. de C.V., Cemex Trademark Worldwide, Ltd. or any of their Affiliates' owned intellectual property, including trademarks, software and know-how.

9. Transfers of Membership Interest.

9.1 Transfer Restrictions.

(a) No Member shall Transfer all or any portion of its Membership Interest in the Company except in strict compliance with the terms and conditions of this Section 9. The foregoing notwithstanding, neither RMUSA nor any of its Affiliates shall Transfer (other than a Permitted Transfer or upon exercise of the Put Option or pursuant to Section 9.4) all or any portion of its Membership Interest in the Company for a period commencing on the date hereof and ending on the date on which the Put Option is no longer exercisable by RMUSA pursuant to Section 9.6 hereof. Any attempted Transfer in violation of this Article 9 shall be null and void and of no effect whatsoever. Each Member hereby acknowledges the reasonableness of the restrictions on Transfer imposed by this LLC Agreement in view of the Company's purposes and the relationship between the Members. Accordingly, the restrictions on Transfer contained herein shall be specifically enforceable. Each Member hereby further agrees to hold the Company and each other Member (and each such Member's successors and permitted assigns) wholly and completely harmless from any cost, liability, or damage (including, without limitation, liabilities for income taxes, legal fees, expenses and other costs of enforcing this indemnity) incurred by any of such other Members and indemnified Persons as a result of a Transfer or an attempted Transfer by the Member in violation of this LLC Agreement. A Member shall not be entitled to Transfer all or any portion of its Membership Interest in the Company unless such Member is also transferring a pro rata portion of its membership interest in Ready Mix LLC.

(b) With respect to each Member, any transaction or series of related transactions that results in any holder of the Membership Interests no longer being an Affiliate of the ultimate parent of such Member on the Contribution Date (with respect to such Member, the "Ultimate Parent") shall constitute a

Transfer of the Membership Interest held by such holder for all purposes of this Section 9.

(c) If a Member is a Member by virtue of the fact that an Affiliate of such Member (the "Base Member") has transferred any of the Membership Interest owned by such Base Member to such Member, but as a result of a proposed transaction such Member will no longer be an Affiliate of the Ultimate Parent of such Base Member then unless the consent contemplated by Section 9.2(c)(i) hereof is obtained prior to the consummation of such proposed transaction, any Membership Interest beneficially owned by such Member must be transferred to an Affiliate of the Ultimate Parent of such Base Member prior to such Member's loss of Affiliate status in respect of the Ultimate Parent of such Base Member, provided that if such transfer does not occur prior to such loss of such Affiliate status, in addition to any remedy available to the Company for the breach of this LLC Agreement resulting therefrom, such Member shall automatically cease to be a Member, and the Company shall be entitled to treat the Ultimate Parent of such Base Member as the holder of the Membership Interest held by such Member for all purposes hereunder, notwithstanding any prior registration or recognition of the transfer of such Membership Interest to such Member.

(d) For purposes of this Section 9.1, the "Ultimate Parent" of each Member shall be as set forth on Schedule 9.1(d) hereof.

9.2 Consent and Other Requirements. Neither Member will Transfer (other than a Permitted Transfer) all or any portion of its Membership Interest in the Company, unless:

(a) prior to the Transfer, the Company receives, unless waived by the non-transferring Member, in writing, an opinion of counsel reasonably satisfactory to the non-transferring Member that such Transfer is not subject to registration under, or is exempt from the registration requirements of, the applicable state and federal securities laws;

(b) contemporaneously with the Transfer, the transferee shall execute the Adoption Agreement in the form of Exhibit D and the transferee shall pay all reasonable expenses, including attorneys' fees, incurred by the Company in connection with such Transfer; and

(c) the transferring Member shall either:

(i) first obtain the written consent to such Transfer by each of the non-transferring Members; or

(ii) comply with the provisions of Sections 9.3 and 9.4 hereof, as applicable.

9.3 Right of First Refusal.

(a) Subject to the second sentence of Section 9.1(a) hereof, in the event any Member (the "Transferring Member") receives a bona fide third party offer to acquire any or all of such Transferring Member's Membership Interest or any interest therein (other than a Permitted Transfer), including any transaction that constitutes a Transfer under Section 9.1(b) or (c), which offer such Transferring Member wishes to accept, such Transferring Member shall promptly notify the other Member (the "Non-Transferring Member") in writing of such offer (the "Offer Notice"), setting forth the name and address of the prospective purchaser or acquiror, the amount of the Transferring Member's Membership Interests to be Transferred, the price or method of determining such price as designated by the Transferring Member and the prospective purchaser or acquiror (the "Offer Price"), and the material terms and conditions of such proposed Transfer, subject to Section 9.3(f). The Non-Transferring Member shall have a period of thirty (30) days (the "Offer Option Period") after the receipt of the Offer Notice within which to notify such Transferring Member in writing that it wishes to acquire all (but not less than all) of such Membership Interests that are proposed to be Transferred at a price equal to the Offer Price and, upon the same terms and conditions set forth in the Offer Notice (the "Offer Acceptance Notice"), subject to Section 9.3(f); provided, however,

that the Non-Transferring Member shall not be entitled to provide both an Offer Acceptance Notice under this Section 9.3 and a Tag Along Notice pursuant to the terms of Section 9.4 hereof.

(b) If the Non-Transferring Member gives the Transferring Member an Offer Acceptance Notice within the Offer Option Period, then it shall be obligated to purchase all (but not less than all) of such Membership Interests that are proposed to be Transferred at a price equal to the Offer Price and upon the same terms and conditions set forth in the Offer Notice, subject to Section 9.3(f), and shall have up to one (1) year after it gives such Offer Acceptance Notice to do all the things necessary to consummate the transaction, including, but not limited to, receiving consents and entering into agreements. If the Non-Transferring Member receives such consents and enters into such agreements as are necessary to consummate the transactions, then such Transferring Member shall be obligated to Transfer to the Non-Transferring Member, and the Non-Transferring Member shall be obligated to acquire from such Transferring Member, such Membership Interests at the Offer Price and, on the terms and conditions set forth in the Offer Notice, subject to Section 9.3(f). Within thirty (30) days following the closing of the purchase by the Non-Transferring Member of the Transferring Member's Membership Interests (the "Transfer Closing"), the Company shall distribute to the Transferring Member (A) an amount equal to the product of (x) the Percentage Interest of the Transferring Member immediately prior to the Transfer Closing and (y) all EBITDA earned by the Company from the date of the Offer Acceptance Notice through the date of the Transfer Closing that has not been distributed to the Members pursuant to and in accordance with Section 6.1(a) hereof and (B) an amount equal to the product of (x) the Percentage Interest of the Transferring Member immediately prior to the Transfer Closing and (y) all cash in excess of the sum of (i) the average current liabilities of the Company for the preceding twelve (12) months and (ii) the aggregate amount of cash necessary to fund budgeted capital expenditures.

(c) Subject to Section 9.4 hereof, if the Non-Transferring Member does not give an Offer Acceptance Notice to such Transferring Member within such Offer Option Period, such Transferring Member shall be free to Transfer such Membership Interests to the party named in the Offer Notice, provided that such Transfer is consummated within one (1) year after the Offer Sale Reference Date (as defined below) at a price equal to or greater than the Offer Price and upon substantially the same terms and conditions (other than the price, which may be higher than the Offer Price) as are set forth in the Offer Notice.

(d) If the Non-Transferring Member gives an Offer Acceptance Notice within the Offer Option Period and fails to consummate the transaction within one (1) year after it gives such Offer Acceptance Notice, in addition to other available remedies in respect of such failure, the Transferring Member shall be free to Transfer its Membership Interest to the party named in the Offer Notice at a price and on terms determined by the Transferring Member (which shall not be required to be the terms set forth in the Offer Notice), provided that such Transfer is consummated within one (1) year after the Offer Sale Reference Date. In addition to the foregoing, such failure by the Non-Transferring Member to consummate the transaction within the one (1) year period after it gives the Offer Acceptance Notice shall, at the election of the Transferring Member, constitute an Adverse Act; provided, however, that notwithstanding anything to the contrary in Section 11.1 hereof, the Transferring Member must make such election within one (1) year after the Offer Sale Reference Date. The right of the Transferring Member to elect an Adverse Act shall not be assignable to the purchaser in the proposed Transfer transaction and in the event the Transferring Member elects to have the failure by the Non-Transferring Member constitute an Adverse Act, the subsequent Transfer by the Transferring Member of its Membership Interest as contemplated in the first sentence of this paragraph shall result in the Non-Transferring Member no longer being an Adverse Member. If the Transferring Member elects to cause the Non-Transferring Member to be an Adverse Member, as provided above, the Non-Transferring Member will be an Adverse Member until the earliest to occur of (i) a Transfer by the Transferring Member of its Membership Interest as contemplated in the first sentence of this paragraph, (ii) the purchase by the Transferring Member of the Membership Interest of the Non-Transferring Member pursuant to Section 11.1(d), or (iii) in the event that the Non-Transferring Member makes a bona fide tender

to the Transferring Member of the Offer Price set forth in the Offer Notice in immediately available funds against delivery of the Membership Interest of the Transferring Member then, (x) if the Transferring Member accepts such tender (which it shall be entitled to accept or reject in its sole discretion), the date of the transfer of such Membership Interest to the Non-Transferring Member or (y) if the Non-Transferring Member does not accept such tender, the 60th day after such tender.

(e) The "Offer Sale Reference Date" shall mean (i) the date on which the Offer Option Period expires or (ii) if the Non-Transferring Member shall have given the requisite written notice during the Offer Option Period but shall have failed to consummate such transaction within the one (1) year period provided above, the date on which such one year period shall end; provided, that if during such one year period the Non-Transferring Member shall have notified such Transferring Member in writing that the Non-Transferring Member will not consummate such transaction and that the Non-Transferring Member waives its rights under this Section 9.3 with respect to that particular Offer Notice, then the Offer Sale Reference Date shall be the date of such notice from the Non-Transferring Member.

(f) For purposes of this Section 9.3 and Section 9.4 hereof, with respect to any transaction that constitutes a Transfer under Section 9.1(b) or (c) (an "Indirect Sale"):

(i) the Offer Price shall be the amount designated by the Transferring Member and the prospective purchaser or acquiror;

(ii) the "terms and conditions" of such Indirect Sale shall be deemed to contemplate a direct transfer of the Membership Interest on the other terms and conditions of such Indirect Sale; provided, however, that for purposes of this Section 9.3 any such terms and conditions that relate solely to the form of transaction which are not applicable to such deemed form shall be disregarded (for example, if the Indirect Sale is a merger, and a condition to such merger is the filing of a certificate of merger with the applicable secretary of state, such condition shall be disregarded for purposes of this Section 9.3); and

(iii) with respect to this Section 9.3, at the election of the Transferring Member, the sale of the Membership Interest pursuant to Section 9.3(b) shall be conditioned upon the closing of the Indirect Sale that gave rise to the obligation to provide the Offer Notice with respect to such sale.

(g) For the avoidance of doubt, for purposes of this Section 9.3, with respect to any transaction that constitutes a Transfer under Section 9.1(b) or (c), the only right of the Non-Transferring Member shall be to purchase the Membership Interest of the Transferring Member, and not any other assets or securities being transferred by the Transferring Member or any of its Affiliates.

9.4 Tag Along Right.

(a) In lieu of delivering an Offer Acceptance Notice, the Non-Transferring Member shall have the right (the "Tag Along Right"), during the Offer Option Period, to deliver a written notice (the "Tag Along Notice") to the Transferring Member, requesting to include in such Transfer a percentage of its Membership Interest equal to or less than the Prorata Portion (as hereinafter defined) of the Membership Interest of the Non-Transferring Member. The "Prorata Portion" with respect to the Non-Transferring Member shall equal the product of (i) the Membership Interest of the Non-Transferring Member, and a fraction (x) the numerator of which shall be equal to the amount of the Transferring Member's Membership Interests to be Transferred and (y) the denominator of which shall be equal to the total Membership Interests of the Transferring Member.

(b) In the event the Non-Transferring Member shall have delivered a Tag Along Notice to the Transferring Member prior to the expiration of the

Offer Option Period, the Transferring Member, shall include in any such Transfer upon the same terms and conditions, the Pro Rata Portion of the Non-Transferring Member's Membership Interest. Such terms and conditions shall include, without limitation, (i) the Transfer consideration and (ii) the provision of information, representations, warranties, covenants and requisite indemnifications. Any Tag Along Notice shall be irrevocable once received by the Transferring Member.

(c) If the Non-Transferring Member shall not have delivered the Tag Along Notice during the Offer Option Period, it shall be deemed to have irrevocably waived its rights under this Section 9.4 with respect to the Transfer contemplated by the Offer Notice.

(d) In addition to any other available remedies, in the event that the Non-Transferring Member who gives a Tag Along Notice within the Offer Option Period to Transfer its Membership Interest pursuant to the transaction set forth in the Offer Notice breaches any of its obligations to the purchaser under the Non-Transferring Member's agreement with the purchaser related to such transaction, where (i) such transaction involves the Transfer of all of the Membership Interest of the Non-Transferring Member as well as all of such Member's membership interest in Ready Mix LLC, and (ii) such breach causes the contemplated transaction to be terminated by the purchaser, shall, at the election of the Transferring Member, constitute an Adverse Act; provided, however, that notwithstanding anything to the contrary in Section 11.1 hereof, the Transferring Member must make such election within sixty (60) days after the date on which the Transfer subject to such Tag Along Notice would have occurred but for the failure of the Non-Transferring Member. The right of the Transferring Member to elect an Adverse Act shall not be assignable to the purchaser in the proposed Transfer transaction. If the Transferring Member elects to cause the Non-Transferring Member to be an Adverse Member, as provided above, the Non-Transferring Member will be an Adverse Member until the earliest to occur of (i) the purchase by the Transferring Member of the Membership Interest of the Non-Transferring Member pursuant to Section 11.1(d), or (ii) the Non-Transferring Member has fully indemnified the Transferring Member from and against any and all Damages incurred by the Transferring Member arising out of or relating to the Non-Transferring Member's failure to consummate such transaction.

9.5 Certain Permitted Transfers. Subject to Sections 9.1(a), (b) and (c) hereof, each Member shall be entitled to Transfer all or any portion of its Membership Interest in the Company to such Member's Affiliates (a "Permitted Transfer"); provided, however, that such transferee(s) (the "Permitted Transferee(s)") shall become parties to, and shall be subject to the terms and conditions of, this LLC Agreement; provided, further, that if any such Transfer shall result in a termination of the Company within the meaning of ss. 708 of the Code, such Transfer shall be prohibited and not constitute a Permitted Transfer. Any such Permitted Transferee shall automatically and without further action of the Board, the Manager or the Members become an additional or substitute member of the Company, as applicable. For purposes of this Section 9.5, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or Ready Mix LLC or any of their respective Subsidiaries.

9.6 Option of RMUSA to Put Membership Interest. Notwithstanding any provision herein to the contrary, RMUSA shall have the option, exercisable at its sole and absolute discretion, to require Cemex, Inc. to purchase all, but not less than all, of the Membership Interest in the Company held by RMUSA and its Affiliates on the terms and conditions contained in this Section 9.6 (the "Put Option"). RMUSA and Cemex, Inc. acknowledge and agree that the Put Option may only be exercised by RMUSA together with an exercise of its similar right to require Cemex, Inc. to purchase all of the membership interests of RMUSA and its Affiliates in Ready Mix LLC pursuant to the Ready Mix LLC Operating Agreement. For purposes of this Section 9.6, neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any Member.

9.6.1 Put Option Term.

(a) Subject to paragraph (b) below, the Put Option may be exercised by

RMUSA at any time during the period commencing on the expiration of three (3) years from the Contribution Date and expiring twenty-five (25) years from the Contribution Date. The foregoing notwithstanding, in the event Cemex or any of its Affiliates receives a bona fide third party offer to acquire any or all of its Membership Interest or any interest therein (other than a Permitted Transfer), including any transaction that constitutes a Transfer under Section 9.1(b) or (c), which results in Cemex or an Affiliate thereof giving an Offer Notice as contemplated in Section 9.3 prior to the third (3rd) anniversary of the Contribution Date, the Put Option shall become exercisable immediately and shall remain exercisable, subject to paragraph (b) below, until (i) the proposed Transfer is consummated, or (ii) the proposed Transfer is abandoned by Cemex or its Affiliates or the proposed purchaser (unless such event occurs on or following the date which is the third (3rd) anniversary of the Contribution Date, in which case the Put Option shall remain exercisable subject to the other terms and conditions of this LLC Agreement).

(b) Notwithstanding anything in this LLC Agreement to the contrary,

(i) in the event either RMUSA delivers an Offer Acceptance Notice or a Tag Along Notice with respect to a proposed Transfer by Cemex or any of its Affiliates in accordance with Section 9.3 or 9.4, as the case may be, or RMUSA fails to deliver a Notice pursuant to Section 9.6.2 during any Offer Option Period with respect to a Transfer Notice concerning a Transfer by Cemex or any of its Affiliates of all of the Membership Interest in the Company held by Cemex and its Affiliates, then RMUSA's right to exercise the Put Option shall be suspended as of the date of such Offer Acceptance Notice or Tag Along Notice, or at the end of such Option Offer Period, as the case may be, and either (x) the Put Option shall terminate and be of no further effect (1) upon the consummation of the purchase by RMUSA of all of the Membership Interest of Cemex and its Affiliates in the Company pursuant to Section 9.3 whereupon neither Cemex nor any of its Affiliates remain as Members of the Company, or (2) upon the consummation of the sale by RMUSA (or its Affiliates) of all of the Membership Interest of RMUSA (or its Affiliates, as the case may be) in the Company pursuant to Section 9.4 whereupon neither RMUSA nor any of its Affiliates remain as Members of the Company, or (y) RMUSA's right to exercise the Put Option shall be reinstated from and after

(A) the termination of the proposed Transfer by Cemex (or its Affiliates) of all of the Membership Interest of Cemex (and its Affiliates) pursuant to Section 9.3 where such termination is due to the failure of Cemex (or its Affiliates) to consummate such Transfer in breach of its obligations with respect thereto,

(B) the consummation of the purchase by RMUSA of the Membership Interest of Cemex and its Affiliates in the Company pursuant to Section 9.3 which constitutes a Transfer of less than all of the Membership Interest of Cemex and its Affiliates in the Company and whereupon following such purchase Cemex or its Affiliates continue to hold a Membership Interest in the Company, or

(C) the abandonment of the proposed Transfer that was the subject of the Tag Along Notice and the termination of any definitive agreement with respect to such proposed Transfer; provided however, that in the event the proposed Transfer giving rise to rights in RMUSA under Section 9.4 is with respect to a transfer of less than all of Cemex's (or its Affiliate's) Membership Interest, the suspension contemplated above shall apply only to the Put Option as it concerns the Membership Interests proposed to be transferred by RMUSA (or its Affiliate) pursuant to Section 9.4 and RMUSA shall retain its rights to exercise the Put Option with respect to any remaining portion of its Membership Interest;

(ii) in the event that RMUSA is the Non-Transferring Member

who failed to consummate the Transfer pursuant to the terms of Section 9.3(b), then RMUSA's right to exercise the Put Option shall remain suspended as of the Offer Sale Reference Date and the Put Option shall terminate and be of no further effect upon the Transfer of all of Cemex's (or its Affiliate's) Membership Interests in accordance with Section 9.3(d) hereof;

(iii) in the event RMUSA or any of its Affiliates is the Non-Transferring Member and Cemex or any of its Affiliates is the Transferring Member, as contemplated in Section 9.3, and the proposed Transfer will result in the Transfer of all of the remaining Membership Interest of Cemex and all of its Affiliates (and a Transfer of all of the remaining Membership Interest of Cemex and all of its Affiliates in Ready Mix LLC, if any), and upon receiving the Offer Notice neither RMUSA nor any of its Affiliates gives an Offer Acceptance Notice or Tag Along Notice to Cemex within the Offer Option Period, and RMUSA does not exercise its Put Option, and Cemex and any of its Affiliates, as the case may be, thereafter consummates the Transfer of all of the remaining Membership Interest of Cemex and its Affiliates (and a Transfer of all of the remaining Membership Interest of Cemex and all of its Affiliates in Ready Mix LLC, if any), as contemplated herein, upon the consummation of the Transfer the Put Option shall terminate and be of no further effect;

(iv) in the event RMUSA is an Adverse Member pursuant to clauses (ii) or (v) of the definition of Adverse Act, then RMUSA's right to exercise the Put Option shall be suspended until RMUSA is no longer an Adverse Member; and

(v) in the event RMUSA or any of its Affiliates is an Adverse Member pursuant to clause (i) of the definition of Adverse Act, then, in the event RMUSA exercises the Put Option following the sixtieth (60th) day after the Non-Adverse Member gives the written notice set forth in Section 11.1 to RMUSA or any of such Affiliates, the Purchase Price shall be reduced to the Buyout Purchase Price.

9.6.2 Exercise. RMUSA may exercise the Put Option by delivering to Cemex, Inc. a written notice of such exercise (the "Notice").

9.6.3 Purchase Price. (a) Except as provided in Section 9.6.1(b)(v) above, the price which Cemex, Inc. shall pay to RMUSA for RMUSA's Membership Interest pursuant to the Put Option (the "Purchase Price") shall be determined based on one of the following formulas in accordance with paragraph (b) below:

(i) an amount equal to the product of (x) RMUSA's Percentage Interest as of the Exercise Date and (y) the Adjusted Book Value as of the Exercise Date;

(ii) an amount equal to (x) (A) eight (8) times the average EBITDA of the Company over the three (3) Fiscal Years immediately preceding the Exercise Date minus (B) the Company's Debt as of the Exercise Date, multiplied by (y) RMUSA's Percentage Interest as of the Exercise Date [(A - B) * y]; or

(iii) an amount equal to (x) (A) eight (8) times the EBITDA of the Company during the Fiscal Year immediately preceding the Exercise Date minus (B) the Company's Debt as of the Exercise Date, multiplied by (y) RMUSA's Percentage Interest as of the Exercise Date [(A - B) * y].

For the avoidance of doubt, the Purchase Price shall be determined as set forth above and there shall be no adjustment to the amounts so determined for Working Capital (although the parties acknowledge that the amount of Working Capital will affect the calculation pursuant to clause (i) above). The parties acknowledge that Cemex shall be entitled to retain all Working Capital in the Company as of the Put Option Closing.

(b) RMUSA and Cemex, Inc. acknowledge and agree that the pricing

methodology which shall apply to the sale of the Membership Interests of RMUSA and its Affiliates in the Company shall be the same methodology as applies to the sale by RMUSA and its Affiliates of their Membership Interests in Ready Mix LLC and shall be the methodology that yields the highest result for the combined companies even if the methodology utilized results in a negative number under this Section 9.6.3 or under Section 9.6.3 of the Ready Mix LLC Agreement. In the event that the pricing methodology utilized under this Agreement pursuant to the immediately preceding sentence results in a negative Purchase Price, then Cemex, Inc. shall be entitled to a credit in an amount equal to the absolute value of the Purchase Price against any amounts due from Cemex, Inc. to RMUSA pursuant to Section 9.6.3 of the Ready Mix LLC Agreement. In the event that the pricing methodology utilized under the Ready Mix LLC Agreement results in a negative purchase price thereunder, then Cemex, Inc. shall be entitled to a credit in an amount equal to the absolute value of such purchase price against any amounts due from Cemex, Inc. to RMUSA pursuant to this Section 9.6.3, such credit to be applied as of the Put Option Closing. In the event that the pricing methodology utilized results in a negative Purchase Price and a negative purchase price under the Ready Mix LLC Agreement (an absolute negative number), then RMUSA shall pay to Cemex, Inc. the amount equal to the absolute value of such total negative amount at the Put Option Closing by wire transfer of immediately available funds.

(c) For purposes of determining the Purchase Price under this Section 9.6.3, to the extent the Company shall acquire any business(es) or assets associated therewith ("Acquired Business"), which shall have been owned by the Company for less than twelve (12) calendar months during the Fiscal Year immediately preceding the Exercise Date, EBITDA of the Company for the Fiscal Year immediately preceding the Exercise Date shall be increased by an amount which shall consist of the Prorata EBITDA, as such term is defined below, in connection with such Acquired Business. For purposes hereof, the term "Prorata EBITDA" shall mean, with respect to a particular Acquired Business, the EBITDA of the Acquired Business for the twelve (12) month period immediately preceding the date of the acquisition of the Acquired Business ("Acquisition Date") by the Company multiplied by a fraction, the numerator of which shall be equal to (x) twelve (12) less (y) the number of months that have elapsed from the Acquisition Date to the end of the Fiscal Year immediately preceding the Exercise Date, or, with respect to Section 11, the Adverse Act Exercise Date, and the denominator of which shall be twelve (12). For example, if the EBITDA of the Acquired Business for the twelve (12) month period prior to the Acquisition Date shall be US$1,000,000 and the Acquisition Date shall be three (3) months prior to the end of the Fiscal Year immediately preceding the Exercise Date, EBITDA shall increase by US$750,000, or US$1,000,000 x 9/12.

(d) For purposes of the calculations of clauses (a)(ii) and (iii) above, in the event that EBITDA of the Company includes EBITDA of assets that have been divested by the Company at any time prior to the Exercise Date, EBITDA of the Company shall be adjusted to subtract the EBITDA attributable to the divested assets during the period of time referred to in clauses (a)(ii) and (iii), respectively.

9.6.4 Payment Terms.

(a) Within sixty (60) days after the Exercise Date, the Company shall distribute to the Members all cash, if any, in excess of the sum of (i) the average current liabilities of the Company for the preceding twelve (12) months and (ii) the aggregate amount of cash necessary to fund budgeted capital expenditures. A percentage of the portion of such distribution to which Cemex would otherwise be entitled equal to one minus the Applicable Tax Rate shall be paid to RMUSA (the amount so paid to RMUSA is referred to herein as the "Cemex Post-Exercise Special Cash Distribution") and credited against the Initial Payment (as defined below).

(b) Cemex, Inc. shall pay the Purchase Price as follows:

(i) at the Put Option Closing, Cemex, Inc. shall pay by wire transfer of immediately available funds an amount (the "Initial Payment") equal to the greater of $200,000,000 or forty percent (40%) of the Purchase Price;

(ii) on the first (1st) anniversary of the Put Option Closing, Cemex, Inc. shall pay by wire transfer of immediately available funds an amount (the "Second Installment") equal to thirty percent (30%) of the Purchase Price; and

(iii) on the second (2nd) anniversary of the Put Option Closing, Cemex, Inc. shall pay by wire transfer of immediately available funds an amount (the "Third Installment") equal to the remainder of the Purchase Price.

provided, however, that notwithstanding the foregoing in no event shall the aggregate amount paid (and deemed paid) by Cemex, Inc. pursuant to clauses (i), (ii) and (iii) exceed the Purchase Price. For purposes of the foregoing, Cemex, Inc. shall be deemed to have paid to RMUSA (and shall be credited against the amounts payable pursuant to the immediately preceding sentence), the Cemex Post-Exercise Special Cash Distribution (which shall be credited against the Initial Payment) and any Cemex Post-Exercise Regular Cash Distributions (each of which shall be credited against the immediately following installment). Notwithstanding the foregoing, Cemex, Inc. shall have the right to prepay all or any part of the remaining amount of the Purchase Price at any time. For example, if the Purchase Price is $700,000,000 and the Cemex Post-Exercise Special Cash Distribution is $5,001,000, and assuming no Cemex Post-Exercise Regular Cash Distributions or prepayments are made, then $274,999,000 shall be paid by Cemex, Inc. to RMUSA at the Put Option Closing, $210,000,000 shall be paid by Cemex, Inc. to RMUSA on the first anniversary of the Put Option Closing and $210,000,000 shall be paid by Cemex, Inc. to RMUSA on the second anniversary of the Put Option Closing.

(c) Beginning on the Exercise Date and continuing until the Purchase Price is paid in full to RMUSA, a percentage of the portion of each cash distribution made by the Company to which Cemex would otherwise be entitled (other than the distribution contemplated by Section 9.6.4(a)) equal to one minus the Applicable Tax Rate shall be paid to RMUSA (the amount so paid to RMUSA is referred to herein as the "Cemex Post-Exercise Regular Cash Distributions") and credited against the next installment of the Purchase Price.

(d) In the event as of the Put Option Closing RMUSA owes an outstanding indemnity obligation to Cemex or its Affiliates or to the Company or Ready Mix LLC or any of their respective Subsidiaries pursuant to Section 9.2 of the Contribution Agreement or Section 9.2 of the Ready Mix Contribution Agreement, which indemnity obligation has been finally determined and quantified (whether through agreement of the parties or final, non-appealable judgment) pursuant to the terms and procedures set forth in Article 9 of the Contribution Agreement or the Ready Mix Contribution Agreement, as the case may be, the amount of such indemnity obligation shall be offset against the Purchase Price, and the amount thereof shall be deemed paid at the Put Option Closing.

9.6.5 Closing. (a) The closing of the transaction contemplated by this Section 9.6 (the "Put Option Closing") shall occur on a date chosen by Cemex, Inc., in no event later than twelve (12) months after the Exercise Date, at a time and place mutually agreeable to RMUSA and Cemex, Inc. At the Put Option Closing:

(i) Cemex, Inc. shall deliver to RMUSA:

(x) the balance of the Initial Payment in immediately available funds; and

(y) a release(s) and indemnity(ies) of RMUSA from any and all guaranty(ies) with respect to which RMUSA may have guaranteed debts, obligations or liabilities of the Company.

(ii) RMUSA shall deliver to Cemex, Inc., or at its direction:

(x) duly executed assignment of that certain portion of its Percentage Interest determined in accordance with Section 9.6.5(b);

(y) a certificate, dated as of the closing date, containing a representation and warranty that on the closing date RMUSA has transferred, or caused to be transferred, to Cemex, Inc. (or its Affiliate) good and marketable title to the portion of its Percentage Interest being transferred, free and clear of all claims, equities, liens, charges and encumbrances; and

(z) any other documents or agreements required by this LLC Agreement or necessary to effectuate the intended transfer.

(b) In connection with the sale of its Membership Interest pursuant to the Put Option, RMUSA shall assign and transfer its Membership Interest to Cemex, Inc. (or its designated Affiliate) as follows:

(i) At the Put Option Closing, and upon the receipt by RMUSA of payment in full of the Initial Payment, RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) a portion of the Percentage Interest owned by RMUSA immediately prior to the Put Option Closing equal to the product of the total amount of the Percentage Interest owned by RMUSA immediately prior to the Put Option Closing multiplied by a fraction, the numerator of which is the amount of the Purchase Price paid or deemed paid by Cemex, Inc. and received by RMUSA at or prior to the Put Option Closing and the denominator of which is the Purchase Price.

(ii) In the event that RMUSA still owns a Percentage Interest in the Company as of the first (1st) anniversary of the Put Option Closing, on such anniversary and upon the receipt by RMUSA of payment in full of the Second Installment, RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) a portion of the Percentage Interest owned by RMUSA immediately prior to the Put Option Closing equal to the product of the total amount of Percentage Interest owned by RMUSA immediately prior to the Put Option Closing multiplied by a fraction, the numerator of which is the amount of the Purchase Price paid or deemed paid by Cemex, Inc. and received by RMUSA after the Put Option Closing and at or prior to the first Anniversary of the Put Option Closing, other than any other Significant Prepayment made during such period for which a Percentage Interest was delivered under Section 9.6.5(c) and the denominator of which is the Purchase Price. RMUSA shall also deliver to Cemex, Inc. (or its designated Affiliate) a certificate as referenced in Section 9.6.5(a)(ii)(y) related to the Percentage Interest being assigned and transferred pursuant to this Section 9.6.5(b)(ii).

(iii) In the event that RMUSA still owns a Percentage Interest in the Company immediately prior to the second (2nd) anniversary of the Put Option Closing, on such anniversary and upon the receipt by RMUSA of payment of the balance of the Purchase Price, RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) the remainder of the Membership Interest owned by RMUSA (which shall include the Voting Interest of RMUSA) immediately prior to the Put Option Closing. RMUSA shall also deliver to Cemex, Inc. (or its designated Affiliate) a certificate, dated as of such date, containing a representation and warranty that on the date of such assignment and transfer RMUSA has transferred, or caused to be transferred, to Cemex, Inc. (or its designated Affiliate) good and marketable title to such Membership Interest, free and clear of all claims, equities, liens, charges and encumbrances as referenced in Section 9.6.5(a)(ii)(y).

In the event Cemex, Inc. prepays to RMUSA the outstanding amount of the Purchase Price, upon receipt of such payment in full of the Purchase Price

RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) the remainder of the Membership Interest then owned by RMUSA and shall deliver to Cemex, Inc. (or its designated Affiliate) a certificate as contemplated in paragraph (b)(iii) above. Notwithstanding any provision herein to the contrary, RMUSA shall retain its full Voting Interest until the Purchase Price has been paid in full.

(c) If at any time prior to any scheduled payment date pursuant to Section 9.6.5(b), Cemex, Inc. pays or is deemed to have paid an amount under the Put Option equal to or greater than US$ 10 million (a "Significant Prepayment"), within three (3) Business Days after receipt by RMUSA or any of its Affiliates of such Significant Prepayment, RMUSA shall (or shall cause one or more of its Affiliates to) assign and transfer to Cemex, Inc. (or its designated Affiliate) a portion of the Percentage Interest owned by RMUSA and its Affiliates immediately prior to the Put Option Closing multiplied by a fraction, the numerator of which is the amount of the Significant Prepayment and the denominator of which is the Purchase Price. RMUSA shall also deliver to Cemex, Inc. (or its designated Affiliate) a certificate as referenced in Section 9.6.5(a)(ii)(y) related to the Percentage Interest being assigned and transferred pursuant to this Section 9.6.5(c).

(d) At or prior to any installment payment date pursuant to Section 9.6.5(b) or any Significant Prepayment pursuant to Section 9.6.5(c), RMUSA or its Affiliate, as may be the case, shall deliver to Cemex, Inc. a certificate, in the form described in Treasury Regulation Section 1.1445-2(b)(2)(iv)(B), certifying its compliance with Treasury Regulation Section 1.1445-2(b) that, as of the date of such installment payment or Significant Prepayment, RMUSA or its Affiliate is not a "foreign person" within the meaning of Section 1445 of the Code. If RMUSA does not deliver such certificate to Cemex, Inc., Cemex, Inc. shall be permitted to withhold from the payment amount, the amount required to be withheld pursuant to Section 1445 of the Code, as calculated by Cemex, Inc. in good faith, and (i) Cemex, Inc. shall not be deemed to be in default of any of its obligations under this LLC Agreement (including this Section 9.6) by virtue of having withheld such amount and (ii) the amount so withheld and remitted to Department of Treasury shall be deemed to have been paid to RMUSA or its Affiliates on the date that any amounts not so withheld were paid for all purposes under this LLC Agreement. If RMUSA or its Affiliate does deliver such certificate to Cemex, Inc., Cemex, Inc. shall not withhold under Section 1445 of the Code.

9.6.6 Regulatory and Other Authorizations; Cooperation.

(a) Upon the exercise by RMUSA of the Put Option, Cemex, Inc. shall use its best efforts to promptly obtain (and, in the event Cemex, Inc. is or its Affiliates are the Manager or Majority Member of the Company, to cause the Company to obtain) all authorizations, consents, orders and approvals of all governmental authorities and officials and third parties that may be or become necessary for its performance of its obligations pursuant to the Put Option; provided, however, that notwithstanding the foregoing, prior to the date which is twelve (12) months after the Exercise Date, Cemex, Inc. shall not be required to accept, as a condition to obtaining any required approval or resolving any objection of any governmental authority, any requirement to divest or hold separate or in trust (or the imposition of any other condition or restriction with respect to) any of the respective businesses of Cemex, Inc., Cemex, the Company, Ready Mix LLC or any of their respective subsidiaries or assets.

(b) Upon the exercise by RMUSA of the Put Option, RMUSA shall use its best efforts to promptly obtain all authorizations, consents, orders and approvals of all governmental authorities and officials and third parties that may be or become necessary for its performance of its obligations pursuant to the Put Option.

(c) Each of RMUSA and Cemex, Inc. agrees to make, and to cause its Affiliates, as necessary, to make its filing pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or any successor law (the "HSR Act"), with respect to the acquisition and sale pursuant to the exercise of the Put Option within forty-five (45) days after the Exercise Date and to supply as promptly

as practicable to the appropriate governmental authorities any information and documentary material that may be requested pursuant to the HSR Act. Each of RMUSA and Cemex, Inc. further agrees to make, and to cause its Affiliates, as necessary, to make responses (including providing required information) to the Federal Trade Commission or the United States Department of Justice, as the case may be, and state antitrust regulators as required of such party by any such regulators with respect to the Put Option transaction.

(d) RMUSA agrees that, in its capacity as "Manager" of Ready Mix LLC (or, if an Affiliate of RMUSA is then the "Manager" of Ready Mix LLC it will cause such Affiliate, in such capacity, to), it will provide reasonable access to the books, records and properties to Cemex's potential financing sources, and shall cause the officers and employees of Ready Mix LLC to provide reasonable cooperation to Cemex in obtaining financing in order to consummate the transactions contemplated by this Section 9.6.

(e) From and after exercise of the Put Option, RMUSA agrees that it shall not, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon its Membership Interest.

9.7 Effect of Transfer. Any Member that Transfers its entire Membership Interest in the Company to an un-Affiliated third party pursuant to the terms of this LLC Agreement shall be deemed to have retired and shall cease to be a Member as of the effective date of such Transfer, and shall cease to have any rights or obligations under this LLC Agreement; provided, however, that the foregoing shall not limit or modify (i) any rights of such Member under Sections 8.7, 8.8, 8.9 and 9.3(d) hereof with respect to matters occurring prior to such transaction; (ii) the obligations of such Member under this LLC Agreement arising prior to or in connection with such transaction or the obligations of such Member under Sections 7.2 and 19(h) hereof; or (iii) the rights of such Member under this LLC Agreement arising as a result of a breach of the other Member's obligations under this LLC Agreement prior to such transaction. The Transfer of any Membership Interest pursuant to Section 9.5 shall not relieve the transferring Member from any of its obligations under this Agreement.

10. Substituted Members. Notwithstanding any other provision of this LLC Agreement to the contrary, no permitted assignee or permitted transferee of the whole or any portion of any Membership Interest in the Company shall have the right to become a substituted Member in place of his assignor unless all of the following conditions are satisfied:

10.1 Written Assignment. The assignor and assignee shall have executed and acknowledged a written instrument of assignment, together with such other instruments as the Manager may deem necessary or desirable to effect the admission of the assignee as a Member.

10.2 Assignment Delivered. Such instrument of assignment provided for herein shall have been delivered to and received by the Manager.

10.3 Approval by Members. The written consent or approval of a Majority-In-Interest shall have been first obtained.

10.4 Transfer Fee Paid. A transfer fee (in an amount determined by the Manager) has been paid to the Company which is sufficient to cover all reasonable expenses connected with such assignment and admission.

11. Adverse Action.

11.1 Remedies. Upon receipt of written notice from a non-Adverse Member, an Adverse Member shall have thirty (30) days to cure an Adverse Act. Thereafter, provided that the non-Adverse Member giving notice (i) is also a non-adverse Member under this Agreement and the Ready Mix LLC Agreement and (ii) with respect to clause (iii) of the definition of Adverse Act, the non-Adverse Member (RMUSA) has complied with its obligations under Sections 9.6.6(b) and (c), the failure of which to be performed would have an adverse effect on Cemex's ability to close the Put Option, the non-Adverse Member may, in its sole discretion, elect one or more of the following remedies:

(a) during the continuance of the Adverse Act, the Adverse Member shall cease to be represented on the Board and the size of the Board shall be reduced to four (4) individuals, all of whom shall be appointed by the non-Adverse Member;

(b) during the continuance of the Adverse Act, the Adverse Member will have all of its voting rights under this LLC Agreement and applicable Law, in its capacity as a Member, a Manager or otherwise, suspended, and the non-Adverse Member will have the voting rights of the Majority Member;

(c) during the continuance of the Adverse Act, the Adverse Member shall not be entitled to receive any distributions of cash or property from the Company and the non-Adverse Member will be entitled to receive and retain all distributions of cash or property that otherwise would have been made to the Adverse Member, but the Adverse Member shall continue to be liable for its obligations as a Member under this LLC Agreement; or

(d) the non-Adverse Member shall have the right, exercisable in its sole and absolute discretion from the thirtieth (30th) day following the expiration of the Adverse Member's right to cure and thereafter for the period that the Adverse Act continues, to purchase all of the Adverse Member's Membership Interest in the Company (a "Buyout Option") at a purchase price (the "Buyout Purchase Price") equal to seventy-five percent (75%) of the amount which is the highest of the following:

(i) an amount equal to the product of (x) the Adverse Member's Percentage Interest as of the date the non-Adverse Member gives written notice of its election to exercise its rights under this paragraph (d) (the "Adverse Act Exercise Date") and (y) the Adjusted Book Value as of the date of the Adverse Exercise Date;

(ii) an amount equal to (x) (A) eight (8) times the average EBITDA of the Company over the three (3) Fiscal Years immediately preceding the Adverse Act Exercise Date minus (B) the Company's Debt as of the Adverse Act Exercise Date, multiplied by (y) the Adverse Member's Percentage Interest as of the Adverse Act Exercise Date [(A - B) * y]; or

(iii) an amount equal to (x) (A) eight (8) times the EBITDA of the Company during the Fiscal Year immediately preceding the Adverse Act Exercise Date minus (B) the Company's Debt as of the Adverse Act Exercise Date, multiplied by (y) the Adverse Member's Percentage Interest as of the Adverse Act Exercise Date [(A - B) * y].

For the avoidance of doubt, the Buyout Purchase Price shall be determined as set forth above and there shall be no adjustment to the amounts so determined for Working Capital (although the parties acknowledge that the amount of Working Capital will affect the calculation pursuant to clause (i) above). The parties acknowledge that the non-Adverse Member shall be entitled to retain all Working Capital in the Company as of the Adverse Member Buyout Closing.

The parties acknowledge and agree that, in the event the non-Adverse Member that exercises its right to purchase the Membership Interest of the Adverse Member pursuant to this Section 11.1(d) also exercises its similar right to purchase the Membership Interest of the Adverse Member (or its Affiliate) pursuant to the Ready Mix LLC Agreement, the pricing methodology which shall apply to the sale of the Membership Interest of the Adverse Member in the Company shall be the same methodology as applies to its sale of its Membership Interest in Ready Mix LLC and shall be the methodology that yields the highest result for the combined companies even if the methodology utilized results in a negative number under this Section 11.1(d) or under Section 11.1(d) of the Ready Mix LLC Agreement. In the event that the methodology utilized under this Agreement pursuant to the immediately preceding sentence results in a negative Purchase Price, then the non-Adverse Member shall be entitled to a credit in an amount equal to the absolute value of the Buyout Purchase Price against any amounts due from the non-Adverse Member to the Adverse Member pursuant to Section 11.1(d) of the Ready Mix LLC Agreement. In the event that the pricing

methodology utilized under the Ready Mix LLC Agreement results in a negative purchase price thereunder, then the non-Adverse Member shall be entitled to a credit in an amount equal to the absolute value of such purchase price against any amounts due from the non-Adverse Member to the Adverse Member pursuant to this Section 11.1(d), such credit to be applied as of the Adverse Member Buyout Closing.

In the event that the Buyout Option is exercised by RMUSA as a result of a breach by Cemex of Section 9.6 hereof, at the Adverse Member Buyout Closing RMUSA shall (i) repurchase the Percentage Interests purchased by Cemex prior to its Adverse Act pursuant to RMUSA's exercise of the Put Option (the "Purchased Interests") for the amount paid by Cemex to RMUSA for such Purchased Interests and the purchase price paid by RMUSA for the remaining Percentage Interest of Cemex shall be the Buyout Purchase Price as determined above and (ii) refund to Cemex any amounts paid or deemed paid by Cemex in respect of the Put Option for which no Percentage Interest has been transferred whether before or after the Adverse Act.

For purposes of determining the Buyout Purchase Price under this Section 11.1, to the extent the Company shall acquire any Acquired Business, which shall have been owned by the Company for less than twelve (12) calendar months during the Fiscal Year immediately preceding the Adverse Act Exercise Date, EBITDA of the Company for the Fiscal Year immediately preceding the Adverse Act Exercise Date shall be increased by an amount which shall consist of the Prorata EBITDA in connection with such Acquired Business.

For purposes of the calculations of clauses (ii) and (iii) above, in the event that Adverse Act EBITDA of the Company includes EBITDA of assets that have been divested by the Company at any time prior to the Exercise Date, EBITDA of the Company shall be adjusted to subtract the EBITDA attributable to the divested assets during the period of time referred to in clauses (ii) and (iii), respectively.

The closing of such transaction (the "Adverse Member Buyout Closing") shall occur at a time and place mutually agreeable to the non-Adverse Member and the Adverse Member, provided that the closing date shall be no later than six (6) months after the date on which the Buyout Option is exercised. At the closing of such transaction:

(i) the non-Adverse Member shall deliver to the Adverse Member:

(A) the amount of the Buyout Purchase Price in immediately available funds; and

(B) a release(s) and indemnity(ies) of the Adverse Member from any and all guaranty(ies) with respect to which the Adverse Member may have guaranteed debts, obligations or liabilities of the Company.

(ii) the Adverse Member shall deliver to the non-Adverse Party:

(A) a duly exercised assignment of its Membership Interest in the Company;

(B) a certificate, dated as of the closing date, containing a representation and warranty that on the closing date the Adverse Member has transferred, or caused to be transferred, to the non-Adverse Member good and marketable title to its Membership Interest, free and clear of all claims, equities, liens, charges and encumbrances; and

(C) any other documents or agreements required by this LLC Agreement or necessary to effectuate the intended transfer.

11.2 Notwithstanding the foregoing, the remedies provided in this

Section 11 are cumulative and are not exclusive, and the Company and the non-Adverse Member shall be entitled to all other remedies available at law or equity.

12. Dissolution of Company.

12.1 Events of Dissolution. (a) The Company shall be dissolved and its affairs shall be wound up upon the happening of the first to occur of the following (a "Liquidating Event"):

(i) the unanimous written consent of all of the Members of the Company; or

(ii) an entry of a final decree of dissolution of the Company by a court of competent jurisdiction.

(b) In the event of dissolution of the Company, Cemex shall be entitled to elect to receive, to the extent of its interest, and subject to the order of priority set forth in Section 12.4, the cement plants and other assets contributed by Cemex pursuant to the Contribution Agreement. In addition, in the event of dissolution of the Company, notwithstanding anything in this LLC Agreement to the contrary, Cemex shall have the right to purchase all of the remaining assets of the Company not distributed to Cemex pursuant to the immediately preceding sentence for a price equal the Purchase Price.

(c) In the event that (x) the Company is dissolved, (y) Ready Mix LLC is not dissolved contemporaneously and (z) Cemex exercises its right under paragraph (b) above, Cemex shall cause Cemex, Inc. to assume all of the obligations of the Company under the Cement Supply Agreement.

12.2 Special Meeting to Appoint Liquidating Member. In the event that the Company is dissolved by reason of the occurrence of a Liquidating Event and the Manager has been removed, disqualified, or resigned, then a special meeting of all the Members shall be held at the office of the Company for the purpose of appointing a liquidating Member (the "Liquidating Member") to wind up the affairs of the Company, to liquidate its assets and distribute the proceeds therefrom. Such special meeting shall be held, without notice, on the fifteenth (15th) day after the happening of the Liquidating Event causing dissolution of the Company, or if such day is a Sunday or a legal holiday, then on the first day immediately following the fifteenth (15th) day which is not a Sunday or a legal holiday. In the event the Manager has not been removed, disqualified or resigned, the Manager shall wind up the affairs of the Company and it shall not be necessary to call a special meeting to appoint a Liquidating Member.

12.3 Statement of Assets and Liabilities. Upon the happening of a Liquidating Event under Section 12.1 hereof, a statement shall be prepared under the direction of the Manager or the Liquidating Member, as the case may be, setting forth the assets and liabilities of the Company, and a copy of such statement shall be furnished to all Members within thirty (30) days after such Liquidating Event. The Manager or the Liquidating Member, as the case may be, shall promptly take such action as is necessary so that the Company's business shall be terminated, its liabilities discharged and its assets distributed as hereinafter described. A reasonable period of time shall be allowed for the orderly termination of the Company's business, the discharge of its liabilities and the distribution of its remaining assets so as to enable the Company to minimize the normal losses incurred in the liquidation process.

12.4 Sale of Assets and Distribution of Proceeds. Upon the dissolution and winding up of the Company, either, as determined by a Majority-in-Interest of the Members, (x) the Company's assets and properties shall be distributed or (y) the assets and properties of the Company shall be sold for cash or a cash equivalent and any gain or loss resulting therefrom shall be allocated among the Members as provided in Section 5 hereof. Such assets and property or cash proceeds, as applicable, shall be distributed in the following order of priority:

(a) to creditors (other than Members who are creditors) in satisfaction of the liabilities of the Company;

(b) to Members in satisfaction of liabilities owed to them as creditors of the Company; and

(c) the balance, if any, to the Members in accordance with their positive Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods.

12.5 Contributions Upon Liquidation. The provisions of this Section 12 shall be applied only after giving full effect to all distributions pursuant to Sections 5.2 and 12.4 hereof. Notwithstanding anything contained in this LLC Agreement or in applicable state law to the contrary, no Member shall have any liability to the Company or to any other Member or Person with respect to any deficit balance in such Person's Capital Account and any such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

13. Notices. Any notices or document required or desired to be given to the Manager or the Members, as the case may be, shall be in writing (which may include facsimile) and will be deemed to have been given and received when (a) delivered to the address specified by the party to receive the notice, if delivered personally, (b) five (5) days after deposited with the U.S. postal service for delivery by first class mail or, an internationally recognized express courier, (c) immediately upon delivery by facsimile if a confirmation is received and (d) one (1) day after deposit with a nationally recognized overnight carrier for next-day delivery. Such notices shall be given to Members at their respective addresses set forth on Exhibit A and to the Manager at its address set forth on Exhibit C as may be updated from time to time. Any party may, at any time by giving five (5) business days' prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice will be given.

14. Certain Member Representations and Warranties. Each Member, and in the case of an organization, the Person(s) executing this LLC Agreement on behalf of the organization, hereby represents and warrants to the Company and each other Member that: (a) that if such Member is an organization, it is duly organized, validly existing, and in good standing under the law of its state of organization and has full organizational power and authority to execute this LLC Agreement and to perform its obligations hereunder; (b) that the Member is acquiring its Membership Interest in the Company for such Member's own account as an investment and without an intent to distribute the same; (c) the Member acknowledges that the Membership Interests in the Company have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

15. Disclaimer. The Members agree that their Membership Interests in the Company are not being sold by any one or more Members, but that the Company is being formed, and the Membership Interests are being sold, as a private offering under applicable federal and state securities laws, and that there is no sponsor, promoter or seller of such securities. To induce the Manager to serve as a Manager of the Company, and to induce the Manager to take an active role in procuring properties and business opportunities for the Company, all Members agree that neither the Manager nor any Member is a sponsor, promoter or seller of any securities, and neither the Manager nor any Member shall be liable for any disclosures or failures to disclose any matters pertaining to any new properties purchased, or relating to the formation of the Company or issuance of any Membership Interests. Each Member agrees that it is each Member's responsibility to obtain full information concerning the Company, the Membership Interests therein, and any acquisition, sale, or business transaction entered into by the Company, and each Member acknowledges that decisions of the Company are made by the Manager or the Members, as applicable. Accordingly, each Member hereby disclaims any right to assert that any other Member violated any federal or state securities laws in connection with the formation of this Company, the acquisition of such Member's Membership Interest, or in connection with any acquisition or sale by the Company in the conduct of its business.

16. No Right to Dissolve or Demand Partition. Except as otherwise expressly permitted by the terms and conditions of this LLC Agreement, until such time as the Company is dissolved pursuant to the provisions of this LLC Agreement, no Member shall have, and each such Member hereby expressly waives, any right or power to: (i) maintain an action for partition; or (ii) in any way cause a dissolution of the Company.

17. No Partnership Intended for Non-tax Purposes. The Members have formed the Company under the LLC Act, and expressly do not intend hereby to form a partnership under either the Delaware Revised Uniform Partnership Act or the Delaware Uniform Limited Partnership Act. The Members do not intend to be partners one to another, or partners as to any third party.

18. Rights of Creditors and Third Parties under this LLC Agreement. This LLC Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and permitted assigns. This LLC Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this LLC Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or Additional Capital Contribution, or otherwise.

19. Non-Competition Agreement. (a) Without the prior written consent of the Board ("Competitive Business Approval"), neither Member shall, and each Member shall cause each of its Affiliates not to, directly or indirectly, own or operate a Competitive Business, unless the Competitive Business shall be an External Competitive Business. In the event a Member or any of its Affiliates acquires or otherwise operates an External Competitive Business, or in the event a Member or any of its Affiliates acquires or otherwise operates a Competitive Business that is not an External Competitive Business, but the required Competitive Business Approval shall have been obtained, the operating and other assets associated therewith that are located or operated within the Cement Boundaries ("Internal Boundaries Assets") shall, subject to receipt of any required governmental consents or approvals, be contributed or sold by the Member or its Affiliate, as the case may be (the "Contributing Member"), to the Company as provided herein. Within thirty (30) days after the acquisition of Internal Boundaries Assets by the Contributing Member, the value of the Internal Boundaries Assets shall be determined by the Board based on the applicable multiples of EBITDA of the predecessor business during the last Fiscal Year immediately prior to the acquisition as set forth on Schedule 19 attached hereto. In the event that the EBITDA of the Internal Boundaries Assets takes into account acquisitions or divestitures of certain assets of the Internal Boundaries Assets during the Fiscal Year immediately prior to such acquisition, then such EBITDA shall be adjusted to reflect such acquisitions and divestitures. Upon the determination by the Board of the value of the Internal Boundaries Assets (the "Internal Boundaries Assets Value"), the Board shall notify the Members in writing of the Board's determination of the Internal Boundaries Assets Value and the Non-Contributing Member shall elect, within thirty (30) days after its receipt of such notice, one of the following options by giving written notice of such election to the Contributing Member:

(i) that the Contributing Member shall contribute the Internal Boundaries Assets to the Company (whereupon the Internal Boundaries Assets Value shall be credited to the contributing Member's Capital Account) and the Non-Contributing Member shall simultaneously make a Capital Contribution to the Company in cash in an amount equal to the Internal Boundaries Assets Value (which shall be credited to such Member's Capital Account);

(ii) subject to Section 8.2(b)(vi) and paragraph (b) below, that the Company shall borrow from a third party the funds necessary to purchase the Internal Boundaries Assets from the Contributing Member for the Internal Boundaries Assets Value and shall purchase the Internal Boundaries Assets from the Contributing Member;

(iii) that the Company shall borrow the funds, as

contemplated in (ii) above, from the Contributing Member and purchase the Internal Boundaries Assets from the Contributing Member, in which case, at the closing of the purchase of the Internal Boundaries Assets, the Company shall execute a promissory note payable to the Contributing Member which provides for the payment of interest at an annual rate of ten percent (10%), and which is amortized and payable (principal and interest) over five (5) years; or

(iv) that the Contributing Member shall contribute the Internal Boundaries Assets to the Company and the Non-Contributing Member shall make no Capital Contribution to the Company, in which case the Percentage Interest of the Contributing Member shall be increased to the amount determined by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets and (2) the Internal Boundaries Assets Value with respect to such Internal Boundaries Assets, by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets, and the Percentage Interest of the Non-Contributing Member shall be reduced to the amount obtained by dividing (x) an amount equal to the product of the Percentage Interest of the Non Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets.

(b) Notwithstanding any provision in the foregoing paragraph (a) to the contrary, in the event the Non-Contributing Member elects the option set forth in paragraph (a)(ii) above and the incurring of the indebtedness by the Company as contemplated in such paragraph (a)(ii) above, after giving effect thereto, would cause the ratio of indebtedness for borrowed money to EBITDA to be greater than 2.5:1, then upon the making of such election by the Non-Contributing Member the Contributing Member shall have the option (which must be exercised within thirty (30) days after the Non-Contributing Member makes its election or shall be deemed to be waived) to loan to the Company the funds necessary to purchase the Internal Boundaries Assets, which loan shall bear interest at an annual rate equal to the lesser of (i) the best rate available to the Company from its proposed third party lender, or (ii) ten percent (10%), and be amortized and payable (principal and interest) over five (5) years.

(c) In the event the Non-Contributing Member fails to make its election within the thirty (30) day period, such Member shall be deemed to have waived its right to make an election, and the Contributing Member shall elect, within thirty (30) days thereafter, one of the following options by giving written notice of such election to the Non-Contributing Member.

(i) that the Contributing Member shall contribute the Internal Boundaries Assets to the Company in which case the Percentage Interest of the Contributing Member shall be increased to the amount obtained by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets and (2) the Internal Boundaries Assets Value with respect to such Internal Boundaries Assets, by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets, and the Percentage Interest of the Non-Contributing Member shall be reduced to the amount obtained by dividing (x) an amount equal to the product of the Percentage Interest of the Non-Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets;

(ii) subject to Section 8.2(b)(vi), that the Company shall borrow from a third party the funds necessary to purchase the Internal Boundaries Assets from the Contributing Member for the Internal

Boundaries Assets Value and shall purchase the Internal Boundaries Assets from the Contributing Member; or

(iii) that the Company shall borrow the funds, as contemplated in (ii) above, from the Contributing Member and purchase the Internal Boundaries Assets from the Contributing Member, in which case, at the closing of the purchase of the Internal Boundaries Assets, the Company shall execute a promissory note payable to the Contributing Member which provides for the payment of interest at an annual rate of ten percent (10%), and which is amortized and payable (principal and interest) over five (5) years.

(d) After the election has been made by the Non-Contributing Member or the Contributing Member, as the case may be, as contemplated above, the Company, the Manager and Members shall use their good faith efforts to consummate the contribution or sale by the Contributing Member of the Internal Boundaries Assets to the Company, and, if applicable, the financing of such transaction, as soon as is reasonably practicable, but in any event within one hundred eighty (180) days after acquisition of the Internal Boundaries Assets by the Contributing Member. Without limiting the generality of the foregoing, each of the Members and their Affiliates shall use its best efforts to promptly obtain (and to cause the Company to obtain) all authorizations, consents, orders and approvals of all governmental authorities and officials that may be or become necessary to permit the contribution or sale to the Company of the Internal Boundaries Assets, and will cooperate fully with the other party in promptly seeking to obtain all such authorizations, consents, orders and approvals, including making any required filing pursuant to the HSR Act, with respect to the contribution or sale, and to supply as promptly as practicable to the appropriate governmental authorities any information and documentary material that may be requested pursuant to the HSR Act. In the event that the Contributing Member or the Company shall not have consummated the contribution or sale of the Internal Boundaries Assets to the Company in accordance with this Section 19 prior to the end of such 180-day period for any reason, including any failure to obtain any necessary authorization, consent, order or approval, other than a breach by the Company, the Manager or any of the Members of this Section 19, then the Non-Contributing Member shall have the right, exercisable for a period of three hundred sixty-five (365) days thereafter, to require the Contributing Member to sell or otherwise transfer the Internal Boundaries Assets to an un-Affiliated third party. Upon the exercise by the Non-Contributing Member of its right to require a sale of the Internal Boundaries Assets, the Contributing Member shall use its best efforts to sell or otherwise transfer such Internal Boundaries Assets to an un-Affiliated third party as soon as reasonably practicable, and in no event more than one hundred eighty (180) days after the Non-Contributing Member gives written notice to the Contributing Member of its election. In the event the Non-Contributing Member does not exercise its right to require the Contributing Member to sell the Internal Boundaries Assets as contemplated in the foregoing sentence and the Internal Boundaries Assets have not been purchased or otherwise contributed to the Company as of the expiration of the 365-day period, then the Contributing Member shall be entitled to own and operate or sell the said Assets without such being a breach of this Section 19. In the event the Contributing Member does not consummate a sale or transfer to an un-Affiliated third party within the time allotted following the giving of written notice by the Non-Contributing Member, in addition to other remedies available to the Company and the Non-Contributing Member, the Contributing Member shall cease operation of the Internal Boundaries Assets.

(e) Notwithstanding anything in this Agreement to the contrary, pending consummation of the contribution or sale of the Internal Boundaries Assets to the Company pursuant to this Section 19, or to an un-Affiliated third party in accordance with the fourth sentence of Section 19(d), ownership and operation of the Internal Boundaries Assets by the Contributing Member or its Affiliates shall not constitute a breach of this Section 19.

(f) Notwithstanding anything to the contrary in this LLC Agreement, this Section 19 shall not apply to a passive minority investment made by a Member or any of its Affiliates or (ii) any sales by Cemex or any of its Affiliates under the Back-up Supply Agreement. Further, notwithstanding

anything to the contrary in this LLC Agreement, this Section 19 shall not apply to (y) a Person (and any of its Affiliates) that is not an Affiliate of the Member prior to the transaction and that acquires (i) a majority of the equity interests in a Member, or (ii) a majority of the equity interests in a controlling Person of a Member; provided, that the provisions of this Section 19 shall continue to apply to such Member and such Persons that were Affiliates of such Member prior to such transaction; nor shall this Section 19 apply to (z) a Person (and any of its Affiliates) purchasing any assets or business from a Member, which assets include the Membership Interest held by such Member, where such Member's share of the revenues of the Company during the Fiscal Year preceding such transaction represent less than 20% of the consolidated total revenues during such Fiscal Year of the assets or business being transferred; provided, that the Transferring Member complied with its obligations under Sections 9.3 and 9.4 with respect to such transfer.

(g) In the event a Member acquires the Membership Interest of the other Member pursuant to the exercise of such Member's right of first refusal under Section 9.3(a) or pursuant to Section 11.1(d), the Member whose Membership Interest is acquired shall at the closing of the acquisition execute and deliver to the acquiring Member an agreement whereby such Transferring Member covenants and agrees that it shall not, and shall cause its Affiliates not to, directly or indirectly, own or operate a Competitive Business for a period of five (5) years following the date of such closing. In the event Cemex acquires the Membership Interest of RMUSA pursuant to the exercise by RMUSA of its Put Option, at the Put Option Closing or upon the payment in full of the Purchase Price, whichever is the later to occur, RMUSA shall execute and deliver to Cemex an agreement whereby RMUSA covenants and agrees that it shall not, and shall cause its Affiliates not to, directly or indirectly, own or operate a Competitive Business for a period of five (5) years following the delivery of such agreement.

(h) For purposes of this Section 19, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries.

20. Cemex National Accounts. Notwithstanding anything to the contrary in this LLC Agreement, in the event that the Company or any of its Subsidiaries shall sell any products to customers who have national accounts with Cemex or any of its Affiliates, the Company shall pay to Cemex, the Company's pro rata share, on a per ton basis, of the rebates payable to such national accounts based on the amount of the Company's and its Subsidiaries' sales to such account, provided that, in no event shall the rebate amount to be paid by the Company to Cemex, on a per ton basis, exceed the rebate amount to be paid by Cemex or any of its Affiliates to such national account, on a per ton basis. Notwithstanding the foregoing, except as approved by the Board pursuant to Section 8.2(b)(xxvii) hereof, the amount that the Company is required to pay to Cemex or any of its Affiliates for any rebate with respect to any national account as provided herein, shall not exceed ten percent (10%) of the per ton purchase price subject to such rebate. For purposes of this Section 20, neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any Member.

21. Contribution Agreement Indemnification Obligations.

21.1 Notwithstanding anything in this LLC Agreement to the contrary, each of Cemex and RMUSA hereby agrees (and any Permitted Transferee of either of the foregoing shall agree) that any Damages for which it or any of its Affiliates (the "Indemnifying Party") owes the other party (or its Affiliates) or the Company or Ready Mix LLC (the "Indemnified Party") an indemnification obligation under the Contribution Agreement or the Ready Mix Contribution Agreement shall be paid from any distributions that otherwise would be paid by the Company to the Indemnifying Party pursuant to Section 6.1 or otherwise, and each party hereby irrevocably waives all rights and title it would otherwise have to, and irrevocably instructs the Manager to pay to the Indemnified Party, all distributions that otherwise would be paid by the Company to the Indemnifying Party under this LLC Agreement, until all such Damages have been paid in full to the Indemnified Party. For purposes of this Section 21.1, each party acknowledges that to the extent any distributions are paid to the

Indemnified Party under Section 21.1 of the Ready Mix LLC Agreement in respect of a particular indemnification claim, such payments will also reduce the amount of such Damages. In the event of multiple claims, the distributions shall be applied against such claims in the order in which the amount of the indemnification obligation in respect thereof is finally determined. Notwithstanding anything in this LLC Agreement to the contrary, in no event shall any amount of damages withheld by the Company under this Section 21.1 as a payment of indemnified Damages incurred by the Company be treated as (i) EBITDA for purposes of (x) calculating the amount of any required distribution (including pursuant to Section 6.1) or (y) determining the Purchase Price or the Buyout Purchase Price, or (ii) available cash for purposes of determining the amount of any distribution under Section 9.6.4(a).

21.2 Notwithstanding anything in this LLC Agreement to the contrary, prior to making any distribution to the Members, if there is any Net Indemnity Obligation owed by any Member immediately prior to such distribution, each of Cemex and RMUSA hereby agrees that the Percentage Interests of the Net Indemnifying Party (and any Member that is an Affiliate of the Net Indemnifying Party), on the one hand, and the Net Zero Indemnifying Party (and any Member that is an Affiliate of the Net Zero Indemnifying Party), on the other hand, shall be adjusted as follows:

(a) the aggregate Percentage Interest of the Net Indemnifying Party and its Affiliates shall be adjusted to the amount obtained by dividing (i) an amount equal to (1) the product of the aggregate Notional Pre-Damage Percentage Interest of the Net Indemnifying Party and its Affiliates as of the time of such adjustment and the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof), minus (2) the Net Indemnity Obligation as of such time, by (ii) the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof) minus the Net Indemnity Obligation as of such time;

(b) the aggregate Percentage Interest of the Net Zero Indemnifying Party and its Affiliates shall be adjusted to the amount obtained by dividing (i) an amount equal to the product of the aggregate Notional Pre-Damage Percentage Interest of the Net Zero Indemnifying Party and its Affiliates at the time of such adjustment and the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof), by (ii) the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof) minus the Net Indemnity Obligation as of such time; and

(c) If immediately prior to making any distribution to the Members, there is no Net Indemnity Obligation owed by any Member, then immediately prior to such distribution, each of Cemex and RMUSA hereby agrees that the Percentage Interests of each Member shall be adjusted, if necessary, to equal such Member's Notional Pre-Damage Percentage Interest as of such time.

21.3 Notwithstanding anything in this LLC Agreement to the contrary, in the event that the aggregate Ready Mix Percentage Interest of Cemex and its Affiliates or RMUSA and its Affiliates, as the case may be, under the Ready Mix LLC Agreement is zero, then the amount of any Damages under the Ready Mix Contribution Agreement that otherwise would have resulted in an adjustment to the Ready Mix Percentage Interest under Section 21.2 of the Ready Mix LLC Agreement shall be deemed to be Damages arising under the Contribution Agreement for purposes of Section 21.2 hereof.

21.4 For purposes of this Section 21, the following terms shall have the meanings set forth below:

"Net Zero Indemnifying Party" means, as of a particular time, a Member (and its Affiliates) with a Net Indemnity Obligation at such time of zero.

"Net Indemnifying Party" means, as of a particular time, an Indemnified Party with a positive Net Indemnity Obligation at such

time.

"Net Indemnity Obligation" means, with respect to a particular Indemnifying Party as of a particular time, the amount, if any, by which (i) the aggregate Damages for which it and its Affiliates owes the Indemnified Party and any of its Affiliates an indemnification obligation under the Contribution Agreement as of such time exceeds (ii) the aggregate Damages for which the other Indemnifying Party (or Member, as the case may be) and any of its Affiliates owes the Indemnified Party and any of its Affiliates an indemnification obligation under the Contribution Agreement as of such time. For purposes of determining the Net Indemnity Obligation, only Damages which have been finally determined (whether by agreement of the parties or by any final, non-appealable determination of any tribunal with jurisdiction) shall be taken into account.

"Notional Pre-Damage Percentage Interest" of a Member as of a particular time means the Percentage Interest of such Member as set forth on Exhibit A as of the date of this Agreement, as adjusted through such time pursuant to Section 1.4, other than any adjustments pursuant to Section 21.2, which shall be disregarded for purposes of determining the Notional Pre-Damage Percentage Interest.

22. Miscellaneous.

22.1 Applicable Law. This LLC Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles.

22.2 Consent to Jurisdiction. All disputes, litigation, proceedings or other legal actions by any party to this Agreement in connection with or relating to this LLC Agreement or any matters described or contemplated in this LLC Agreement shall be instituted in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia. Each party to this LLC Agreement irrevocably submits to the exclusive jurisdiction of the courts of the State of Georgia, and of the United States sitting in the State of Georgia, in connection with any such dispute, litigation, action or proceeding arising out of or relating to this LLC Agreement. Each party to this LLC Agreement may receive the service of any process or summons in connection with any such dispute, litigation, action or proceeding brought in any such court by a mailed copy of such process or summons sent to it at its address set forth, and in the manner provided, in Section 13 hereof. Each party to this LLC Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding under this LLC Agreement brought in the courts of the State or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia, and any claim that any proceeding under this LLC Agreement brought in any such court has been brought in an inconvenient forum.

22.3 Entire Agreement. This LLC Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all prior understandings or agreements among the parties with respect to that subject matter. There are no representations, arrangements, understandings or agreements, oral or written, among the parties hereto relating to the subject matter hereof, except those fully expressed herein.

22.4 Transaction Agreements. The Members hereby authorize the Company to execute and deliver this LLC Agreement, the Contribution Agreement, the Supply Agreement and the Back-Up Supply Agreement, and to consummate the transactions contemplated hereby and thereby.

22.5 Specific Performance. The parties to this LLC Agreement agree that irreparable damage would occur in the event that any provision of this LLC Agreement was not performed in accordance with the terms of this LLC Agreement and that the parties shall be entitled to specific performance of the terms of this LLC Agreement in addition to any other remedy at law or equity.

22.6 Assignment; Successors in Interests; No Third Party Rights. Except as otherwise provided herein, all provisions of this LLC Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the respective successors and permitted assigns of any of the parties to this LLC Agreement. Except as otherwise provided herein, no Member may assign, by operation of law or otherwise, any of its rights or obligations under this LLC Agreement without the prior written consent of all of the other Members. Nothing expressed or referred to in this LLC Agreement will be construed to give any Person other than the parties to this LLC Agreement any legal or equitable right, remedy, or claim under or with respect to this LLC Agreement or any provision of this LLC Agreement.

22.7 Counterparts. This LLC Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Execution and delivery by facsimile shall constitute good and valid execution and delivery unless and until replaced or substituted by an original executed instrument.

22.8 Captions. The captions or headings in this LLC Agreement are made for convenience and general reference only and shall not be construed to describe, define or limit the scope or intent of the provisions of this LLC Agreement.

22.9 Construction.

(a) Whenever the singular number is used in this LLC Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

(b) In the event any claim is made by any Member relating to any conflict, omission or ambiguity in this LLC Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this LLC Agreement was prepared by or at the request of a particular Member or its counsel.

(c) Whenever the words "include," "includes" or "including" are used in this LLC Agreement, they shall be deemed to be followed by the words "without limitation." The phrases "the date of this LLC Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 1, 2005.

(d) If a payment hereunder is scheduled to be made on a date that is not a Business Day, payment shall be made on the next succeeding day that is a Business Day.

22.10 Severability. If any provision of this LLC Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this LLC Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

22.11 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this LLC Agreement and the transactions contemplated hereby.

[Signature Pages Follow]

MEMBER:

CEMEX SOUTHEAST HOLDINGS LLC

By /s/ Gilberto Perez

Name Gilberto Perez

Its President

MEMBER:

READY MIX USA, INC.

By /s/ Marc Bryant Tyson

Name Marc Bryant Tyson

Its President

THE COMPANY:

CEMEX SOUTHEAST LLC

By /s/ Gilberto Perez

Name Gilberto Perez

Its President

SOLELY FOR PURPOSES OF SECTION 9.6:

CEMEX, INC.

By /s/ Gilberto Perez

Name Gilberto Perez

Its President

Schedule 3.2

Permitted Affiliate Transactions

1) MRT, an indirect subsidiary of Cemex, Inc., pays a throughput charge (based on market rates) to use Company terminals for the distribution of fly ash. Chattanooga is currently the only contributed terminal which distributes fly ash.

2) Company will pay the monthly lease rates of rail cars used in the Company network to Cemex, Inc. This payment will be based on the number of cars used in the Company network on a month to month basis.

3) Lease Agreement, dated as of July 1, 2005, between Company and Ready Mix USA, LLC for the Ready Mix USA, LLC portion of the property located in Freeport, Florida.

4) Company will pay insurance premiums to Cemex, Inc. Insurance premiums and deductibles will be allocated in a manner consistent with comparable Cemex, Inc. operating units.

5) Until the assignment date, necessary payments under the following leases will be made by Cemex, Inc., and Company will reimburse Cemex, Inc. for such payments:

a. BTM Master Lease Agreement, dated as of August 7, 2000, between BTM Capital Corporation (Bank of Tokyo-Mitsubishi), as Lessor, and Southdown, Inc., as Lessee, as it pertains to Schedule #81[4]31902.

b. Master Lease Agreement 287309-000-001, dated as of January 28, 2004, between Caterpillar Financial Services Corporation, as Lessor, and Cemex, Inc., as Lessee, as it pertains to Schedules 001-0287309-000 113277 and 001-0287309-000 113278.

c. Equipment Lease, dated as of May 17, 2002, between First Union Commercial Corporation, as Lessor, and Cemex, Inc., as Lessee, as it pertains to Schedule No. XXV (2030019-014).

d. Master Equipment Lease Agreement No. 34574, dated as of March 26, 2001, between Fleet Capital Corporation, as Lessor, and Cemex, Inc., as Lessee, as it pertains to Schedule No. 34574-00036.

e. Master Lease Agreement, dated as of August 1, 1997, between General Electric Capital Corporation, as Lessor, and Sunbelt Asphalt & Materials, Inc., as Lessee, as it pertains to Schedules No. 078(4045017-078), No. B-5 (4088542-005) and No. 058 (4045017-091).

f. Master Lease Finance Agreement, dated as of April 19, 1999, between STI Credit Corporation, as Lessor, and Southdown, Inc., as Lessee, as it pertains to Schedule No. 139-9500364-031.

Schedule 9.1(d)

Member Ultimate Parent

Member Name and Mailing Address	Ultimate Parent
CEMEX SOUTHEAST HOLDINGS LLC 840 Gessner, Suite 1400 Houston, TX 77024	CEMEX, INC. 840 Gressner, Suite 1400 Houston, TX 77024
READY MIX USA, INC. P.O. Box 020152 Tuscaloosa, AL 35402	Paul W. Bryant, Jr. Sam M. Phelps

Schedule 19

EBITDA Multiples

8x EBITDA

Exhibit A

Initial Members' Names, Mailing Addresses, Initial Capital Contributions and Initial Percentage and Voting Interests

Member Name and Mailing Address	Initial Capital Contribution	Initial Percentage Interest	Initial Voting Interest
CEMEX SOUTHEAST HOLDINGS LLC 840 Gessner, Suite 1400 Houston, TX 77024	$398,193,477.60	50.01%	50.01%
READY MIX USA, INC. P.O. Box 020152 Tuscaloosa, AL 35402	$8,000,000.00	49.99%	49.99%
Total		100.00%	100.00%

Exhibit B-1

"Minor Acquisition Criteria"

1) 5x EBITDA multiple for the respective business type times the previous year EBITDA of the operations to be acquired.

Or

2) 5x EBITDA multiple for the respective business type times the previous 3 year average EBITDA of the operations to be acquired.

Equity investments that do not represent 100% ownership shall be subject to the Minor Acquisition criteria requirements of 1) or 2) above, on a prorated basis, in accordance with the percent equity share of the investment.

Exhibit B-2

"Minor Investment Criteria"

1) Margin Improvement or Growth Investments - minimum of 20% IRR (on a free cash flow basis) for minor strategic capital investments.

2) Mandatory Investments - letter, report or notice from the applicable governmental or legal authority in regards to the required investment.

Exhibit B-3

"Adjusted Book Value Calculation"

Attached.

Exhibit C

Name and Mailing Address of Manager

CEMEX SOUTHEAST HOLDINGS LLC
840 Gessner, Suite 1400
Houston, TX 77024

Exhibit D

Form of Adoption Agreement

This Adoption Agreement (this "Adoption Agreement") is executed by the undersigned Person (the "New Member") pursuant to the terms of that Limited Liability Company Agreement of CEMEX SOUTHEAST LLC (the "Company") dated [_______], 20[__] (as may be amended from time to time, the "LLC Agreement"). By the execution of this Adoption Agreement, the New Member agrees as follows:

1. Adoption. On the date of this Adoption Agreement, the New Member is [acquiring Membership Interests from the Company]\[acquiring Membership Interests from [identify transferor]]. The New Member hereby agrees to be bound by the terms and conditions of the LLC Agreement to the same extent as if the New Member had executed the LLC Agreement as an original Member thereto.

2. Representations and Warranties. The representations and warranties set forth in Section 14 of the LLC Agreement are incorporated herein mutatis mutandis, and the New Member hereby makes such representations and warranties as of the date of this Adoption Agreement.

3. Notice. Any notice required as permitted by the LLC Agreement shall be given to the New Member at the address listed below the New Member's signature below.

4. Definitions. Capitalized terms used in this Adoption Agreement which are not otherwise defined have the meaning set forth in the LLC Agreement.

5. Counterparts. This Adoption Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

6. Governing Law. This Adoption Agreement shall be governed by the laws of the State of Delaware, without reference to the principles of conflicts of law thereof.

EXECUTED AND DATED this _____ day of _____ _____

[NEW MEMBER]

By:____________________
Name:
Title:
Address:
Attention:
Telecopy:

Agreed to and accepted by the Company:

CEMEX SOUTHEAST LLC

By:______________________
Name:
Title:

Exhibit 4.17.1

AMENDMENT NO. 1

TO AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

AMENDMENT NO. 1 TO AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF CEMEX SOUTHEAST, LLC, a Delaware limited liability company ("Company"), effective as of September 1, 2005 (this "Amendment"), by and between Company, CEMEX SOUTHEAST HOLDINGS, LLC, a Delaware limited liability company ("Cemex"), READY MIX USA, INC., an Alabama corporation ("RMUSA"), and solely for the purposes set forth in Section 9.6 thereof, CEMEX, INC., a Louisiana corporation. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the LLC Agreement (as defined below).

WITNESSETH:

WHEREAS, the Company, Cemex and RMUSA desire to amend the Amended and Restated Limited Liability Company Agreement of the Company, effective as of July 1, 2005 (the "LLC Agreement");

WHEREAS, Ready Mix USA, LLC, a Delaware limited liability company and an Affiliate of RMUSA ("Ready Mix LLC"), and RMC Mid-Atlantic, LLC, a South Carolina limited liability company and an Affiliate of Cemex ("RMC"), have entered into an Asset Purchase Agreement, dated September 1, 2005 (the "Asset Purchase Agreement"), whereby (a) Ready Mix LLC will purchase from RMC, and RMC will assign and delegate to Ready Mix LLC, certain assets and liabilities of RMC in accordance with the terms of the Asset Purchase Agreement and (b) Ready Mix LLC will be indemnified;

WHEREAS, Section 8.2(b)(x) of the LLC Agreement provides that the LLC Agreement may be amended with prior Board approval, which approval has been granted by the Board; and

WHEREAS, the Company, Cemex and RMUSA have agreed to amend certain provisions of the LLC Agreement on the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in the LLC Agreement and this Amendment, the receipt, adequacy and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company, Cemex and RMUSA hereby agree as follows:

ARTICLE I

AMENDMENTS, ACKNOWLEDGEMENT AND COVENANTS

SECTION 1.1 Amendments to Section 3.2

(a) Section 3.2 of the LLC Agreement is amended to include a definition of the "Asset Purchase Agreement" as follows:

> "Asset Purchase Agreement" means that certain Asset Purchase Agreement entered by and between Ready Mix LLC and RMC Mid-Atlantic, LLC, a South Carolina limited liability company and an Affiliate of Cemex, dated September 1, 2005.

SECTION 1.2 Amendments to Section 21

(a) Section 21.1 of the LLC Agreement is amended and restated in its

entirety to read as follows:

21.1 Notwithstanding anything in this LLC Agreement to the contrary, each of Cemex and RMUSA hereby agrees (and any Permitted Transferee of either of the foregoing shall agree) that any Damages for which it or any of its Affiliates (the "Indemnifying Party") owes the other party (or its Affiliates) or the Company or Cemex Southeast LLC (the "Indemnified Party") an indemnification obligation under the Contribution Agreement, the Cemex Contribution Agreement or the Asset Purchase Agreement shall be paid from any distributions that otherwise would be paid by the Company to the Indemnifying Party and its Affiliates pursuant to Section 6.1 or otherwise, and each party hereby irrevocably waives all rights and title it would otherwise have to, and irrevocably instructs the Manager to pay to the Indemnified Party, all distributions that otherwise would be paid by the Company to the Indemnifying Party and its Affiliates under this LLC Agreement, until all such Damages have been paid in full to the Indemnified Party. For purposes of this Section 21.1, each party acknowledges that to the extent any distributions are paid to the Indemnified Party under Section 21.1 of the Ready Mix LLC Agreement in respect of a particular indemnification claim, such payments will also reduce the amount of such Damages. In the event of multiple claims, the distributions shall be applied against such claims in the order in which the amount of the indemnification obligation in respect thereof is finally determined. Notwithstanding anything in this LLC Agreement to the contrary, in no event shall any amount of damages withheld by the Company under this Section 21.1 as a payment of indemnified Damages incurred by the Company be treated as (i) EBITDA for purposes of (x) calculating the amount of any required distribution (including pursuant to Section 6.1) or (y) determining the Purchase Price or the Buyout Purchase Price, or (ii) available cash for purposes of determining the amount of any distribution under Section 9.6.4(a). The parties acknowledge and agree that in the event RMC Mid-Atlantic, LLC is no longer an Affiliate of Cemex such change in status shall not affect the obligations under this Section 21.1 and any Damages for which RMC Mid-Atlantic, LLC owes Ready Mix LLC (or its Affiliates) an indemnification obligation under the Asset Purchase Agreement shall be paid as provided in this Section 21.1 as if RMC Mid-Atlantic, LLC remained an Affiliate of Cemex. For purposes of this Section 21, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries or Ready Mix LLC or any of its Subsidiaries.

SECTION 1.3 Amendments to Exhibit A

(a) The first column of Exhibit A of the LLC Agreement titled "Member Name and Mailing Address" is amended and restated in its entirety to read as follows:

CEMEX SOUTHEAST HOLDINGS LLC
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Leslie White
Fax: (713) 722-5110

READY MIX USA, INC.
1300 McFarland Blvd NE
Tuscaloosa, AL 35406
Attn: Scott Phelps
Fax: (205) 345-5772

ARTICLE II

REPRESENTATIONS

Each of Company, Cemex and RMUSA hereby represents to the other that

(a) it has full organizational power and authority to execute and deliver this Amendment and to consummate the transactions contemplated hereby, (b) the execution and delivery of this Amendment by such party have been duly and validly authorized by all necessary corporate action on the part of such party and (c) this Amendment has been duly and validly executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity and the discretion of the court before which any proceedings seeking injunctive relief or specific performance may be brought.

ARTICLE III

MISCELLANEOUS

SECTION 3.1 Headings. The headings contained in this Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment.

SECTION 3.2 Counterparts. This Amendment may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

SECTION 3.3 Governing Law. This Amendment shall be governed, construed and enforced in accordance with the Laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

SECTION 3.4 No Other Effect on the LLC Agreement. Except as modified by this Amendment, all of the terms of the LLC Agreement are hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Company, Cemex and RMUSA have caused this Amendment to be signed by their respective officers thereunto duly authorized as of the date first written above.

CEMEX SOUTHEAST LLC

By: /s/ Gilberto Perez

Name: Gilberto Perez
Title: President

READY MIX USA, INC.

By: /s/ Marc Bryant Tyson

Marc Bryant Tyson
Its President

CEMEX SOUTHEAST HOLDINGS LLC

By: /s/ Gilberto Perez

Name: Gilberto Perez
Title: President

Exhibit 4.18

LIMITED LIABILITY COMPANY AGREEMENT
OF
READY MIX USA, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "LLC Agreement") of READY MIX USA, LLC, a Delaware limited liability company (the "Company"), effective as of July 1, 2005, is by and among the Company, CEMEX SOUTHEAST HOLDINGS, LLC, a Delaware limited liability company ("Cemex"), and READY MIX USA, INC., an Alabama corporation ("RMUSA") (Cemex and RMUSA are hereinafter sometimes collectively referred to as the "Members"), and, solely for the purposes set forth in Section 9.6, CEMEX, INC., a Louisiana corporation ("Cemex, Inc.").

W I T N E S S E T H:

WHEREAS, the Members have formed the Company for the purpose of engaging in the Primary Business (as defined herein) and now desire to set forth the agreement among the Members and the Company regarding the governance of the affairs of the Company and the conduct of its business; and

WHEREAS, Cemex, Inc. has agreed to enter into this LLC Agreement solely for the purposes set forth in Section 9.6 hereof.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, agreements and undertakings of the Members and the Company contained herein, it is agreed as follows:

1. Name, Office, Agent for Service of Process and Members' Names and Mailing Addresses.

1.1 Name. The name of the Company shall be Ready Mix USA, LLC.

1.2 Office. The address of the registered office and the mailing address of the Company shall be P.O. Box 101868, Birmingham, Alabama 35210 or such other address(es) as the Manager may hereafter determine.

1.3 Agent for Service of Process. The name and address of the Company's initial registered agent for service of process shall be Ready Mix USA, Inc., c/o Scott M. Phelps, P.O. Box 020152, Tuscaloosa, Alabama 35402.

1.4 Initial Members' Names, Mailing Addresses and Percentage and Voting Interests. The name and mailing address of each of the initial Members of the Company, and the Percentage Interest and Voting Interest of each such Member, are as set forth on Exhibit A attached hereto. The Manager shall update Exhibit A from time to time as necessary to accurately reflect the information therein, including any adjustment of the Percentage Interests required by this LLC Agreement, and to reflect the admission of additional Members in accordance with this LLC Agreement. Any such amendment or revisions to Exhibit A shall not be deemed an amendment to this LLC Agreement requiring approval of the Board.

2. Duration. The existence of the Company shall commence on the date of the filing of the Certificate of Formation in the Office of the Secretary of State of Delaware, and shall continue in perpetuity until dissolved pursuant to Section 12.1 hereof.

3. Purpose and Definitions.

3.1 Purpose. The Company is organized for the following purposes:

(a) to engage in the production and sale of ready-mix concrete and concrete block, pavers and septic tanks, and materials used to produce the same, such as aggregates and sand, within the Ready Mix Boundaries (as defined in Section 3.2 hereof) (the "Primary Business"); and

(b) to engage in such additional activities that are necessary or appropriate to conduct the Primary Business.

3.2 Definitions. Capitalized terms used in this LLC Agreement and not otherwise defined herein shall have the meanings set forth below:

"Acquired Business" has the meaning set forth in Section 9.6.3(c) hereof.

"Acquisition Date" has the meaning set forth in Section 9.6.3(c) hereof.

"Additional Capital Contributions" has the meaning set forth in Section 4.1(b)(i) hereof.

"Adjusted Book Value" means total assets less total liabilities as determined under GAAP, as consistently applied and as reflected on the Company's balance sheet as of the date of the event giving rise to the calculation of Adjusted Book Value, plus the aggregate depreciation expense reflected in net income during the measurement period minus the Put Option Depreciation amount for the measurement period. For the avoidance of doubt, and as reflected in the Contribution Agreement, the assets contributed to the Company by RMUSA and Cemex on the Contribution Date will be valued for book purposes at $433,401,939.05 and $43,208,461.45, respectively, subject to adjustment as provided in Section 2.3 of the Contribution Agreement. An example of this calculation is shown in Exhibit B-3.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentence of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Adverse Act" means, with respect to a particular Member or Cemex, Inc., any of the following:

(i) the occurrence of an Event of Bankruptcy with respect to such Member or Cemex, Inc.;

(ii) any dissolution of such Member that is a corporation, partnership, limited liability company or other entity, or any dissolution of Cemex, Inc., without the prior written consent of the Manager, provided that if the Member to be dissolved or Cemex, Inc., is also the Manager, or an Affiliate of the Manager, such consent shall be required to be obtained from the Board;

(iii) any failure by Cemex, Inc. to tender the Purchase Price as and when due in accordance with Section 9.6 hereof; provided, that RMUSA and each of its Affiliates has tendered its Percentage Interest or Membership Interest, as the case may be, free of any Liens at the Put Option Closing or such later closing on the first anniversary or second anniversary of the Put Option Closing, as the case may be;

(iv) at the election of the Transferring Member, the failure of a Non-Transferring Member who gives an Offer Acceptance Notice within the Offer Option Period to consummate the contemplated transaction within one (1) year after it gives such Offer Acceptance Notice, as provided in Section 9.3(a) hereof;

(v) at the election of the Contribution Complying Members, the failure of a Delinquent Member to make an Additional Capital Contribution pursuant to Section 4.1 hereof if the aggregate outstanding amount of (i) Additional Capital Contributions that the Delinquent Member and its Affiliates have failed to make under this Agreement and (ii) "Additional Capital Contributions" under the Cemex Southeast LLC Agreement with respect to such Member or any of its Affiliates is a "Delinquent Member" under Section 4.1 of the Cemex Southeast LLC Agreement, exceeds $10 million; or

(vi) at the election of the Transferring Member, a breach by a Non-Transferring Member who gives a Tag Along Notice within the Offer Option Period to Transfer its entire Membership Interest pursuant to the transaction set forth in the Offer Notice of any of its obligations to the purchaser under the Non-Transferring Member's agreement with the purchaser related to such transaction, which breach causes the contemplated transaction to be terminated, as provided in Section 9.4 hereof.

"Adverse Act Exercise Date" has the meaning set forth in Section 11.1(d)(i) hereof.

"Adverse Member" means, with respect to a particular Adverse Act, the Member with respect to which such Adverse Act has occurred.

"Adverse Member Buyout Closing" has the meaning set forth in Section 11.1(d) hereof.

"Affiliate" when used with respect to a specified Person, means a Person that:

(i) directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person;

(ii) is a director, officer, employee, trustee, member or general partner of, or an owner of an equity interest of more than fifty percent (50%), or a beneficiary of a trust owning an equity interest of more than fifty percent (50%) in, such specified Person or any Person specified in clause (i) of this definition; or

(iii) is a member of the immediate family of such specified Person or any Person specified in clause (i) or (ii) of this definition, and any partnership, corporation, trust, limited liability company, association or other entity or organization that is controlled by such immediate family member. For purposes hereof, the members of a Person's "immediate family" shall include such Person's parents, grandparents, spouse, children (natural or adopted), grandchildren (natural or adopted), siblings (natural or adopted) and children of siblings (natural or adopted). For purposes of this definition, the term "control" (and any derivative thereof) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting stock, by contract or otherwise.

"Aggregates Assets" has the meaning set forth in Section 19(f) hereof.

"Allied Asset" means the certain assets of Cemex, Inc. set forth in that certain Allied Ready Mix, Concrete Products and Resale Business Information Package, dated May 2005, which is attached as Exhibit B-4 to this LLC Agreement.

"Approved Extraordinary Required Additional Capital Contribution" has the meaning set forth in Section 4.1(b) hereof.

"Applicable Tax Rate" means the then maximum current statutory corporate federal tax rate (currently 35%) plus 65% of the maximum statutory corporate state tax rate of the states in which the joint venture transacts business, both rates to be adjusted annually for changes in the tax rates and the states in which the Company operates.

"Base Member" has the meaning set forth in Section 9.1(c) hereof.

"Board" means a group of eight (8) individuals, four (4) of whom shall be appointed by each Member pursuant to Section 8.1(e) hereof.

"Budgeted Additional Capital Contribution" has the meaning set forth in Section 4.1(b) hereof.

"Business Day" means a day (other than a Saturday) on which banks generally are open in New York City, Houston, Texas and Birmingham, Alabama, for a full range of business.

"Buyout Option" has the meaning set forth in Section 11.1(d) hereof.

"Buyout Purchase Price" has the meaning set forth in Section 11.1(d) hereof.

"Capital Account" means, with respect to any Member, the Capital Account maintained for such Member in accordance with Section 4.5 hereof.

"Capital Contributions" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any assets (other than money) contributed to the Company with respect to the Membership Interests in the Company held or purchased by such Member, including additional Capital Contributions.

"Cement Boundaries" means the states of Alabama, Georgia and Mississippi, the Cement Florida Panhandle (as defined herein) and the Cement Limited Tennessee Area (as defined herein).

"Cement Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf and Franklin. The Cement Florida Panhandle shall exclude the City of Tallahassee, Florida.

"Cement Limited Tennessee Area" means the Metropolitan Statistical Areas of Chattanooga and Memphis, Tennessee.

"Cemex" has the meaning set forth in the Introduction hereof.

"Cemex Contribution Agreement" means that certain Asset and Capital Contribution Agreement, dated July 1, 2005, by and among Cemex Southeast LLC and the Members.

"Cemex Post-Exercise Regular Cash Distributions" has the meaning set forth in Section 9.6.4(c) hereof.

"Cemex Post-Exercise Special Cash Distribution" has the meaning set forth in Section 9.6.4(a) hereof.

"Cemex Southeast LLC" means Cemex Southeast LLC, a Delaware limited liability company, and any successor limited liability company.

"Cemex Southeast LLC Percentage Interest" means, with respect to a particular member of Cemex Southeast LLC, the "Percentage Interest" of such member as defined in the Cemex Southeast LLC Agreement.

"Cemex Southeast LLC Agreement" means that certain Amended and Restated Limited Liability Company Agreement by and among RMUSA, Cemex and Cemex

Southeast LLC dated July 1, 2005.

"Cemex, Inc." has the meaning set forth in the Introduction hereof.

"Certificate of Formation" means the Certificate of Formation of the Company which was filed on June 3, 2005 (the "Effective Date"), in the Office of the Secretary of State of Delaware, and all amendments thereto.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any federal laws of similar import, and to the extent applicable, any Regulations promulgated thereunder.

"Company" means Ready Mix USA, LLC, a Delaware limited liability company, and any successor limited liability company.

"Company Minimum Gain" has the meaning of "partnership minimum gain" as set forth in Section 1.704-2(d) of the Regulations.

"Company's Accounting Firm" has the meaning set forth in Section 7.1 hereof.

"Competitive Business" means any business that sells ready-mix concrete and concrete block, pavers and septic tanks, and materials used to produce the same, such as aggregates and sand, within the Ready Mix Boundaries, and which is owned, operated or controlled by any Person other than the Company or any of its Subsidiaries.

"Competitive Business Approval" has the meaning set forth in Section 19(a) hereof.

"Contribution Agreement" means the Asset and Capital Contribution Agreement by and among the Members and the Company dated July 1, 2005.

"Contribution Complying Members" has the meaning set forth in Section 4.1(b)(iii) hereof.

"Contribution Date" means the later of (a) the date upon which the Company is legally formed and (b) the date upon which initial Capital Contributions are made pursuant to Section 4.1(a) hereof.

"Contributing Member" has the meaning set forth in Section 19(a) hereof.

"DGCL" means the Delaware General Corporation Law, as the same may be amended from time to time.

"Damages" has the meaning set forth in the Contribution Agreement.

"Debt(s)" means all borrowed funds of the Company or any of its Subsidiaries and all other obligations or liabilities of the Company or any of its Subsidiaries under Statement of Financial Accounting Standards No. 5, including, for the avoidance of doubt, capital leases but not operating leases; provided, however, that "Debt" shall not include any current liabilities.

"Debt Reduction Capital Contribution" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Delinquent Member" has the meaning set forth in Section 4.1(b)(iv) hereof.

"EBITDA" means with respect to a particular Person for a particular period, the consolidated operating income plus depreciation and amortization of such Person for such period and refers to the earnings of continuing operations and shall not include the effect of cumulative changes in accounting principles and material nonrecurring items for such entities on a combined basis for such period.

"Event of Bankruptcy" means, with respect to any Member or Cemex, Inc.,

any of the following:

(i) making a general assignment for the benefit of creditors;

(ii) filing a voluntary petition in bankruptcy;

(iii) filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy, insolvency or other similar law;

(iv) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver or liquidator of such Member, or Cemex, Inc., or of all or any substantial part of its properties or assets under any bankruptcy, insolvency or other similar law; or

(v) the passage of one hundred twenty (120) days after the commencement of any involuntary proceeding against such Member, or Cemex, Inc., seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy, insolvency or other similar law, if the proceeding has not been dismissed, or the passage of ninety (90) days after the appointment without its consent or acquiescence of a trustee, receiver or liquidator of such Member, or Cemex, Inc., or of all or any substantial part of its properties or assets, if the appointment is not vacated or stayed, or the passage of ninety (90) days after the expiration of any such stay, if the appointment is not vacated.

"Excess Amount" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Excess Distribution Amount" has the meaning set forth in Section 6.1(b)(i) hereof.

"Exercise Date" means the date upon which the Put Notice is actually or constructively delivered to Cemex, Inc.

"External Competitive Business" means a Competitive Business where less than fifty percent (50%) of such Competitive Business' consolidated total revenues during the most recently completed calendar year were derived from sales of ready-mix concrete and concrete block, pavers and septic tanks, and materials used to produce the same, such as aggregates and sand, within the Ready Mix Boundaries.

"Extraordinary Required Additional Capital Contribution" has the meaning set forth in Section 4.1(b)(i) hereof.

"Fiscal Year" means (i) the period commencing on the Contribution Date and ending on December 31, 2005, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Section 5 hereof.

"GAAP" means generally accepted accounting principles in effect in the United States of America from time to time.

"Governmental Authority" means (i) any domestic or foreign national, state or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, court, department, bureau or entity, or (ii) any arbitrator with authority to legally bind a party or any of its Affiliates.

"Gross Asset Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Gross Asset Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the

federal income tax depreciation amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Gross Asset Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Board; provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 4.1 hereof shall be as set forth in such section;

(ii) the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as determined by the Board as of the following times: (A) the acquisition of an additional Membership Interest or other interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property or assets as consideration for a Membership Interest or other interest in the Company; and (C) the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, provided that an adjustment described in clauses (A) and (B) of this paragraph shall be made only if the Board reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(iii) the Gross Asset Value of any item of the Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as determined by the Board; and

(iv) the Gross Asset Values of the Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations and subparagraph (vi) of the definition of "Profits" and "Losses" or Section 5.2(g) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent that an adjustment pursuant to subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"HSR Act" has the meaning set forth in Section 9.6.6(c) hereof.

"Indemnified Party" has the meaning set forth in Section 21.1 hereof.

"Indemnifying Party" has the meaning set forth in Section 21.1 hereof.

"Indirect Sale" has the meaning set forth in Section 9.3(f) hereof.

"Initial Payment" has the meaning set forth in Section 9.6.4(b)(i) hereof.

"Internal Boundaries Assets" has the meaning set forth in Section 19(a) hereof.

"Internal Boundaries Assets Value" has the meaning set forth in Section 19(a) hereof.

"Investment" shall mean, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of equity interests, equity rights, bonds, notes, debentures or other securities of any other Person, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP, but excluding commission, travel and similar advances to officers and employees made in the ordinary course of business; (b) the making of any deposit with, or advance, loan or other extension of credit (including without limitation a guarantee) to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person); and (c) any capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) any other Person. "Investment" shall exclude extensions of trade credit by the Company and its Subsidiaries in accordance with normal trade practices of the Company and such Subsidiary, as the case may be.

"Law" means all applicable provisions of any constitution, statute, law, ordinance, code, rule, regulation, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted or issued by any Governmental Authority.

"Lien" means liens (whether statutory or otherwise), mortgages, pledges, charges, security interests, sureties, options, easements, covenants, restrictions or other encumbrances.

"Liquidating Event" has the meaning set forth in Section 12.1(a) hereof.

"Liquidating Member" has the meaning set forth in Section 12.2 hereof.

"LLC Act" means the Delaware Limited Liability Company Act, as the same may be amended from time to time.

"LLC Agreement" has the meaning set forth in the Introduction hereof.

"Major Acquisition" means the acquisition (whether by merger, consolidation, share or asset acquisition, joint venture or similar transaction) of any business, in a single transaction or series of related transactions, the cost of which shall exceed US$10,000,000.

"Major Investment" means any Investment in any Person (other than a wholly owned Subsidiary), in a single transaction or series of related transactions, the cost of which shall exceed US$10,000,000.

"Majority-in-Interest" means, with respect to a particular matter, Members holding in excess of fifty percent (50%) of the Voting Interests at the time of the vote or action with respect to such matter.

"Majority Member" means, as of a particular time, any Member, or group of Affiliated Members, that collectively hold in excess of fifty percent (50%) of the Voting Interests at such time.

"Manager" means READY MIX USA, INC., or any replacement Manager elected pursuant to Section 8.6 hereof.

"Member Nonrecourse Debt" has the meaning of "partner nonrecourse debt" as set forth in Section 1.704-2(b)(4) of the Regulations.

"Member Nonrecourse Debt Minimum Gain" means an amount with respect to each Member Nonrecourse Debt equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

"Member Nonrecourse Deductions" has the meaning of "partner nonrecourse

deductions" as set forth in Section 1.704-2(i)(2) of the Regulations.

"Members" means the Persons designated as Members in the first paragraph of this LLC Agreement, together with any Person(s) who become substituted or additional Members as provided herein, in such Person(s) capacities as Members of the Company. Any Member that transfers its entire Membership Interest in the Company pursuant to the terms of this LLC Agreement shall be deemed to have retired and shall cease to be a Member as of the effective date of such transfer. "Member" means any one of the Members.

"Member Shortfall Amount" shall have the meaning set forth in Section 6.1(b)(ii) hereof.

"Membership Interest" shall mean, with respect to a Member at any particular time, such Member's entire equity and beneficial interest in the Company, including, without limitation, such Member's Percentage Interest, Voting Interest, and the right of such Member to any and all other benefits to which a Member may be entitled as provided in this LLC Agreement, together with the obligations of such Member to comply with all the terms and provisions of this LLC Agreement.

"Minor Acquisition" means the acquisition (whether by merger, consolidation, share or asset acquisition, joint venture or similar transaction) of any business, in a single transaction or series of related transactions, the cost of which shall be in excess of US$1,000,000, but less than US$10,000,000.

"Minor Acquisition Criteria" has the meaning set forth in Section 8.2(b)(iv) hereof.

"Minor Investment" means any Investment in any Person (other than a wholly owned Subsidiary), in a single transaction or series of related transactions, the cost of which shall be in excess of US$1,000,000, but less than US$10,000,000.

"Minor Investment Criteria" has the meaning set forth in Section 8.2(b)(xxiv) hereof.

"Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

"Nonrecourse Liability" has the meaning set forth in Sections 1.704-2(b)(3) and 1.752-1(a)(2) of the Regulations.

"Non-Transferring Member" has the meaning set forth in Section 9.3(a) hereof.

"Notice" has the meaning set forth in Section 9.6.2 hereof.

"Offer Acceptance Notice" has the meaning set forth in Section 9.3(a) hereof.

"Offer Notice" has the meaning set forth in Section 9.3(a) hereof.

"Offer Option Period" has the meaning set forth in Section 9.3(a) hereof.

"Offer Price" has the meaning set forth in Section 9.3(a) hereof.

"Offer Sale Reference Date" has the meaning set forth in Section 9.3(e) hereof.

"Overlapping Members" has the meaning set forth in Section 4.1(b)(ii) hereof.

"Paid Services" means the administration and oversight by the Manager of the following functions: payroll; compensation and benefits; employee and labor relations; customer billing and collection; credit analysis; accounting; safety; information technology; logistics; and legal and technical support

services.

"Parties" has the meaning set forth in Section 7.2 hereof.

"Percentage Interest" means a Member's relative share of the Company's Profits and Losses and other allocations and distributions which are to be shared in proportion to Percentage Interests under the terms of this LLC Agreement, as set forth opposite such Member's name on Exhibit A attached hereto, as shall be amended from time to time in accordance with Section 1.4 hereof.

"Permitted Affiliate Transaction" means (i) the provision of the Paid Services and the payment of the Services Fee, (ii) transactions listed on Schedule 3.2 attached hereto, and (iii) payments made by the Company pursuant to Section 20 hereof.

"Permitted Transfer" has the meaning set forth in Section 9.5 hereof.

"Permitted Transferee" has the meaning set forth in Section 9.5 hereof.

"Person" means any individual, partnership, corporation, trust, limited liability company, association or other entity or organization, including any government or political subdivision or any agency or instrumentality thereof.

"Primary Business" has the meaning set forth in Section 3.1(a) hereof.

"Profits" and "Losses" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(iv) gain or loss resulting from any disposition of assets with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the assets disposed of, notwithstanding that the adjusted tax basis of such assets differs from its Gross Asset Value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Gross Asset Depreciation for such Fiscal Year, computed in accordance with the definition of Gross Asset Depreciation;

(vi) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Section 1.704-(b)(2)(iv)(m)(4) of the Regulations, to be taken into

account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 5.2 or Section 5.3 hereof shall not be taken into account in computing Profits or Losses.

The amounts of the items of the Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 5.2 and 5.3 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

"Prorata EBITDA" has the meaning set forth in Section 9.6.3(c) hereof.

"Prorata Portion" has the meaning set forth in Section 9.4(a) hereof.

"Purchase Price" has the meaning set forth in Section 9.6.3(a) hereof.

"Purchased Interests" has the meaning set forth in Section 11.1 hereof.

"Purchasing Member" has the meaning set forth in Section 9.6.3(e) hereof.

"Put Option" has the meaning as set forth in Section 9.6 hereof.

"Put Option Closing" has the meaning set forth in Section 9.6.5 hereof.

"Put Option Depreciation Amount" means, with respect to a particular period, an amount equal to a ten percent (10%) per annum reduction in the value of the Company's fixed assets on a declining basis during such period. Acquisitions of fixed assets and capital investments will also be depreciated with a ten percent (10%) per annum declining basis. These shall be adjusted on a prorated basis with respect to the date of closing in the case of an acquisition or the date of purchase in the case of a capital investment.

"RCI Marine" means RCI Marine, L.L.C., an Alabama limited liability company.

"RCI Marine Operating Agreement" means that certain Operating Agreement of RCI Marine, effective as of April 17, 1996, as may be amended from time to time.

"Ready Mix Boundaries" means the states of Alabama, Arkansas, Georgia, excluding the Metropolitan Statistical Area of Brunswick, Georgia, Mississippi and Tennessee and the Ready Mix Florida Panhandle (as defined herein).

"Ready Mix Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf, Franklin, Liberty, Gadsden, Leon, Wakulla, Jefferson, Madison and Taylor.

"Regulations" means the federal income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Regulatory Allocations" has the meaning set forth in Section 5.3 hereof.

"Reynolds" shall mean Reynolds Ready Mix, L.L.C., an Alabama limited liability company.

"Reynolds Operating Agreement" means that certain Amended and Restated

Operating Agreement of Reynolds, effective as of September 1, 1995, as further amended by that certain Amendment effective as of October 1, 1995, and that certain Amendment effective as of January 1, 2001, as may be amended from time to time.

"River City" means River City Industries, L.L.C., an Alabama limited liability company.

"River City Operating Agreement" means that certain Operating Agreement of River City, effective as of April 17, 1996, as may be amended from time to time.

"RMUSA" has the meaning set forth in the Introduction hereof.

"Second Installment" has the meaning set forth in Section 9.6.4(b)(ii) hereof.

"Services Fee" has the meaning set forth in Section 8.8(a) hereof.

"Significant Prepayment" has the meaning set forth in Section 9.6.5(c) hereof.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture or other legal entity in which such Person (either directly or through or together with other Subsidiaries) owns more than fifty percent (50%) of the voting securities of such corporation, partnership, limited liability company, joint venture or other legal entity.

"Tag Along Notice" has the meaning set forth in Section 9.4(a) hereof.

"Tag Along Right" has the meaning set forth in Section 9.4(a) hereof.

"Tax Distributions" has the meaning set forth in Section 6.2 hereof.

"Tax Matters Member" has the meaning set forth in Section 8.3 hereof.

"Third Installment" has the meaning set forth in Section 9.6.4(b)(iii) hereof.

"Transaction Documents" means this LLC Agreement, the Contribution Agreement and all other agreements entered into in connection herewith or therewith.

"Transfer" means, as a noun, any voluntary or involuntary transfer, sale, assignment, pledge, hypothecation or other disposition, and, as a verb, voluntarily or involuntarily to transfer, sell, assign, pledge, hypothecate or otherwise dispose of, in each case, including, but not limited to, any involuntary transfer or transfer by operation of law in bankruptcy or otherwise or by way of execution, seizure or sale by legal process.

"Transfer Closing" has the meaning set forth in Section 9.3(b) hereof.

"Transferring Member" has the meaning set forth in Section 9.3(a) hereof.

"Ultimate Parent" has the meaning set forth in Section 9.1(b) hereof.

"Unfunded Portion" has the meaning set forth in Section 4.1(b)(iii) hereof.

"Voting Interest" means the relative right of a Member to vote on, consent to, or otherwise participate in any decision, vote or action of or by the Members required or permitted pursuant to this LLC Agreement or the LLC Act, as set forth opposite such Member's name on Exhibit A attached hereto, as shall be amended from time to time in accordance with Section 1.4 hereof.

"Working Capital" means the sum of the Company's inventory, accounts

receivable, prepaid expenses and cash minus the current liabilities of the Company, as such current liabilities are reflected by the most recent balance sheet prepared by or for the Company.

4. Capital Contributions and Capital Accounts.

4.1 Members' Capital Contributions.

(a) The Members shall initially contribute to the capital of the Company upon or prior to the execution of this LLC Agreement the contributions specified in the Contribution Agreement.

(b) (i) If, subsequent to the making of the initial Capital Contributions referred to in Section 4.1(a) hereof, the annual business plan and the annual budget of the Company specifically provide for additional contributions to capital in order to fund the Company's business, the Manager may from time to time give written notice to each Member of the amount(s) and date(s) on which such additional contributions are required (a "Budgeted Additional Capital Contribution"). If, subsequent to the making of the initial Capital Contributions referred to in Section 4.1(a) hereof, the Manager determines that the Company requires additional contributions to capital in order to pay when due the obligations or expenses of the Company, or to fund the Company's business, and such contributions to capital are not provided for in the annual business plan and annual budget for the Company, the Manager shall give written notice to each Member of the amount(s) and date(s) on which such additional contributions are required (an "Extraordinary Required Additional Capital Contribution"); provided that any such Extraordinary Required Additional Capital Contribution shall require the prior approval of the Board (an approved Extraordinary Required Additional Capital Contribution being hereinafter sometimes referred to as an "Approved Extraordinary Required Additional Capital Contribution"). Each Member's respective share of each Budgeted Additional Capital Contribution or Approved Extraordinary Required Additional Capital Contribution (an "Additional Capital Contribution") specified in a notice from the Manager shall be in proportion to each Member's Percentage Interest immediately prior to the request for the Additional Capital Contribution and shall be specified in such notice and shall be contributed no later than thirty (30) days from the date of such notice. Each Member shall contribute to the capital of the Company its share (based on its Percentage Interest) of the Additional Capital Contribution in cash on or before the due date specified in such notice. A Member's obligation to make Additional Capital Contributions shall be enforceable by the Company or by any other Member, or by the Manager, against a Member, but the Company may not assign a Member's obligation to make Additional Capital Contributions to any creditor or other third party nor may any creditor or other third party enforce such a Member's obligation, as the Member's obligations hereunder are not for the benefit of any creditor or third party.

(ii) The foregoing provisions of paragraph (i) notwithstanding, in the event that (A) the Manager determines that an additional contribution to the capital of the Company in an amount not to exceed $2,000,000 is necessary or desirable in order to pay indebtedness of the Company (including indebtedness to a Member), and (B) Cemex Southeast LLC is at such time maintaining cash in an amount in excess of the sum of (x) the average current liabilities of Cemex Southeast LLC for the preceding twelve (12) months, plus (y) its projected distributions for the then current quarter to be made pursuant to Section 6.1 of the Cemex Southeast LLC Agreement plus (z) its budgeted capital expenditures through the next quarter (the amount in excess of the sum of (x), (y) and (z) being hereinafter referred to as the "Excess Amount", and (1) such Excess Amount, when multiplied by the Overlapping Members' (as herein defined) combined Percentage Interest in Cemex Southeast LLC (as such term is defined in the Cemex Southeast LLC Agreement), produces a product in excess of the proposed additional capital contribution (a "Debt Reduction Capital

Contribution"), and (2) such Overlapping Members together hold or control a Majority-in-Interest in Cemex Southeast LLC, the Manager may give written notice to each Member who is also a member of Cemex Southeast LLC or an Affiliate of a Member of Cemex Southeast LLC (the "Overlapping Members") setting forth the amount(s) and date(s) on which such Debt Reduction Capital Contributions are required and, within thirty (30) days of the giving of such notice, the Overlapping Members shall take all commercially reasonable action (including directing their respective board members of Cemex Southeast LLC to vote in favor of such action) to require Cemex Southeast LLC to make a distribution to its members in an aggregate amount at least equal to the Debt Reduction Capital Contribution (the "Cemex Distribution") and such Overlapping Members shall, within five (5) business days after such distribution is made by Cemex Southeast LLC, contribute to the capital of the Company the lesser of (i) its share of the Debt Reduction Capital Contribution, or (ii) the portion of the Cemex Distribution received by it. In the event the amount of the Cemex Distribution received by an Overlapping Member is less than its share of the Debt Reduction Capital Contribution, such Member shall have the right, but not the obligation to contribute an additional amount to fund its share of the Debt Reduction Capital Contribution. In the event such Overlapping Member elects not to fund such shortfall, the other Member(s) shall have the rights set forth in subsections (iii) and (iv) below. A Member's obligation hereunder shall be enforceable by the Company or by any other Member, or by the Manager, but the Company may not assign such Member's obligation to any creditor or other third party nor may any creditor or other third party enforce such a Member's obligation, as the Member's obligations hereunder are not for the benefit of any creditor or third party. The Manager shall not be authorized to call for more than one (1) Debt Reduction Capital Contribution per fiscal quarter pursuant to this subsection (ii).

(iii) In addition to the right of the Company, a Member and/or the Manager to enforce another Member's obligation to fund an Additional Capital Contribution or Debt Reduction Capital Contribution as provided in subsections (i) and (ii) above, the Member(s) which have fully funded their Additional Capital Contribution(s) or Debt Reduction Capital Contribution(s), as the case may be (the "Contribution Complying Members"), shall have the right, but not the obligation, to contribute all or any portion of any such Additional Capital Contribution or Debt Reduction Capital Contribution not funded as required above (the "Unfunded Portion") as additional capital to the Company.

(iv) In addition to the rights set forth in subsection (iii) above, the Contribution Complying Members shall have the right, but not the obligation, to deliver to the Company all or any portion of any Unfunded Portion and have such amount treated as a loan to the Member who failed to fulfill its obligation to make an Additional Capital Contribution or Debt Reduction Capital Contribution as required herein (such Member, a "Delinquent Member"), which loan shall be repaid in a maximum term of five (5) years, in monthly installments, on the first (1st) business day of each month commencing immediately following the date on which the Contribution Complying Members contributed the Unfunded Portion to the Company, based on level principal amortization, and shall bear interest at the rate of ten percent (10%) per annum, or, if lower, the highest rate permitted by applicable law.

(v) In addition to other remedies available under this Agreement or otherwise, in the event that all of the obligations of a Delinquent Member are not fulfilled by another Member in accordance with subsection (iv) above, the Percentage Interest of the Contribution Complying Member shall be increased, and the Percentage Interest of the Delinquent Member shall be reduced, as follows:

(A) the Percentage Interest of the

Contribution Complying Member shall be increased to the amount obtained by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Contribution Complying Member prior to such adjustment and the Adjusted Book Value immediately prior to such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, and (2) the amount of the Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, actually made by the Contribution Complying Member, including any amount contributed by such Member pursuant to subsection (iii) above (but excluding for the avoidance of doubt any amount loaned by such Member to a Delinquent Member pursuant to subsection (iv) above), by (y) the Adjusted Book Value immediately after such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be; and

(B) the Percentage Interest of the Delinquent Member shall be reduced to the amount obtained by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Delinquent Member prior to such adjustment and the Adjusted Book Value immediately prior to such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, and (2) the amount of the Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be, actually made by the Delinquent Member (or on behalf of the Delinquent Member pursuant to subsection (iv) above), by (y) the Adjusted Book Value immediately after such Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be.

For purposes of making any calculation pursuant to this subsection (v), references to "such Additional Capital Contribution or Debt Reduction Capital Contribution" shall mean all amounts contributed by all Members with respect to a particular required Additional Capital Contribution or Debt Reduction Capital Contribution, as the case may be.

(vi) In the event a Contribution Complying Member shall elect to fulfill the obligation of a Delinquent Member pursuant to subsections (iii) or (iv) above, the failure of the Delinquent Member to make such an Additional Capital Contribution shall not constitute an Adverse Act, notwithstanding anything to the contrary contained in this LLC Agreement.

4.2 Additional Members. The Company shall not admit additional Members to the Company unless either (x) one hundred percent (100%) of the Members or (y) the Board shall consent to the same in writing. The Company may, however, if either of the above written consents are obtained, admit additional Members upon such terms and conditions as may be set forth in such written consent. In the event that upon the admission of an additional Member, the Company shall make an election under Section 743(b) of the Code, such additional Member shall pay all expenses incurred by the Company in the making of such election, including, but not limited to, legal and accounting expenses.

4.3 Execute Adoption Agreement. Any additional Member who makes a Capital Contribution to the Company and who is admitted to the Company after the execution of this LLC Agreement shall execute and deliver an Adoption Agreement substantially in the form of Exhibit D attached hereto.

4.4 Summary of Capital Contributions. For the purposes of this LLC Agreement, the capital of the Company shall be deemed to include the initial Capital Contributions to the Company made by the Members at the values referred to in the Contribution Agreement and any other amounts subsequently contributed to the capital by the Members.

4.5 Capital Accounts. A separate capital account ("Capital Account") shall be maintained in the name of each Member. The Capital Account shall reflect the capital interest of each Member as defined below and shall be

maintained in accordance with Section 1.704-1(b)(2)(iv) of the Regulations. The Capital Contributions actually paid into the Company (which for this purpose shall include "deemed" contributions of property to the Company under Code Section 708) shall be credited to each Member's Capital Account. The Capital Account of each Member shall be increased by (1) the amount of money contributed by that Member to the Company, (2) the fair market value of property or assets contributed by that Member to the Company (net of liabilities secured by such contributed property or assets that the Company is considered to assume or take subject to under Code Section 752), and (3) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(g) of the Regulations, but excluding income and gain described in Section 1.704-1(b)(4)(i) of the Regulations; and shall be decreased by (a) the amount of money distributed to that Member by the Company, (b) the fair market value of property or assets distributed to that Member by the Company (net of liabilities secured by such distributed property or assets that such Member is considered to assume or take subject to under Code Section 752), (c) allocations to that Member of expenditures of the Company described in Code Section 705(a)(2)(B), and (d) allocations of the Company loss and deduction (or items thereof), including loss and deduction computed for book purposes, as described in Section 1.704-1(b)(2)(iv)(g) of the Regulations, but excluding items of expenditures of the Company described in Code Section 705(a)(2)(B) allocated to that Member and loss or deduction described in Section 1.704-1(b)(4)(i) or (b)(4)(iii) of the Regulations.

4.6 Interest on Capital Contributions. In no event shall any Member receive any interest on such Member's contribution to the capital of the Company, and no Member shall have the right to withdraw or to demand the return of all or any part of its capital contribution, except as specifically provided in this LLC Agreement.

4.7 Limited Liability. Except as required by law, no Member or Manager shall be personally liable for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise.

4.8 Members are not Agents. Pursuant to Section 8.2 hereof, the management of the Company is vested in the Manager, subject to the limitations set forth therein. The Members shall have no power to participate in the management of the Company except as expressly authorized by this LLC Agreement and except as expressly required by the LLC Act. No Member, acting solely in the capacity of a Member, is an agent of the Company nor does any Member, unless expressly and duly authorized in writing to do so by the Manager, have any power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

5. Allocation of Profits and Losses.

5.1 Profits and Losses. After giving effect to the special allocations set forth in Sections 5.2 and 5.3 hereof, and notwithstanding any provision to the contrary contained herein, all Profits and Losses derived from the Company, and each item of income, gain, loss, deduction and credit entering into the computation thereof, shall be allocated among the Members in accordance with their respective Percentage Interests in the Company.

5.1.1. Loss Limitation. Losses allocated pursuant to Section 5.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 5.1 hereof, the limitation set forth in this Section 5.1.1 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations.

5.2 Special Allocations. The special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Section 5, if there is a net decrease in Company Minimum Gain during any Fiscal Year of the Company, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Section 1.704-2(g) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-1(j)(2) of the Regulations. This Section 5.2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-1(f) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Section 5, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year of the Company, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 5.2(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5), or Section 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.2(c) shall be made only if and to the extent that such Member would have an adjusted Capital Account Deficit after all other allocations provided for this Section 5 have been tentatively made as if this Section 5.2(c) were not in the LLC Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this LLC Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.2(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 5 have been made as if Section 5.2(c) hereof and this Section 5.2(d) were not in this LLC Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their respective Percentage Interests in the Company.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the

Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Code Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) sirequired, pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of its Membership Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Regulations applies, or to the Member to whom such distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Regulations applies.

5.3 Curative Allocations. The allocations set forth in Sections 5.1.1 and 5.2 hereof (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either by other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.3. Therefore, notwithstanding any other provisions of this Section 5 (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this LLC Agreement and all Company items were allocated pursuant to Section 5.1 hereof; provided, however, that the Manager and the manager of Cemex Southeast LLC shall use the same allocation methodology with respect thereto. In exercising its discretion under this Section 5.3, the Manager shall take into account future Regulatory Allocations under Sections 5.2(a) and 5.2(b) hereof that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 5.2(e) and 5.2(f) hereof.

5.4 Other Allocation Rules.

(a) The Members are aware of the federal, state, and local income tax consequences of the allocations made by this Section 5 and hereby agree to be bound by the provisions of this Section 5 in reporting their shares of Company income and loss for income tax purposes.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Code Section 706 and the Regulations thereunder.

5.5 Priority Tax Allocation Rules Where Property Was Contributed To Company With Tax Basis Different From Value (704(c)). Notwithstanding any provision of this LLC Agreement to the contrary, but solely for tax purposes, any gain or loss with respect to property or assets contributed to the Company by a Member shall be allocated among the Members so as to take account of the variation between the adjusted basis and the fair market value of contributed property or assets at the time of contribution. The appreciation or diminution in value represented by the difference between the adjusted basis and the fair market value of the contributed property or assets at the time of the contribution will thus be attributed to the contributing Member upon a subsequent sale or exchange of the property or assets by the Company as required by Section 704(c) of the Code. The appreciation or diminution will also be used in allocating the allowable depreciation or depletion with respect to the property or assets among the contributing Member and the noncontributing Member(s) as required by Section 704(c) of the Code. Furthermore, any gain, loss, depreciation, depletion or amortization, as computed for tax purposes, with respect to property or assets which are revalued

pursuant to Section 1.704-1(b)(2)(iv)(f) of the Regulations shall be allocated so as to take account of the variation between the adjusted tax basis and book value of the property or assets as required by Section 704(c) of the Code and Section 1.704-1(b)(4)(i) of the Regulations. Any elections or other decisions relating to allocations under this Section 5.5 will be made in any manner that the Members determine reasonably reflects the purpose and intention of this LLC Agreement; provided, however, that the same allocation methodology shall be used at Cemex Southeast LLC. Allocations under this Section 5.5 are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Member's Capital Account or share of income, losses or other items or distributions under any provision of this LLC Agreement.

6. Distributions.

6.1 Required EBITDA Distributions.

(a) Except as provided in Section 12 hereof relating to the liquidation of the Company, the Manager shall make quarterly distributions to the Members in an amount which shall be at least fifty percent (50%) of EBITDA for such period, but which may, in the sole discretion of the Manager, be as much as seventy-five percent (75%) of EBITDA for such period. For example, if EBITDA shall be US$5,000,000 for the applicable period, each Member's required distribution shall be at least an amount equal to US$2,500,000 multiplied by the Member's respective Percentage Interest, but, if the Manger so determines, the distribution may be as much as US$3,750,000 multiplied by each Member's respective Percentage Interest. Such distributions shall be in proportion to each Member's respective Percentage Interest and shall be made at such times and with such frequency as shall be determined by the Manager, in its discretion, provided that such distributions shall be made not less than on a quarterly basis.

(b) The Manager shall determine the Company's EBITDA for the period with respect to which the distribution is to be made (i.e., month, quarter or other multi-month period) from the regular internal financial reports of the Company prepared by the Manager. Upon the close of each Fiscal Year, the Manager shall determine within thirty (30) days following receipt of the audited financial statements for such Fiscal Year (as required by Section 7 hereof) the Company's EBITDA for the Fiscal Year, as reflected by such audited financial statements and:

(i) in the event the total of all periodic distributions made to Members during the Fiscal Year exceeds seventy-five percent (75%) of the EBITDA of the Company for the Fiscal Year, the Manager shall determine the amount of each Member's respective distribution received in excess of said Member's Percentage Interest in seventy-five percent (75%) of the Company's EBITDA (the "Excess Distribution Amount") and the Company shall retain all future distributions to the Member until the Member's Excess Distribution Amount has been recouped by the Company; or

(ii) in the event the total of all periodic distributions made to the Members during the Fiscal Year is less than fifty percent (50%) of the EBITDA of the Company for the Fiscal Year, the Manager shall determine the amount of the shortfall and each Member's Percentage Interest in such shortfall amount (the "Member Shortfall Amount") and, within ten (10) days of such determination, shall cause the Company to distribute to each Member the Member Shortfall Amount.

6.2 Tax Distributions. If for any reason the distributions of EBITDA pursuant to Section 6.1 hereof are not adequate for such purpose, the Manager shall distribute sufficient amounts of cash to the Members to permit the Members to discharge their obligations to pay federal, state, and local taxes (including estimated taxes) with regard to the Profits and Losses of the Company, if any, calculated at the highest combined local, state and federal marginal income tax rates ("Tax Distributions") applicable to each Member. In the case of Members which are pass through entities, tax distributions shall be

computed on the basis of the estimated taxes of the owners of such pass through entities which are attributable to the Profits and Losses of the Company. The Manager shall have the discretion to estimate the amount of taxable income applicable to each Member during the applicable quarter, and to determine the tax rate to be applied to such income; provided, however, that the Manager and the manager of Cemex Southeast LLC shall use the same methodology to make such estimates.

6.3 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment or distribution to the Members shall be treated as amounts distributed to the Members pursuant to this Section 6 for all purposes under this LLC Agreement. The Manager may allocate any such amounts among the Members in any manner that is in accordance with applicable law.

7. Fiscal Matters; Books of Account.

7.1 Books and Records. The Company books shall be maintained by the Manager at the office of the Company in accordance with the LLC Act. Each Member, Member's agent or attorney shall, upon reasonable request and at the expense of the Member or the Member's agent or attorney during regular business hours, have the right to inspect and copy or be sent copies of all such books and records and any other books and records of the Company. In addition, the Company shall maintain at its offices the following records: (a) a current list of the full name and last known business or residence address of each Member and Manager (which address shall be a street address); (b) a copy of the filed Certificate of Formation, together with executed copies of any powers of attorney pursuant to which any documents have been executed pursuant to the LLC Act; (c) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years; (d) copies of any then effective limited liability company agreement of the Company, including any amendments thereto; (e) copies of the Company's financial statements for at least the three (3) most recent years; and (f) a copy of the Minor Acquisition Criteria and Minor Investment Criteria, as such criteria may be amended from time to time by the Board. The books shall be closed and balanced at the end of each Fiscal Year and shall be audited for each Fiscal Year by a certified public accounting firm selected by the Manager, subject to the approval of the Board pursuant to Section 8.2(b) (the "Company's Accounting Firm"). The Manager shall be authorized, but not required, to establish reserves for annual accounting and legal fees, real estate taxes, insurance, and any other item for which reserves should be established, as determined by Manager or upon advice of accountants.

7.2 Confidentiality. Except as otherwise required by law or judicial order or decree or by any governmental agency or authority, each Member agrees that any information obtained by such Member with respect to the Company and its Subsidiaries shall be treated with the same degree of care (and in no event less than reasonable care) that such Member uses to protect its other confidential information; provided that each such Member may (a) disclose such information to legal counsel, consultants, financial advisors, professionals advising it on matters relating to the Transaction Documents where (i) such disclosure is related to the performance or enforcement of obligations under the Transaction Documents or the consummation of transactions contemplated under the Transaction Documents and (ii) such Member informs the Person to which it is making such disclosure that the disclosed information is confidential, instructs such Person to keep such information confidential and not disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with this Section 7.2), or (b) in connection with the sale or transfer of any Membership Interest , if such Member's transferee or prospective transferee agrees with the Company in writing to be bound by the provisions hereof. In addition, confidential information shall not include information that (i) is or becomes generally available to the public other than as a result of any disclosure or other action or inaction by such Member or anyone to whom such Member or any of its representatives transmit or have transmitted any information, (ii) is or becomes known or available to such Member on a nonconfidential basis from a source (other than the other Company), or (iii) was independently developed by such Member, provided such independent development can reasonably be proven by the Member's written records. Notwithstanding anything to the contrary in this LLC Agreement, the Company and the Members

(collectively, the "Parties") (and each of their employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction, provided, however, that neither Party (nor any of its employees, representatives, or other agents) may disclose any information that is not necessary to understanding the tax treatment and tax structure of the transaction (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.

8. Management and Operations of the Company; Powers, and Duties of the Manager.

8.1 Various Matters Relating to Members and the Board.

(a) Unless otherwise provided in this LLC Agreement or by nonwaivable provisions of the LLC Act, all Members who have not ceased to be a Member shall be entitled to vote on any matter submitted to a vote of the Members. Except as otherwise provided in this LLC Agreement or by nonwaivable provisions of the LLC Act, all decisions concerning the business and affairs of the Company shall be made by the Manager in accordance with this LLC Agreement. Any action which requires the approval of the Members under this LLC Agreement or by applicable law shall require the approval of a Majority-in-Interest of the Members present or represented by proxy at a meeting at which a quorum is present, or such other proportion of the Members as may be specified in the particular provision of this LLC Agreement which requires any such approval.

(b) Any meeting of the Members shall be held at a location which shall be suggested by Manager and reasonably satisfactory to the Board. Members may be present at any meeting of the Members by telephone or other means of communication, provided that each Member can hear all other present Members. Members may also attend a meeting, and be represented at such meeting, by proxy executed in writing by such Member. The presence (in person, by a representative thereof or by proxy) of one hundred percent (100%) of the Members shall constitute a quorum. In case a quorum shall not be present at any meeting, a Majority-in-Interest present (in person or by proxy) at the meeting shall have the power to adjourn the meeting from time to time until a quorum is present.

(c) Any action which may be taken by the Members at a meeting may be taken in writing without a meeting if approved by the unanimous written consent of all Members.

(d) Notice of any meeting of the Members may be waived by a Member in writing, signed by the designated representative of the Member entitled to the notice, whether before, at or after the time stated for the meeting. Attendance of a Member at any meeting, whether in person, by proxy as provided above or by telephone or other means of communication as provided above, shall constitute waiver of notice of such meeting. Any waiver of notice of a meeting by a Member hereunder shall be equivalent to the giving of such notice for all purposes.

(e) Appointment of Board.

(i) The Board shall consist of eight individuals, four of whom shall be appointed by Cemex and four of whom shall be appointed by RMUSA. The Chairman of the Board shall be a member of the Board appointed by RMUSA as determined by the members of the Board appointed by RMUSA. Each member of the Board shall serve until the earlier of (i) the appointment of such Board member's successor, (ii) the removal of such Board member in accordance with the terms of this LLC Agreement, (iii) such Board member's resignation, and (iv) such Board member's death.

(ii) Any Board member may resign at any time by giving written notice to the Company or the Member who appointed such Board member and the remaining Board members. The resignation of any Board member shall take effect upon receipt of that notice or at

such later time as shall be specified in the notice. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. Upon the resignation of any Board member, a successor may be appointed by the Member who appointed such Board member.

(iii) Any Board member may be removed at any time and with or without cause only by the Member who appointed such Board member. Upon the removal of any Board member with or without cause, a successor may be appointed by the Member who appointed such removed Board member.

(iv) Upon the vacancy of any Board member for any reason, a successor shall be appointed by the Member who appointed such Board member.

(f) Action by Board.

(i) A meeting of the Board shall be held at least quarterly, at such time and place as shall be designated by the Chairman of the Board or by a majority of the Board. Other meetings of the Board may be called by the Manager, by the Chairman of the Board or by any Board member. All meetings shall be held upon at least two business days' written notice (with confirmed receipt) to all Board members. Notice of a meeting need not be given to any Board member who signs a waiver of notice or a consent to holding the meeting (which waiver or consent need not specify the purpose of the meeting) or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to its commencement, the lack of notice to such Board member. All such waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting. Meetings of the Board may be held at any place within or without the State of Delaware which has been designated in the notice of the meeting or at such place as may be approved by the Board. Notwithstanding the foregoing provisions of this paragraph (i), any meetings of the Board shall be held in Houston, Texas or Birmingham, Alabama unless otherwise required by law or agreed to by the Board. Board members may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment, so long as all Board members participating in such meeting can hear one another. Participation in a meeting in such manner constitutes a presence in person at such meeting. The presence of a majority of the members of the entire Board constitutes a quorum of the Board for the transaction of business with respect to such matter.

(ii) Except as otherwise specifically set forth herein, the vote of a majority of the Board members present shall constitute the act of the Board; provided, that such majority of the Board members voting (which vote constitutes the act of the Board) includes at least one Board member appointed by each Member.

(iii) Any action required or permitted to be taken by the Board may be taken by the Board without a meeting. Such action by written consent shall have the same force and effect as if taken at a meeting of the Board. The text of any such proposed action shall be sent to all members of the Board.

8.2 Management and Operations.

(a) Subject to the provisions of this LLC Agreement, including Sections 8.2(b) and (c), the business, property and affairs of the Company shall be managed and all powers of the Company shall be exercised by or under the direction of the Manager. Without limiting the generality of the foregoing, but subject to Sections 8.2(b) and (c), and subject to the express limitations set forth elsewhere in this LLC Agreement, the Manager shall have full authority and discretion and all necessary powers to (i) take any actions it deems necessary or advisable for the administration of the Company's affairs

and (ii) manage and carry out the purposes, business, property, and affairs of the Company, including, the power to exercise, on behalf and in the name of the Company, all of the powers described in the LLC Act. The Members shall from time to time at the request of the Manager execute a resolution or other appropriate document which shall evidence the rights and duties of the Manager hereunder.

(b) Notwithstanding any other provisions of this LLC Agreement, without the prior approval of the Board in accordance with Section 8.1(f), the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) Adopt or amend in any material respect the annual business plan and the annual budget, including the capital expenditure budget;

(ii) Make a single capital investment or series of related capital investments in plants, equipment or other capital assets in excess of US$1,000,000, other than (x) Minor Acquisitions that meet the Minor Acquisition Criteria (as defined below) and, (y) a single capital investment or series of related capital investments in plants, equipment or other capital assets which (I) do not, individually or in the aggregate, exceed $10,000,000, and (II) are required by Law or a Governmental Authority or are embodied in an order or settlement agreement with a Governmental Authority in a proceeding not initiated by the Company or its Affiliates, provided that, in the case of this clause (y), such investment or series of investments are undertaken by the Company in a manner so as to cause the cost to the Company to be the lowest cost investment(s) that meets the requirements of the applicable Law, are acceptable to the applicable Governmental Authority, or comply with the applicable order or settlement agreement;

(iii) Make any Major Acquisition;

(iv) Make any Minor Acquisition which shall not be in compliance with the criteria set forth in Exhibit B-1 (the "Minor Acquisition Criteria"), as such criteria may be amended by the Board from time to time;

(v) Other than the sale of inventory in the ordinary course of business, make any sale, lease, exchange, transfer or other disposition of assets in any Fiscal Year where the aggregate value of all such assets during such Fiscal Year would exceed US$2,000,000;

(vi) Incur any indebtedness for borrowed money where the amount of such indebtedness incurred, together with all other indebtedness of the Company and its Subsidiaries, exceeds US$1,000,000 in the aggregate; provided that (x) the incurring of indebtedness pursuant to Section 19(a)(ii) or Section 19(c)(ii) shall not require approval of the Board so long as the incurring of such indebtedness, after giving effect thereto, shall not cause the Company's ratio of indebtedness for borrowed money to EBITDA to exceed 3.5:1 and (y) the incurring of indebtedness pursuant to Section 19(a)(iii) or Section 19(c)(iii) shall not require approval of the Board;

(vii) Issue any equity;

(viii) Make aggregate distributions to any Member of cash at any level above seventy-five percent (75%) or below fifty percent (50%) of EBITDA for any given Fiscal Year;

(ix) Amend the Ready Mix Boundaries;

(x) Change, modify or amend this LLC Agreement;

(xi) Make any determination of the gross fair market value of any property or assets contributed to the Company;

(xii) Make any request for an Extraordinary Required Additional Capital Contribution pursuant to Section 4.1(b)(i) hereof;

(xiii) Enter into any material joint venture, partnership or consortium;

(xiv) Redeem, repurchase, retire or otherwise acquire for value of any equity interest in the Company;

(xv) Engage in any material business activity outside the general scope of the Primary Business, taken as a whole;

(xvi) Approve the selection of any independent accounting firm to audit the Company's financial statements if such firm is not a "Global Six" accounting firm;

(xvii) Engage in any merger, consolidation or similar transaction;

(xviii) Engage in any transaction or series of related transactions (other than any Permitted Affiliate Transaction) with or for the benefit of the Manager or any of its Affiliates with a value in excess of US$1,000,000; provided, that in any event, any such transaction or series of related transactions, shall be entered on terms no less favorable to the Company than those which it could obtain at that time on an arm's length basis from an unaffiliated third party; provided further, however, that, for purposes of this paragraph, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries;

(xix) Guarantee or otherwise provide any financial accommodation with respect to any indebtedness for borrowed money of any other Person;

(xx) Make any proposal to cause the Company to wind up, dissolve, liquidate or file for, or consent to, any bankruptcy or similar proceeding with respect to the Company;

(xxi) Make any non-cash distribution to the Members;

(xxii) Grant any lien or encumbrance with respect to any asset of the Company or any of its Subsidiaries;

(xxiii) Make any Major Investment;

(xxiv) Make any Minor Investment which shall not be in compliance with the criteria set forth in Exhibit B-2 (the "Minor Investment Criteria"), as such criteria may be amended by the Board from time to time; and

(xxv) Adopt any equity or other incentive plans for officers, directors or employees of the Company or any of its Subsidiaries.

(c) For so long as the Manager is a Member or an Affiliate of a Member, the other Member(s) shall have the right to reasonably direct the Company's prosecution or defense of any litigation or claim with, by or against the Member that is the Manager or any of such Member's Affiliates (other than the Company and any of its Subsidiaries).

(d) Officers.

(i) The Manager may, in its sole discretion, from time to time, appoint officers who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Manager. A single person may hold multiple offices. If appointed, the officers listed below shall have the following duties and authority, unless otherwise determined by the Manager, in connection with the management and operations of the Primary Business (provided that if an officer enters into a written employment agreement with the Company, such officer shall also have the duties and authority described in such employment agreement; provided further, that if there are any inconsistencies between such employment agreement and this Section 8.2(d), the provisions set forth in the employment agreement shall control).

(ii) President. The president shall be the chief executive officer of the Company and, subject to the general supervision by the Manager, shall have the general and active management, supervision and control of the business and all operations of the Company. The president shall, when present, preside at all meetings of the Members, Board and of the Manager. The president may sign and deliver deeds, mortgages, bonds, contracts, or other instruments on behalf of the Company, except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Manager to some other officer or agent of the Company. In general, the president shall perform all duties and shall have the authority incident to the office of president and such other duties and authority as may be prescribed by the Manager from time to time.

(iii) Vice-Presidents. In the absence of the president or in the event of the president's death or inability to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents acting in the order determined by the Manager) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice-president shall perform such other duties as from time to time may be assigned to the vice-president by the president or by the Manager.

(iv) Secretary. The secretary shall prepare and keep the minutes of the proceedings of the Members and of the Manager in one or more books provided for that purpose; have responsibility for authenticating records of the Company; see that all notices are duly given in accordance with the provisions of this LLC Agreement or as required by law; be custodian of the records of the Company; keep a register of the post office address of each Member and Manager which shall be furnished to the secretary by such Member or Manager; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president, any vice president or the Manager. If there is no treasurer of the Company, the secretary shall assume the authority and duties of treasurer.

(v) Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Company, receive and give receipts for moneys due and payable to the Company from any source whatsoever, and deposit all such moneys in the name of the Company in such banks, trust companies or other depositories as may be designated by the Manager, and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president, any vice-president or the Manager.

(vi) Assistant Secretaries and Assistant Treasurers. The assistant secretary, or if there shall be more than one, the assistant secretaries acting in the order determined by the

Manager, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. The assistant treasurer, or, if there shall be more than one, the assistant treasurers acting in the order determined by the Manager, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant secretaries and assistant treasurers shall all perform such other duties as shall be assigned to them by the secretary and treasurer, respectively, or by the president, any vice-president or the Manager.

(vii) Additional Officers. The Manager may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Manager.

All actions taken by the foregoing officers of the Company in accordance with the authority granted to them in this Section 8.2(d) shall be binding on the Company and may be relied upon by third parties, except to the extent any such third party has actual knowledge that such action is in contravention of a resolution passed by the Manager.

8.3 Tax Matter and Elections. The Manager shall, without any further consent of the Members being required (except as specifically required herein), make any and all elections for federal, state, local, and foreign tax purposes including, without limitation, any election, if permitted by applicable law: (i) to adjust the basis of Company assets pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state, local or foreign law, in connection with Transfers of Membership Interests and Company distributions; (ii) with the consent of all of the Members, to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state, local or foreign tax returns; and (iii) to the extent provided in Code Sections 6221 through 6231 and similar provisions of federal, state, local, or foreign law, to represent the Company and the Members before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company or the Members in their capacities as Members, and to file any tax returns and execute any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company and the Members. RMUSA is specifically authorized to act as the "Tax Matters Member" under the Code and in any similar capacity under state or local law.

8.4 Cash Deposits. All funds of the Company shall be deposited in a United States national or state bank with federal deposit insurance, or in a national brokerage house with deposit insurance. However, the Manager shall not have a duty to seek the highest possible yield for Company funds. Only the Manager (or, in the case of a corporate Manager, its authorized officers or officers of the Company authorized by the Manager) may sign checks and drafts on such account or accounts.

8.5 General Duties. The Manager shall take all action that may be necessary or appropriate for the continuation of the Company's valid existence as a limited liability company under the laws of the State of Delaware (and each other jurisdiction in which such existence is necessary to protect the limited liability of the Members or to enable the Company to conduct the business in which it is engaged).

8.6 Removal.

(a) In the event the Manager is the Majority Member or an Affiliate thereof, the Majority Member shall have the right to remove and replace the Manager at any time with any Affiliate of the Majority Member (other than the Company and any of its Subsidiaries), provided that such Affiliate shall own a majority interest of the Membership Interest held by the Majority Member and all of its Affiliates.

(b) In the event the Manager is not the Majority

Member or an Affiliate thereof, at a meeting of the Members called expressly for that purpose, the Manager may be removed at any time, with or without cause, by the affirmative vote of Members holding a Majority-in-Interest in the Company. A successor Manager may be elected by the affirmative vote of Members holding a Majority-in-Interest in the Company.

(c) In the event of a Transfer of Membership Interests by one or more Members that results in a change in the Majority Member, the new Majority Member shall have the power to remove the Manager and appoint itself or any of its Affiliates as Manager.

8.7 Indemnification of Manager(s), Members, Officers and Employees.

(a) Every Person (and the heirs, executors and administrators of such Person) who serves, or has served as a manager (including the Manager), member (including the Members), officer, member of the Board, director or employee of the Company, or of any other entity when requested by the Company, and of which the Company directly or indirectly is or was a security holder or creditor, or otherwise interested, or in the stocks, bonds, securities or other obligations of which it is in any way interested, shall be indemnified by the Company against any and all liability and reasonable expense that may be incurred by such Person in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the right of the Company or such other entity or otherwise), civil or criminal, or in connection with an appeal relating thereto, in which such Person may become involved, as a party or otherwise, by reason of such Person being or having been a manager, member, officer, member of the Board, director or employee of the Company or such other entity, or by reason of any action taken or not taken by such Person in such capacity, whether such Person continues to be such manager, member, officer, member of the Board, director or employee at the time such liability or expense shall have been incurred, provided such Person acted in good faith and within the scope of such Person's authority in the course of the Company's or such other entity's business and, in addition, in any criminal action or proceeding, had no reasonable cause to believe that such Person's conduct was unlawful.

(b) As used herein, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines or penalties against, and amounts paid and settlements by or for such Person. The termination of any claim, action, suit or proceedings, civil or criminal by judgment, settlement (whether with or without court approval) or conviction shall not create a presumption that such person does not meet the standards of conduct set forth herein. Except in the case of an action or suit by or in the right of the Company to procure a judgment in its favor, no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of such Person's duties to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(c) Expenses incurred with respect to any such claim, action, suit or proceeding may be advanced by the Company prior to the final disposition thereof upon receipt of an undertaking by or on behalf of such Person to repay such amount if and to the extent that it shall ultimately be determined that such Person is not entitled to indemnification hereunder.

(d) The Manager shall be fully protected in relying in good faith upon the records of the Company and its Subsidiaries and upon such information, opinions, reports or statements presented to the Company and its Subsidiaries by any of its other Members, or any of the officers, employees or committees of the Company or any of its Subsidiaries, or by any other person, as to matters the Manager reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company or any of its Subsidiaries (including

information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, or losses of the Company or any of its Subsidiaries or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid). In addition, the Manager may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by them, and any opinion of any such person as to matters which the Manager reasonably believe to be within such person's professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Manager hereunder in good faith and in accordance with such opinion.

(e) The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a manager, member, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, partner, employee or agent of another company, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this LLC Agreement.

(f) The indemnification authorized in and provided by this Section 8.7 shall not be deemed exclusive of and shall be in addition to any other right to which those indemnified may be entitled under any statute, rule of law, provision of the Certificate of Formation, this LLC Agreement, other agreement, vote or action of Members or by the Manager, or otherwise, and shall continue as to a Person who has ceased to be a Member or Manager and shall inure to the benefit of the heirs, executors and administrators of such a Person.

8.8 Paid Services.

(a) The Company shall pay the Manager a monthly management fee in the amount of $50,000 (the "Services Fee") for the performance by Manager of the Paid Services. The Manager shall have the right to subcontract with an Affiliate of Manager, to provide the Paid Services to the Company. Notwithstanding the foregoing, the Manager shall be responsible, and neither the Company nor Cemex shall be responsible, for (i) any costs or expenses of the Paid Services, and (ii) making any payments to providers of the Paid Services. Cemex, RMUSA and the Company acknowledge and agree that the Paid Services include and require the provision of substantive administrative and oversight services (as enumerated in the definition of Paid Services) and not merely the procurement of such administrative and oversight services from other unaffiliated parties. The amount of the Service Fee shall be increased annually, effective January 1 of each year, by the percentage increase, if any, in the Consumer Price Index - All Urban Consumers (Area: South Urban), as prepared by the U.S. Department of Labor, Bureau of Labor Statistics, from the immediately prior January 1.

(b) With respect to the Paid Services, the Manager shall only be liable to the Company for any loss, liability, damage, claim, expense, fine, penalty, interest cost, or other obligation of any nature arising out of this LLC Agreement to the extent caused by the Manager's, its Affiliates', and their respective directors', officers', employees', and agents' gross negligence, willful misconduct or fraud with respect to the Paid Services under this LLC Agreement. The Company hereby releases the Manager and its Affiliates, and their respective directors, officers, employees, and agents from, and the Company shall indemnify such Persons against, any claim, loss, damage, liability or obligation (including reasonable attorneys' fees and expenses) claimed or asserted in connection with the Paid Services by the Company or any third party attributable to causes other than such Persons' gross negligence, willful misconduct, fraud, or intentional breach of the Manager's obligations with respect to the Paid Services under this LLC Agreement. It is the intention of the parties hereto that the release by, and indemnity obligations of, the Company under this Section 8.8(b) hold the Manager and its Affiliates, and their respective directors, officers, employees, and agents harmless from and against the consequences of their own ordinary negligence with

respect to the Paid Services under this LLC Agreement, including to the extent such ordinary negligence is the sole, concurrent, or joint cause of any such claim, loss, damage, liability or obligation.

8.9 Fiduciary Duties.

(a) Duty of Loyalty. The purposes of this Section 8.9(a) are (i) to set forth the agreement among the Members with respect to the duty of loyalty that the Manager owes to the Members and the Members owe to each other and (ii) to identify the types and categories of activities by the Manager and the Members that do not violate such duty of loyalty. The Members hereby agree that the duty of loyalty consists solely of the duty of the Manager (in its capacity as such) to act in good faith in a manner the Manager reasonably believes to be in the best interest of the Company and the Members. Except as expressly provided in Section 19, the Members and their Affiliates (including, if applicable, the Manager) may engage or invest in, independently or with others, any business activity of any type or description, including those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company. Except as expressly provided in Section 19, neither the Company nor any other Member shall have any right in or to such other ventures or activities or to the income or proceeds derived therefrom. Except as expressly provided in Section 19, neither any Member nor the Manager shall be obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented to the Company, could be taken by the Company. Except as expressly provided in Section 19, the Members and the Manager shall have the right to hold any investment opportunity or prospective economic advantage for their own account or to recommend such opportunity to Persons other than the Company. Each Member acknowledges that the other Members and their Affiliates (including, if applicable, the Manager) conduct other businesses, including businesses that may compete with the Company and for the Members' time. Each Member hereby waives any and all rights and claims that it may otherwise have against the other Members and their Affiliates (including, if applicable, the Manager) as a result of any of such activities. No Member or officer of the Company shall be required to manage the Company as such Member's or officer's sole and exclusive function. The parties hereby agree and acknowledge that the members of the Board shall be entitled to act solely in the interest of the Member that appointed them. For purposes of this paragraph, neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any Member.

(b) Duty of Care. The purpose of this Section 8.9(b) is to set forth the agreement among the Members with respect to the duty of care that the Manager owes to the Members and to the Company. The Members hereby agree that such duty of care consists solely of the duty to act with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager who so performs such duty of care shall not be liable to the Company or to any other Member for any loss or damage sustained by the Company or any other Member.

(c) Totality of Duties. Without limiting the generality of the foregoing, the Members agree that the foregoing subsections (a) and (b) describe in its totality the fiduciary duties of the Manager to the Company and its Members, and that the fiduciary duties of the Manager to the Company and its Members shall not be those of a director to a corporation and its shareholders under the DGCL or those of a partner to a partnership and its partners. Any Manager who performs the duties of a Manager in compliance with this Section 8.9 shall not have any liability by reason of being or having been a Manager of the Company. In any action challenging any action or determination of the Board of Managers, the party challenging such action or determination shall have the burden of proving its allegations, and nothing shall shift the burden of proof with respect to the satisfaction of the standard set forth above to the Manager.

8.10 Antitrust Compliance. The Members agree and will adhere to the appropriate competitive rules and firewalls set forth herein.

(a) Until Cemex, Inc. divests its ownership of the

Allied Assets, Cemex, Inc. personnel who sit on the Company's Board shall not be involved in or privy to any decision making regarding customers or the price, terms or conditions at which ready mix is sold by the Company, nor shall they have access to any such information.

(b) No Cemex, Inc. personnel involved in the sale or distribution of cement to ready mix companies in the Cement Boundaries or the Ready Mix Boundaries shall be appointed to the Board of the Company, nor shall such persons have access to any competitively sensitive information pertaining to the sale of ready mix by the Company.

(c) The Company agrees to develop and implement antitrust compliance programs to assure its compliance with all applicable antitrust and competition laws.

9. Transfers of Membership Interest.

9.1 Transfer Restrictions.

(a) No Member shall Transfer all or any portion of its Membership Interest in the Company except in strict compliance with the terms and conditions of this Section 9. The foregoing notwithstanding, neither RMUSA nor any of its Affiliates shall Transfer (other than a Permitted Transfer or upon exercise of the Put Option or pursuant to Section 9.4) all or any portion of its Membership Interest in the Company for a period commencing on the date hereof and ending on the date on which the Put Option is no longer exercisable by RMUSA pursuant to Section 9.6 hereof. Any attempted Transfer in violation of this Section 9 shall be null and void and of no effect whatsoever. Each Member hereby acknowledges the reasonableness of the restrictions on Transfer imposed by this LLC Agreement in view of the Company's purposes and the relationship between the Members. Accordingly, the restrictions on Transfer contained herein shall be specifically enforceable. Each Member hereby further agrees to hold the Company and each other Member (and each such Member's successors and permitted assigns) wholly and completely harmless from any cost, liability, or damage (including, without limitation, liabilities for income taxes, legal fees, expenses and other costs of enforcing this indemnity) incurred by any of such other Members and indemnified Persons as a result of a Transfer or an attempted Transfer by the Member in violation of this LLC Agreement. A Member shall not be entitled to Transfer all or any portion of its Membership Interest in the Company unless such Member is also transferring a pro rata portion of its membership interest in Cemex Southeast LLC.

(b) With respect to each Member, any transaction or series of related transactions that results in any holder of the Membership Interests no longer being an Affiliate of the ultimate parent of such Member on the Contribution Date (with respect to such Member, the "Ultimate Parent") shall constitute a Transfer of the Membership Interest held by such holder for all purposes of this Section 9.

(c) If a Member is a Member by virtue of the fact that an Affiliate of such Member (the "Base Member") has transferred any of the Membership Interest owned by such Base Member to such Member, but as a result of a proposed transaction such Member will no longer be an Affiliate of the Ultimate Parent of such Base Member, then unless the consent contemplated by Section 9.2(c)(i) hereof is obtained prior to the consummation of such proposed transaction, any Membership Interest beneficially owned by such Member must be transferred to an Affiliate of the Ultimate Parent of such Base Member prior to such Member's loss of Affiliate status in respect of the Ultimate Parent of such Base Member, provided that if such transfer does not occur prior to such loss of such Affiliate status, in addition to any remedy available to the Company for the breach of this LLC Agreement resulting therefrom, such Member shall automatically cease to be a Member, and the Company shall be entitled to treat the Ultimate Parent of such Base Member as the holder of the Membership Interest held by such Member for all purposes hereunder, notwithstanding any prior registration or recognition of the transfer of such Membership Interest to such Member.

(d) For purposes of this Section 9.1, the "Ultimate

Parent" of each Member shall be as set forth on Schedule 9.1(d) hereof.

9.2 Consent and Other Requirements. Neither Member will Transfer (other than a Permitted Transfer) all or any portion of its Membership Interest in the Company, unless:

(a) prior to the Transfer, the Company receives, unless waived by the non-transferring Member, in writing, an opinion of counsel reasonably satisfactory to the non-transferring Member that such Transfer is not subject to registration under, or is exempt from the registration requirements of, the applicable state and federal securities laws;

(b) contemporaneously with the Transfer, the transferee shall execute the Adoption Agreement in the form of Exhibit D and the transferee shall pay all reasonable expenses, including attorneys' fees, incurred by the Company in connection with such Transfer; and

(c) the transferring Member shall either:

(i) first obtain the written consent to such Transfer by each of the non-transferring Members; or

(ii) comply with the provisions of Sections 9.3 and 9.4 hereof as applicable.

9.3 Right of First Refusal.

(a) Subject to the second sentence of Section 9.1(a) hereof, in the event any Member (the "Transferring Member") receives a bona fide third party offer to acquire any or all of such Transferring Member's Membership Interest or any interest therein (other than a Permitted Transfer), including any transaction that constitutes a Transfer under Section 9.1(b) or (c), which offer such Transferring Member wishes to accept, such Transferring Member shall promptly notify the other Member (the "Non-Transferring Member") in writing of such offer (the "Offer Notice"), setting forth the name and address of the prospective purchaser or acquiror, the amount of the Transferring Member's Membership Interests to be Transferred, the price or method of determining such price as designated by the Transferring Member and the prospective purchaser or acquiror (the "Offer Price"), and the material terms and conditions of such proposed Transfer, subject to Section 9.3(f). The Non-Transferring Member shall have a period of thirty (30) days (the "Offer Option Period") after the receipt of the Offer Notice within which to notify such Transferring Member in writing that it wishes to acquire all (but not less than all) of such Membership Interests that are proposed to be Transferred at a price equal to the Offer Price and, upon the same terms and conditions set forth in the Offer Notice (the "Offer Acceptance Notice"), subject to Section 9.3(f); provided, however, that the Non-Transferring Member shall not be entitled to provide both an Offer Acceptance Notice under this Section 9.3 and a Tag Along Notice pursuant to the terms of Section 9.4 hereof.

(b) If the Non-Transferring Member gives the Transferring Member an Offer Acceptance Notice within the Offer Option Period, then it shall be obligated to purchase all (but not less than all) of such Membership Interests that are proposed to be Transferred at a price equal to the Offer Price and upon the same terms and conditions set forth in the Offer Notice, subject to Section 9.3(f), and shall have up to one (1) year after it gives such Offer Acceptance Notice to do all the things necessary to consummate the transaction, including, but not limited to, receiving consents and entering into agreements. If the Non-Transferring Member receives such consents and enters into such agreements as are necessary to consummate the transactions, then such Transferring Member shall be obligated to Transfer to the Non-Transferring Member, and the Non-Transferring Member shall be obligated to acquire from such Transferring Member, such Membership Interests at the Offer Price and, on the terms and conditions set forth in the Offer Notice, subject to Section 9.3(f). Within thirty (30) days following the closing of the purchase by the Non-Transferring Member of the Transferring Member's Membership Interests (the "Transfer Closing"), the Company shall distribute to the Transferring Member (A) an amount equal to the product of (x) the Percentage Interest of the

Transferring Member immediately prior to the Transfer Closing and (y) all EBITDA earned by the Company from the date of the Offer Acceptance Notice through the date of the Transfer Closing that has not been distributed to the Members pursuant to and in accordance with Section 6.1(a) hereof and (B) an amount equal to the product of (x) the Percentage Interest of the Transferring Member immediately prior to the Transfer Closing and (y) all cash in excess of the sum of (i) the average current liabilities of the Company for the preceding twelve (12) months and (ii) the aggregate amount of cash necessary to fund budgeted capital expenditures.

(c) Subject to Section 9.4 hereof, if the Non-Transferring Member does not give an Offer Acceptance Notice to such Transferring Member within such Offer Option Period, such Transferring Member shall be free to Transfer such Membership Interests to the party named in the Offer Notice, provided that such Transfer is consummated within one (1) year after the Offer Sale Reference Date (as defined below) at a price equal to or greater than the Offer Price and upon substantially the same terms and conditions (other than the price, which may be higher than the Offer Price) as are set forth in the Offer Notice.

(d) If the Non-Transferring Member gives an Offer Acceptance Notice within the Offer Option Period and fails to consummate the transaction within one (1) year after it gives such Offer Acceptance Notice, in addition to other available remedies in respect of such failure, the Transferring Member shall be free to Transfer its Membership Interest to the party named in the Offer Notice at a price and on terms determined by the Transferring Member (which shall not be required to be the terms set forth in the Offer Notice), provided that such Transfer is consummated within one (1) year after the Offer Sale Reference Date. In addition to the foregoing, such failure by the Non-Transferring Member to consummate the transaction within the one (1) year period after it gives the Offer Acceptance Notice shall, at the election of the Transferring Member, constitute an Adverse Act; provided, however, that notwithstanding anything to the contrary in Section 11.1 hereof, the Transferring Member must make such election within one (1) year after the Offer Sale Reference Date. The right of the Transferring Member to elect an Adverse Act shall not be assignable to the buyer in the proposed Transfer transaction and in the event the Transferring Member elects to have the failure by the Non-Transferring Member constitute an Adverse Act, the subsequent Transfer by the Transferring Member of its Membership Interest as contemplated in the first sentence of this paragraph shall result in the Non-Transferring Member no longer being an Adverse Member. If the Transferring Member elects to cause the Non-Transferring Member to be an Adverse Member, as provided above, the Non-Transferring Member will be an Adverse Member until the earliest to occur of (i) a Transfer by the Transferring Member of its Membership Interest as contemplated in the first sentence of this paragraph, (ii) the purchase by the Transferring Member of the Membership Interest of the Non-Transferring Member pursuant to Section 11.1(d), or (iii) in the event that the Non-Transferring Member makes a bona fide tender to the Transferring Member of the Offer Price set forth in the Offer Notice in immediately available funds against delivery of the Membership Interest of the Transferring Member then, (x) if the Transferring Member accepts such tender (which it shall be entitled to accept or reject in its sole discretion), the date of the transfer of such Membership Interest to the Non-Transferring Member or (y) if the Non-Transferring Member does not accept such tender, the 60th day after such tender.

(e) The "Offer Sale Reference Date" shall mean (i) the date on which the Offer Option Period expires or (ii) if the Non-Transferring Member shall have given the requisite written notice during the Offer Option Period but shall have failed to consummate such transaction within the one (1) year period provided above, the date on which such one year period shall end; provided, that if during such one year period the Non-Transferring Member shall have notified such Transferring Member in writing that the Non-Transferring Member will not consummate such transaction and that the Non-Transferring Member waives its rights under this Section 9.3 with respect to that particular Offer Notice, then the Offer Sale Reference Date shall be the date of such notice from the Non-Transferring Member.

(f) For purposes of this Section 9.3 and Section 9.4

hereof, with respect to any transaction that constitutes a Transfer under Section 9.1(b) or (c) (an "Indirect Sale"):

(i) the Offer Price shall be the amount designated by the Transferring Member and the prospective purchaser or acquiror;

(ii) the "terms and conditions" of such Indirect Sale shall be deemed to contemplate a direct transfer of the Membership Interest on the other terms and conditions of such Indirect Sale; provided, however, that for purposes of this Section 9.3 any such terms and conditions that relate solely to the form of transaction which are not applicable to such deemed form shall be disregarded (for example, if the Indirect Sale is a merger, and a condition to such merger is the filing of a certificate of merger with the applicable secretary of state, such condition shall be disregarded for purposes of this Section 9.3); and

(iii) with respect to this Section 9.3, at the election of the Transferring Member, the sale of the Membership Interest pursuant to Section 9.3(b) shall be conditioned upon the closing of the Indirect Sale that gave rise to the obligation to provide the Offer Notice with respect to such sale.

(g) For the avoidance of doubt, for purposes of this Section 9.3, with respect to any transaction that constitutes a Transfer under Section 9.1(b) or (c), the only right of the Non-Transferring Member shall be to purchase the Membership Interest of the Transferring Member, and not any other assets or securities being transferred by the Transferring Member or any of its Affiliates.

9.4 Tag Along Right.

(a) In lieu of delivering an Offer Acceptance Notice, the Non-Transferring Member shall have the right (the "Tag Along Right"), during the Offer Option Period, to deliver a written notice (the "Tag Along Notice") to the Transferring Member, requesting to include in such Transfer a percentage of its Membership Interest equal to or less than the Prorata Portion (as hereinafter defined) of the Membership Interest of the Non-Transferring Member. The "Prorata Portion" with respect to the Non-Transferring Member shall equal the product of (i) the Membership Interest of the Non-Transferring Member, and a fraction (x) the numerator of which shall be equal to the amount of the Transferring Member's Membership Interests to be Transferred and (y) the denominator of which shall be equal to the total Membership Interests of the Transferring Member.

(b) In the event the Non-Transferring Member shall have delivered a Tag Along Notice to the Transferring Member prior to the expiration of the Offer Option Period, the Transferring Member, shall include in any such Transfer upon the same terms and conditions, the Pro Rata Portion of the Non-Transferring Member's Membership Interest. Such terms and conditions shall include, without limitation, (i) the Transfer consideration and (ii) the provision of information, representations, warranties, covenants and requisite indemnifications. Any Tag Along Notice shall be irrevocable once received by the Transferring Member.

(c) If the Non-Transferring Member shall not have delivered the Tag Along Notice during the Offer Option Period, it shall be deemed to have irrevocably waived its rights under this Section 9.4 with respect to the Transfer contemplated by the Offer Notice.

(d) In addition to any other available remedies, in the event that the Non-Transferring Member who gives a Tag Along Notice within the Offer Option Period to Transfer its Membership Interest pursuant to the transaction set forth in the Offer Notice breaches any of its obligations to the purchaser under the Non-Transferring Member's agreement with the purchaser related to such transaction, where (i) such transaction involves the Transfer of all of the Membership Interest of the Non-Transferring Member as well as all of

such Member's membership interest in Cemex Southeast LLC, and (ii) such breach causes the contemplated transaction to be terminated by the purchaser, shall, at the election of the Transferring Member, constitute an Adverse Act; provided, however, that notwithstanding anything to the contrary in Section 11.1 hereof, the Transferring Member must make such election within sixty (60) days after the date on which the Transfer subject to such Tag Along Notice would have occurred but for the failure of the Non-Transferring Member. The right of the Transferring Member to elect an Adverse Act shall not be assignable to the buyer in the proposed Transfer transaction. If the Transferring Member elects to cause the Non-Transferring Member to be an Adverse Member, as provided above, the Non-Transferring Member will be an Adverse Member until the earliest to occur of (i) the purchase by the Transferring Member of the Membership Interest of the Non-Transferring Member pursuant to Section 11.1(d) hereof, or (ii) the Non-Transferring Member has fully indemnified the Transferring Member from and against any and all Damages incurred by the Transferring Member arising out of or relating to the Non-Transferring Member's failure to consummate such transaction.

9.5 Certain Permitted Transfers. Subject to Sections 9.1(a), (b) and (c) hereof, each Member shall be entitled to Transfer all or any portion of its Membership Interest in the Company to such Member's Affiliates (a "Permitted Transfer"); provided, however, that such transferee(s) (the "Permitted Transferee(s)") shall become parties to, and shall be subject to the terms and conditions of, this LLC Agreement; provided, further, that if any such Transfer shall result in a termination of the Company within the meaning of ss. 708 of the Code, such Transfer shall be prohibited and not constitute a Permitted Transfer. Any such Permitted Transferee shall automatically and without further action of the Board, the Manager or the Members become an additional or substitute member of the Company, as applicable. For purposes of this Section 9.5, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or Cemex Southeast LLC or any of their respective Subsidiaries.

9.6 Option of RMUSA to Put Membership Interest. Notwithstanding any provision herein to the contrary, RMUSA shall have the option, exercisable at its sole and absolute discretion, to require Cemex, Inc. to purchase all, but not less than all, of the Membership Interest in the Company held by RMUSA and its Affiliates on the terms and conditions contained in this Section 9.6 (the "Put Option"). RMUSA and Cemex, Inc. acknowledge and agree that the Put Option may only be exercised by RMUSA together with an exercise of its similar right to require Cemex, Inc. to purchase all of the membership interests of RMUSA and its Affiliates in Cemex Southeast LLC pursuant to the Cemex Southeast LLC Operating Agreement. For purposes of this Section 9.6, neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any Member.

9.6.1 Put Option Term.

(a) Subject to paragraph (b) below, the Put Option may be exercised by RMUSA at any time during the period commencing on the expiration of three (3) years from the Contribution Date and expiring twenty-five (25) years from the Contribution Date. The foregoing notwithstanding, in the event Cemex or any of its Affiliates receives a bona fide third party offer to acquire any or all of its Membership Interest or any interest therein (other than a Permitted Transfer), including any transaction that constitutes a Transfer under Section 9.1(b) or (c) hereof, which results in Cemex or an Affiliate thereof giving an Offer Notice as contemplated in Section 9.3 prior to the third (3rd) anniversary of the Contribution Date, the Put Option shall become exercisable immediately and shall remain exercisable, subject to paragraph (b) below, until (i) the proposed Transfer is consummated, or (ii) the proposed Transfer is abandoned by Cemex or its Affiliates or the proposed purchaser (unless such event occurs on or following the date which is the third (3rd) anniversary of the Contribution Date, in which case the Put Option shall remain exercisable subject to the other terms and conditions of this LLC Agreement).

(b) Notwithstanding anything in this LLC Agreement to the contrary,

(i) in the event either RMUSA delivers an Offer Acceptance Notice or a Tag Along Notice with respect to a proposed Transfer by Cemex or any of its Affiliates in accordance with Section 9.3 or 9.4, as the case may be, or RMUSA fails to deliver a Notice pursuant to Section 9.6.2 during any Offer Option Period with respect to a Transfer Notice concerning a Transfer by Cemex or any of its Affiliates of all of the Membership Interests in the Company held by Cemex and its Affiliates, then RMUSA's right to exercise the Put Option shall be suspended as of the date of such Offer Acceptance Notice or Tag Along Notice, or at the end of such Option Offer Period, as the case may be, and either (x) the Put Option shall terminate and be of no further effect (1) upon the consummation of the purchase by RMUSA of all of the Membership Interest of Cemex and its Affiliates in the Company pursuant to Section 9.3, whereupon neither Cemex nor any of its Affiliates remain as Members of the Company, or (2) upon the consummation of the sale by RMUSA (or its Affiliates) of all of the Membership Interest of RMUSA (or its Affiliates, as the case may be) in the Company pursuant to Section 9.4, whereupon neither RMUSA nor any of its Affiliates remain as Members of the Company, or (y) RMUSA's right to exercise the Put Option shall be reinstated from and after

(A) the termination of the proposed Transfer by Cemex (or its Affiliates) of all of the Membership Interest of Cemex (and its Affiliates) pursuant to Section 9.3 where such termination is due to the failure of Cemex (or its Affiliates) to consummate such Transfer in breach of its obligations with respect thereto,

(B) the consummation of the purchase by RMUSA of the Membership Interest of Cemex and its Affiliates in the Company pursuant to Section 9.3 which constitutes a Transfer of less than all of the Membership Interest of Cemex and its Affiliates in the Company and whereupon following such purchase Cemex or its Affiliates continue to hold a Membership Interest in the Company, or

(C) the abandonment of the proposed Transfer that was the subject of the Tag Along Notice and the termination of any definitive agreement with respect to such proposed Transfer; provided however, that in the event the proposed Transfer giving rise to rights in RMUSA under Section 9.4 is with respect to a transfer of less than all of Cemex's (or its Affiliate's) Membership Interest, the suspension contemplated above shall apply only to the Put Option as it concerns the Membership Interests proposed to be transferred by RMUSA (or its Affiliate) pursuant to Section 9.4 and RMUSA shall retain its rights to exercise the Put Option with respect to any remaining portion of its Membership Interest;

(ii) in the event that RMUSA is the Non-Transferring Member who failed to consummate the Transfer pursuant to the terms of Section 9.3(b), then RMUSA's right to exercise the Put Option shall remain suspended as of the Offer Sale Reference Date and the Put Option shall terminate and be of no further effect upon the Transfer of all of Cemex's (or its Affiliate's) Membership Interests in accordance with Section 9.3(d) hereof;

(iii) in the event RMUSA or any of its Affiliates is the Non-Transferring Member and Cemex or any of its Affiliates is the Transferring Member, as contemplated in Section 9.3, and the proposed Transfer will result in the Transfer of all of the remaining Membership Interest of Cemex and all of its Affiliates (and a Transfer of all of the remaining Membership Interest of Cemex and all of its Affiliates in Cemex Southeast LLC, if any), and upon receiving the Offer Notice neither RMUSA nor any of its Affiliates gives an Offer Acceptance Notice or Tag Along Notice to Cemex within the Offer Option Period, and RMUSA does not exercise its Put Option, and Cemex and any

of its Affiliates, as the case may be, thereafter consummates the Transfer of all of the remaining Membership Interest of Cemex and its Affiliates (and a Transfer of all of the remaining Membership Interest of Cemex and all of its Affiliates in Cemex Southeast LLC, if any), as contemplated herein, upon the consummation of the Transfer the Put Option shall terminate and be of no further effect;

(iv) in the event RMUSA or any of its Affiliates is an Adverse Member pursuant to clause (ii) or (v) of the definition of Adverse Act, then RMUSA's right to exercise the Put Option shall be suspended until RMUSA is no longer an Adverse Member; and

(v) in the event RMUSA or any of its Affiliates is an Adverse Member pursuant to clause (i) of the definition of Adverse Act, then, in the event RMUSA exercises the Put Option following the sixtieth (60th) day after the Non-Adverse Member gives the written notice set forth in Section 11.1 to RMUSA or any of such Affiliates, the Purchase Price shall be reduced to the Buyout Purchase Price.

9.6.2 Exercise. RMUSA may exercise the Put Option by delivering to Cemex, Inc. a written notice of such exercise (the "Notice").

9.6.3 Purchase Price. (a) Except as provided in Section 9.6.1(b)(v), the price which Cemex, Inc. shall pay to RMUSA for RMUSA's Membership Interest pursuant to the Put Option (the "Purchase Price") shall be determined based on one of the following formulas in accordance with paragraph (b) below:

(i) an amount equal to the product of (x) RMUSA's Percentage Interest as of the Exercise Date and (y) the Adjusted Book Value as of the Exercise Date;

(ii) an amount equal to (x) (A) eight (8) times the average EBITDA of the Company over the three (3) Fiscal Years immediately preceding the Exercise Date minus (B) the Company's Debt as of the Exercise Date, multiplied by (y) RMUSA's Percentage Interest as of the Exercise Date [(A - B) * y]; or

(iii) an amount equal to (x) (A) eight (8) times the EBITDA of the Company during the Fiscal Year immediately preceding the Exercise Date minus (B) the Company's Debt as of the Exercise Date, multiplied by (y) RMUSA's Percentage Interest as of the Exercise Date [(A - B) * y].

For the avoidance of doubt, the Purchase Price shall be determined as set forth above and there shall be no adjustment to the amounts so determined for Working Capital (although the parties acknowledge that the amount of Working Capital will affect the calculation pursuant to clause (i) above). The parties acknowledge that Cemex shall be entitled to retain all Working Capital in the Company as of the Put Option Closing.

(b) RMUSA and Cemex, Inc. acknowledge and agree that the pricing methodology which shall apply to the sale of the Membership Interests of RMUSA and its Affiliates in the Company shall be the same methodology as applies to the sale by RMUSA and its Affiliates of their Membership Interests in Cemex Southeast LLC and shall be the methodology that yields the highest result for the combined companies even if the methodology utilized results in a negative number under this Section 9.6.3 or under Section 9.6.3 of the Cemex Southeast LLC Agreement. In the event that the pricing methodology utilized under this Agreement pursuant to the immediately preceding sentence results in a negative Purchase Price, then Cemex, Inc. shall be entitled to a credit in an amount equal to the absolute value of the Purchase Price against any amounts due from Cemex, Inc. to RMUSA pursuant to Section 9.6.3 of the Cemex Southeast LLC Agreement. In the event that the pricing methodology utilized under the Cemex Southeast LLC Agreement results in

a negative purchase price thereunder, then Cemex, Inc. shall be entitled to a credit in an amount equal to the absolute value of such purchase price against any amounts due from Cemex, Inc. to RMUSA pursuant to this Section 9.6.3, such credit to be applied as of the Put Option Closing. In the event that the pricing methodology utilized results in a negative Purchase Price and a negative purchase price under the Cemex Southeast LLC Agreement (an absolute negative number), then RMUSA shall pay to Cemex, Inc. the amount equal to the absolute value of such total negative amount at the Put Option Closing by wire transfer of immediately available funds.

(c) For purposes of determining the Purchase Price under this Section 9.6.3, to the extent the Company shall acquire any business(es) or assets associated therewith ("Acquired Business"), which shall have been owned by the Company for less than twelve (12) calendar months during the Fiscal Year immediately preceding the Exercise Date, EBITDA of the Company for the Fiscal Year immediately preceding the Exercise Date shall be increased by an amount which shall consist of the Prorata EBITDA, as such term is defined below, in connection with such Acquired Business. For purposes hereof, the term "Prorata EBITDA" shall mean, with respect to a particular Acquired Business, the EBITDA of the Acquired Business for the twelve (12) month period immediately preceding the date of the acquisition of the Acquired Business ("Acquisition Date") by the Company multiplied by a fraction, the numerator of which shall be equal to (x) twelve (12) less (y) the number of months that have elapsed from the Acquisition Date to the end of the Fiscal Year immediately preceding the Exercise Date, or, with respect to Section 11, the Adverse Act Exercise Date, and the denominator of which shall be twelve (12). For example, if the EBITDA of the Acquired Business for the twelve (12) month period prior to the Acquisition Date shall be US$1,000,000 and the Acquisition Date shall be three (3) months prior to the end of the Fiscal Year immediately preceding the Exercise Date, EBITDA shall increase by US$750,000, or US$1,000,000 x 9/12.

(d) For purposes of the calculations of clauses (a)(ii) and (iii) above, in the event that EBITDA of the Company includes EBITDA of assets that have been divested by the Company at any time prior to the Exercise Date, EBITDA of the Company shall be adjusted to subtract the EBITDA attributable to the divested assets during the period of time referred to in clauses (a)(ii) and (iii), respectively.

(e) If at any time following the exercise of the Put Option a member (other than the Company) of either Reynolds, River City or RCI Marine purchases the membership interest held by the Company in any of such companies upon the exercise of the member's respective right under Section 9.2 of each of the Reynolds Operating Agreement, the River City Operating Agreement or the RCI Marine Operating Agreement, respectively (such member, the "Purchasing Member"), the Purchase Price shall be recalculated as if the membership interest held by the Company in any such company was divested prior to the Exercise Date in accordance with clause (d) above, and for purposes of Section 9.6.3(a)(i), the Adjusted Book Value shall be reduced by the book value of the transferred membership interests in any such company. Upon receipt of the proceeds from the Purchasing Member, Cemex shall pay to RMUSA an amount equal to the product of (x) the amount of such proceeds and (y) RMUSA's Percentage Interest as of the Exercise Date. Notwithstanding anything herein to the contrary, RMUSA shall cause the Company to take any and all actions in connection with a request by a Purchasing Member to purchase any membership interest of the Company in Reynolds, River City or RCI Marine, as the case may be, as directed by Cemex.

9.6.4 Payment Terms.

(a) Within sixty (60) days after the Exercise Date, the Company shall distribute to the Members all cash, if any, in excess of the sum of (i) the average current liabilities of the Company for the preceding twelve (12) months and (ii) the aggregate amount of cash necessary to fund budgeted capital expenditures. A percentage of the portion of such distribution to which Cemex would otherwise be entitled equal to one minus the Applicable Tax Rate shall be paid to RMUSA (the amount so paid to RMUSA is referred to herein as the "Cemex Post-Exercise Special Cash Distribution") and credited against the

Initial Payment (as defined below).

(b) Cemex, Inc. shall pay the Purchase Price as follows:

(i) at the Put Option Closing, Cemex, Inc. shall pay by wire transfer of immediately available funds an amount (the "Initial Payment") equal to the greater of $200,000,000 or forty percent (40%) of the Purchase Price;

(ii) on the first (1st) anniversary of the Put Option Closing, Cemex, Inc. shall pay by wire transfer of immediately available funds an amount (the "Second Installment") equal to thirty percent (30%) of the Purchase Price; and

(iii) on the second (2nd) anniversary of the Put Option Closing, Cemex, Inc. shall pay by wire transfer of immediately available funds an amount (the "Third Installment") equal to the remainder of the Purchase Price.

provided, however, that notwithstanding the foregoing in no event shall the aggregate amount paid (and deemed paid) by Cemex, Inc. pursuant to clauses (i), (ii) and (iii) exceed the Purchase Price. For purposes of the foregoing, Cemex, Inc. shall be deemed to have paid to RMUSA (and shall be credited against the amounts payable pursuant to the immediately preceding sentence), the Cemex Post-Exercise Special Cash Distribution (which shall be credited against the Initial Payment) and any Cemex Post-Exercise Regular Cash Distributions (each of which shall be credited against the immediately following installment). Notwithstanding the foregoing, Cemex, Inc. shall have the right to prepay all or any part of the remaining amount of the Purchase Price at any time. For example, if the Purchase Price is $700,000,000 and the Cemex Post-Exercise Special Cash Distribution is $5,001,000, and assuming no Cemex Post-Exercise Regular Cash Distributions or prepayments are made, then $274,999,000 shall be paid by Cemex, Inc. to RMUSA at the Put Option Closing, $210,000,000 shall be paid by Cemex, Inc. to RMUSA on the first anniversary of the Put Option Closing and $210,000,000 shall be paid by Cemex, Inc. to RMUSA on the second anniversary of the Put Option Closing.

(c) Beginning on the Exercise Date and continuing until the Purchase Price is paid in full to RMUSA, a percentage of the portion of each cash distribution made by the Company to which Cemex would otherwise be entitled (other than the distribution contemplated by Section 9.6.4(a)) equal to one minus the Applicable Tax Rate shall be paid to RMUSA (the amount so paid to RMUSA is referred to herein as the "Cemex Post-Exercise Regular Cash Distributions") and credited against the next installment of the Purchase Price.

(d) In the event as of the Put Option Closing RMUSA owes an outstanding indemnity obligation to Cemex or its Affiliates or to the Company or Cemex Southeast LLC or any of their respective Subsidiaries pursuant to Section 9.2 of the Contribution Agreement or Section 9.2 of the Cemex Contribution Agreement, which indemnity obligation has been finally determined and quantified (whether through agreement of the parties or final, non-appealable judgment) pursuant to the terms and procedures set forth in Article 9 of the Contribution Agreement or the Cemex Contribution Agreement, as the case may be, the amount of such indemnity obligation shall be offset against the Purchase Price, and the amount thereof shall be deemed paid at the Put Option Closing.

9.6.5 Closing. (a) The closing of the transaction contemplated by this Section 9.6 (the "Put Option Closing") shall occur on a date chosen by Cemex, Inc., in no event later than twelve (12) months after the Exercise Date, at a time and place mutually agreeable to RMUSA and Cemex, Inc. At the Put Option Closing:

(i) Cemex, Inc. shall deliver to RMUSA:

(x) the balance of the Initial Payment in immediately available funds; and

(y) any other documents or agreements required by this LLC Agreement or necessary to effectuate the intended transfer.

(ii) RMUSA shall deliver to Cemex, Inc., or at its direction:

(x) duly executed assignment of that certain portion of its Percentage Interest determined in accordance with Section 9.6.5(b);

(y) a certificate, dated as of the closing date, containing a representation and warranty that on the closing date RMUSA has transferred, or caused to be transferred, to Cemex, Inc. (or its Affiliate) good and marketable title to the portion of its Percentage Interest being transferred, free and clear of all claims, equities, liens, charges and encumbrances; and

(z) any other documents or agreements required by this LLC Agreement or necessary to effectuate the intended transfer.

(b) In connection with the sale of its Membership Interest pursuant to the Put Option, RMUSA shall assign and transfer its Membership Interest to Cemex, Inc. (or its designated Affiliate) as follows:

(i) At the Put Option Closing, and upon the receipt by RMUSA of payment in full of the Initial Payment, RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) a portion of the Percentage Interest owned by RMUSA immediately prior to the Put Option Closing equal to the product of the total amount of the Percentage Interest owned by RMUSA immediately prior to the Put Option Closing multiplied by a fraction, the numerator of which is the amount of the Purchase Price paid or deemed paid by Cemex, Inc. and received by RMUSA at or prior to the Put Option Closing and the denominator of which is the Purchase Price.

(ii) In the event that RMUSA still owns a Percentage Interest in the Company as of the first (1st) anniversary of the Put Option Closing, on such anniversary and upon the receipt by RMUSA of payment in full of the Second Installment, RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) a portion of the Percentage Interest owned by RMUSA immediately prior to the Put Option Closing equal to the product of the total amount of Percentage Interest owned by RMUSA immediately prior to the Put Option Closing multiplied by a fraction, the numerator of which is the amount of the Purchase Price paid or deemed paid by Cemex, Inc. and received by RMUSA after the Put Option Closing and at or prior to the first Anniversary of the Put Option Closing, other than any other Significant Prepayment made during such period for which a Percentage Interest was delivered under Section 9.6.5(c) and the denominator of which is the Purchase Price. RMUSA shall also deliver to Cemex, Inc. (or its designated Affiliate) a certificate as referenced in Section 9.6.5(a)(ii)(y) related to the Percentage Interest being assigned and transferred pursuant to this Section 9.6.5(b)(ii).

(iii) In the event that RMUSA still owns a Percentage Interest in the Company immediately prior to the second (2nd) anniversary of the Put Option Closing, on such anniversary and upon the receipt by RMUSA of payment of the balance of the Purchase Price, RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) the remainder of the Membership Interest owned by RMUSA (which shall include the Voting Interest of RMUSA) immediately prior to the Put Option Closing. RMUSA shall also deliver to Cemex, Inc. (or its designated Affiliate) a certificate, dated as of such

date, containing a representation and warranty that on the date of such assignment and transfer RMUSA has transferred, or caused to be transferred, to Cemex, Inc. (or its designated Affiliate) good and marketable title to such Membership Interest, free and clear of all claims, equities, liens, charges and encumbrances as referenced in Section 9.6.5(a)(ii)(y) and Cemex, Inc. shall deliver to RMUSA a release(s) and indemnity(ies) of RMUSA from any and all guaranty(ies) with respect to which RMUSA may have guaranteed debts, obligations or liabilities of the Company.

In the event Cemex, Inc. prepays to RMUSA the outstanding amount of the Purchase Price (or otherwise pays the outstanding amount of the Purchase Price prior to the second anniversary), upon receipt of such payment in full of the Purchase Price (i) Cemex, Inc. shall deliver to RMUSA a release(s) and indemnity(ies) of RMUSA from any and all guaranty(ies) with respect to which RMUSA may have guaranteed debts, obligations or liabilities of the Company, and (ii) RMUSA shall assign and transfer to Cemex, Inc. (or its designated Affiliate) the remainder of the Membership Interest then owned by RMUSA and shall deliver to Cemex, Inc. (or its designated Affiliate) a certificate as contemplated in paragraph (b)(iii) above. Notwithstanding any provision herein to the contrary, RMUSA shall retain its full Voting Interest until the Purchase Price has been paid in full.

(c) If at any time prior to any scheduled payment date pursuant to Section 9.6.5(b), Cemex, Inc. pays or is deemed to have paid an amount under the Put Option equal to or greater than US$ 10 million (a "Significant Prepayment"), within three (3) Business Days after receipt by RMUSA or any of its Affiliates of such Significant Prepayment, RMUSA shall (or shall cause one or more of its Affiliates to) assign and transfer to Cemex, Inc. (or its designated Affiliate) a portion of the Percentage Interest owned by RMUSA and its Affiliates immediately prior to the Put Option Closing multiplied by a fraction, the numerator of which is the amount of the Significant Prepayment and the denominator of which is the Purchase Price. RMUSA shall also deliver to Cemex, Inc. (or its designated Affiliate) a certificate as referenced in Section 9.6.5(a)(ii)(y) related to the Percentage Interest being assigned and transferred pursuant to this Section 9.6.5(c).

(d) At or prior to any installment payment date pursuant to Section 9.6.5(b) or any Significant Prepayment pursuant to Section 9.6.5(c), RMUSA or its Affiliate, as may be the case, shall deliver to Cemex, Inc. a certificate, in the form described in Treasury Regulation Section 1.1445-2(b)(2)(iv)(B), certifying its compliance with Treasury Regulation Section 1.1445-2(b) that, as of the date of such installment payment or Significant Prepayment, RMUSA or its Affiliate is not a "foreign person" within the meaning of Section 1445 of the Code. If RMUSA does not deliver such certificate to Cemex, Inc., Cemex, Inc. shall be permitted to withhold from the payment amount, the amount required to be withheld pursuant to Section 1445 of the Code, as calculated by Cemex, Inc. in good faith, and (i) Cemex, Inc. shall not be deemed to be in default of any of its obligations under this LLC Agreement (including this Section 9.6) by virtue of having withheld such amount and (ii) the amount so withheld and remitted to Department of Treasury shall be deemed to have been paid to RMUSA or its Affiliates on the date that any amounts not so withheld were paid for all purposes under this LLC Agreement. If RMUSA or its Affiliate does deliver such certificate to Cemex, Inc., Cemex, Inc. shall not withhold under Section 1445 of the Code.

9.6.6 Regulatory and Other Authorizations; Cooperation.

(a) Upon the exercise by RMUSA of the Put Option, Cemex, Inc. shall use its best efforts to promptly obtain all authorizations, consents, orders and approvals of all governmental authorities and officials and third parties that may be or become necessary for its performance of its obligations pursuant to the Put Option; provided, however, that notwithstanding the foregoing, prior to the date which is twelve (12) months after the Exercise Date, Cemex, Inc. shall not be required to accept, as a condition to obtaining any required approval or resolving any objection of any governmental authority,

any requirement to divest or hold separate or in trust (or the imposition of any other condition or restriction with respect to) any of the respective businesses of Cemex, Inc., Cemex, the Company, Cemex Southeast LLC or any of their respective subsidiaries or assets.

(b) Upon the exercise by RMUSA of the Put Option, RMUSA shall use its best efforts to promptly obtain (and, in the event RMUSA is or its Affiliates are the Manager or Majority Member of the Company, to cause the Company to obtain) all authorizations, consents, orders and approvals of all governmental authorities and officials and third parties that may be or become necessary for its performance of its obligations pursuant to the Put Option.

(c) Each of RMUSA and Cemex, Inc. agrees to make, and to cause its Affiliates, as necessary, to make its filing pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or any successor law (the "HSR Act"), with respect to the acquisition and sale pursuant to the exercise of the Put Option within forty-five (45) days after the Exercise Date and to supply as promptly as practicable to the appropriate governmental authorities any information and documentary material that may be requested pursuant to the HSR Act. Each of RMUSA and Cemex, Inc. further agrees to make, and to cause its Affiliates, as necessary, to make responses (including providing required information) to the Federal Trade Commission or the United States Department of Justice, as the case may be, and state antitrust regulators as required of such party by any such regulators with respect to the Put Option transaction.

(d) RMUSA agrees that, in its capacity as "Manager" of the Company it will (or, if an Affiliate of RMUSA is then the "Manager" of the Company it will cause such Affiliate, in such capacity, to) provide reasonable access to the books, records and properties of the Company to Cemex's potential financing sources, and shall cause the officers and employees of the Company to provide reasonable cooperation to Cemex in obtaining financing in order to consummate the transactions contemplated by this Section 9.6.

(e) From and after exercise of the Put Option, RMUSA agrees that it shall not, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind upon its Membership Interest.

9.7 Effect of Transfer. Any Member that Transfers its entire Membership Interest in the Company to an un-Affiliated third party pursuant to the terms of this LLC Agreement shall be deemed to have retired and shall cease to be a Member as of the effective date of such Transfer, and shall cease to have any rights or obligations under this LLC Agreement; provided, however, that the foregoing shall not limit or modify: (i) any rights of such Member under Sections 8.7, 8.8, 8.9 and 9.3(d) hereof with respect to matters occurring prior to such transaction; (ii) the obligations of such Member under this LLC Agreement arising prior to or in connection with such transaction or the obligations of such Member under Sections 7.2 and 19(g) hereof; or (iii) the rights of such Member under this LLC Agreement arising as a result of a breach of the other Member's obligations under this LLC Agreement prior to such transaction. The Transfer of any Membership Interest pursuant to Section 9.5 shall not relieve the transferring Member from any of its obligations under this Agreement.

10. Substituted Members. Notwithstanding any other provision of this LLC Agreement to the contrary, no permitted assignee or permitted transferee of the whole or any portion of any Membership Interest in the Company shall have the right to become a substituted Member in place of his assignor unless all of the following conditions are satisfied:

10.1 Written Assignment. The assignor and assignee shall have executed and acknowledged a written instrument of assignment, together with such other instruments as the Manager may deem necessary or desirable to effect the admission of the assignee as a Member.

10.2 Assignment Delivered. Such instrument of assignment provided for herein shall have been delivered to and received by the Manager.

10.3 Approval by Members. The written consent or approval of a

Majority-In-Interest shall have been first obtained.

10.4 Transfer Fee Paid. A transfer fee (in an amount determined by the Manager) has been paid to the Company which is sufficient to cover all reasonable expenses connected with such assignment and admission.

11. Adverse Action.

11.1 Remedies. Upon receipt of written notice from a non-Adverse Member, an Adverse Member shall have thirty (30) days to cure an Adverse Act. Thereafter, provided that the non-Adverse Member giving notice (i) is also a non-adverse Member under this Agreement and the Cemex Southeast LLC Agreement and (ii) with respect to clause (iii) of the definition of Adverse Act, the non-Adverse Member (RMUSA) has complied with its obligations under Sections 9.6.6(b) and (c), the failure of which to be performed would have an adverse effect on Cemex's ability to close the Put Option, the non-Adverse Member may, in its sole discretion, elect one or more of the following remedies:

(a) during the continuance of the Adverse Act, the Adverse Member shall cease to be represented on the Board and the size of the Board shall be reduced to four (4) individuals, all of whom shall be appointed by the non-Adverse Member;

(b) during the continuance of the Adverse Act, the Adverse Member will have all of its voting rights under this LLC Agreement and applicable Law, in its capacity as a Member, a Manager or otherwise, suspended, and the non-Adverse Member will have the voting rights of the Majority Member;

(c) during the continuance of the Adverse Act, the Adverse Member shall not be entitled to receive any distributions of cash or property from the Company and the non-Adverse Member will be entitled to receive and retain all distributions of cash or property that otherwise would have been made to the Adverse Member, but the Adverse Member shall continue to be liable for its obligations as a Member under this LLC Agreement; or

(d) the non-Adverse Member shall have the right, exercisable in its sole and absolute discretion from the thirtieth (30th) day following the expiration of the Adverse Member's right to cure and thereafter for the period that the Adverse Act continues, to purchase all of the Adverse Member's Membership Interest in the Company (a "Buyout Option") at a purchase price (the "Buyout Purchase Price") equal to seventy-five percent (75%) of the amount which is the highest of the following:

(i) an amount equal to the product of (x) the Adverse Member's Percentage Interest as of the date the non-Adverse Member gives written notice of its election to exercise its rights under this paragraph (d) (the "Adverse Act Exercise Date") and (y) the Adjusted Book Value as of the date of the Adverse Exercise Date;

(ii) an amount equal to (x) (A) eight (8) times the average EBITDA of the Company over the three (3) Fiscal Years immediately preceding the Adverse Act Exercise Date minus (B) the Company's Debt as of the Adverse Act Exercise Date, multiplied by (y) the Adverse Member's Percentage Interest as of the Adverse Act Exercise Date [(A - B) * y]; or

(iii) an amount equal to (x) (A) eight (8) times the EBITDA of the Company during the Fiscal Year immediately preceding the Adverse Act Exercise Date minus (B) the Company's Debt as of the Adverse Act Exercise Date, multiplied by (y) the Adverse Member's Percentage Interest as of the Adverse Act Exercise Date [(A - B) * y].

For the avoidance of doubt, the Buyout Purchase Price shall be determined as set forth above and there shall be no adjustment to the amounts so determined for Working Capital (although the parties acknowledge that the amount of Working Capital will affect the calculation pursuant to clause (i) above). The parties acknowledge that the non-Adverse Member shall be entitled to retain all Working

Capital in the Company as of the Adverse Member Buyout Closing.

The parties acknowledge and agree that, in the event the non-Adverse Member that exercises its right to purchase the Membership Interest of the Adverse Member pursuant to this Section 11.1(d) also exercises its similar right to purchase the Membership Interest of the Adverse Member (or its Affiliate) pursuant to the Cemex Southeast LLC Agreement, the pricing methodology which shall apply to the sale of the Membership Interest of the Adverse Member in the Company shall be the same methodology as applies to its sale of its Membership Interest in Cemex Southeast LLC and shall be the methodology that yields the highest result for the combined companies even if the methodology utilized results in a negative number under this Section 11.1(d) or under Section 11.1(d) of the Cemex Southeast LLC Agreement. In the event that the methodology utilized under this Agreement pursuant to the immediately preceding sentence results in a negative Purchase Price, then the non-Adverse Member shall be entitled to a credit in an amount equal to the absolute value of the Buyout Purchase Price against any amounts due from the non-Adverse Member to the Adverse Member pursuant to Section 11.1(d) of the Cemex Southeast LLC Agreement. In the event that the pricing methodology utilized under the Cemex Southeast LLC Agreement results in a negative purchase price thereunder, then the non-Adverse Member shall be entitled to a credit in an amount equal to the absolute value of such purchase price against any amounts due from the non-Adverse Member to the Adverse Member pursuant to this Section 11.1(d), such credit to be applied as of the Adverse Member Buyout Closing.

In the event that the Buyout Option is exercised by RMUSA as a result of a breach by Cemex of Section 9.6 hereof, at the Adverse Member Buyout Closing RMUSA shall (i) repurchase the Percentage Interests purchased by Cemex prior to its Adverse Act pursuant to RMUSA's exercise of the Put Option (the "Purchased Interests") for the amount paid by Cemex to RMUSA for such Purchased Interests and the purchase price paid by RMUSA for the remaining Percentage Interest of Cemex shall be the Buyout Purchase Price as determined above and (ii) refund to Cemex any amounts paid or deemed paid by Cemex in respect of the Put Option for which no Percentage Interest has been transferred whether before or after the Adverse Act.

For purposes of determining the Purchase Price under this Section 11.1, to the extent the Company shall acquire any Acquired Business, which shall have been owned by the Company for less than twelve (12) calendar months during the Fiscal Year immediately preceding the Adverse Act Exercise Date, EBITDA of the Company for the Fiscal Year immediately preceding the Adverse Act Exercise Date shall be increased by an amount which shall consist of the Prorata EBITDA in connection with such Acquired Business.

For purposes of the calculations of clauses (ii) and (iii) above, in the event that Adverse Act EBITDA of the Company includes EBITDA of assets that have been divested by the Company at any time prior to the Exercise Date, EBITDA of the Company shall be adjusted to subtract the EBITDA attributable to the divested assets during the period of time referred to in clauses (ii) and (iii), respectively.

The closing of such transaction (the "Adverse Member Buyout Closing") shall occur at a time and place mutually agreeable to the non-Adverse Member and the Adverse Member, provided that the closing date shall be no later than six (6) months after the date on which the Buyout Option is exercised. At the closing of such transaction:

(i) the non-Adverse Member shall deliver to the Adverse Member:

(A) the amount of the Buyout Purchase Price in immediately available funds; and

(B) a release(s) and indemnity(ies) of the Adverse Member from any and all guaranty(ies) with respect to which the Adverse Member may have guaranteed debts, obligations or liabilities of the Company.

(ii) the Adverse Member shall deliver to the non-Adverse Party:

(A) a duly exercised assignment of its Membership Interest in the Company;

(B) a certificate, dated as of the closing date, containing a representation and warranty that on the closing date the Adverse Member has transferred, or caused to be transferred, to the non-Adverse Member good and marketable title to its Membership Interest, free and clear of all claims, equities, liens, charges and encumbrances; and

(C) any other documents or agreements required by this LLC Agreement or necessary to effectuate the intended transfer.

11.2 Notwithstanding the foregoing, the remedies provided in this Section 11 are cumulative and are not exclusive, and the Company and the non-Adverse Member shall be entitled to all other remedies available at law or equity.

12. Dissolution of Company.

12.1 Events of Dissolution.

(a) The Company shall be dissolved and its affairs shall be wound up upon the happening of the first to occur of the following (a "Liquidating Event"):

(i) the unanimous written consent of all of the Members of the Company; or

(ii) an entry of a final decree of dissolution of the Company by a court of competent jurisdiction.

(b) In the event of dissolution of the Company, RMUSA shall be entitled to elect to receive, to the extent of its interest, and subject to the order of priority set forth in Section 12.4, the assets contributed by RMUSA pursuant to the Contribution Agreement. In addition, in the event of dissolution of the Company, notwithstanding anything in this LLC Agreement to the contrary, RMUSA shall have the right to purchase all of the remaining assets of the Company not distributed to RMUSA pursuant to the immediately preceding sentence for a price equal the Purchase Price.

12.2 Special Meeting to Appoint Liquidating Member. In the event that the Company is dissolved by reason of the occurrence of a Liquidating Event and the Manager has been removed, disqualified, or resigned, then a special meeting of all the Members shall be held at the office of the Company for the purpose of appointing a liquidating Member (the "Liquidating Member") to wind up the affairs of the Company, to liquidate its assets and distribute the proceeds therefrom. Such special meeting shall be held, without notice, on the fifteenth (15th) day after the happening of the Liquidating Event causing dissolution of the Company, or if such day is a Sunday or a legal holiday, then on the first day immediately following the fifteenth (15th) day which is not a Sunday or a legal holiday. In the event the Manager has not been removed, disqualified or resigned, the Manager shall wind up the affairs of the Company and it shall not be necessary to call a special meeting to appoint a Liquidating Member.

12.3 Statement of Assets and Liabilities. Upon the happening of a Liquidating Event under Section 12.1 hereof, a statement shall be prepared under the direction of the Manager or the Liquidating Member, as the case may be, setting forth the assets and liabilities of the Company, and a copy of such statement shall be furnished to all Members within thirty (30) days after such Liquidating Event. The Manager or the Liquidating Member, as the case may be, shall promptly take such action as is necessary so that the Company's business shall be terminated, its liabilities discharged and its assets distributed as

hereinafter described. A reasonable period of time shall be allowed for the orderly termination of the Company's business, the discharge of its liabilities and the distribution of its remaining assets so as to enable the Company to minimize the normal losses incurred in the liquidation process.

12.4 Sale of Assets and Distribution of Proceeds. Upon the dissolution and winding up of the Company, either, as determined by a Majority-in-Interest of the Members, (x) the Company's assets and properties shall be distributed or (y) the assets and properties of the Company shall be sold for cash or a cash equivalent and any gain or loss resulting therefrom shall be allocated among the Members as provided in Section 5 hereof. Such assets and property or cash proceeds, as applicable, shall be distributed in the following order of priority:

(a) to creditors (other than Members who are creditors) in satisfaction of the liabilities of the Company;

(b) to Members in satisfaction of liabilities owed to them as creditors of the Company; and

(c) the balance, if any, to the Members in accordance with their positive Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods.

12.5 Contributions Upon Liquidation. The provisions of this Section 12 shall be applied only after giving full effect to all distributions pursuant to Sections 5.2 and 12.4 hereof. Notwithstanding anything contained in this LLC Agreement or in applicable state law to the contrary, no Member shall have any liability to the Company or to any other Member or Person with respect to any deficit balance in such Person's Capital Account and any such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

13. Notices. Any notices or document required or desired to be given to the Manager or the Members, as the case may be, shall be in writing (which may include facsimile) and will be deemed to have been given and received when (a) delivered to the address specified by the party to receive the notice, if delivered personally, (b) five (5) days after deposited with the U.S. postal service for delivery by first class mail or, an internationally recognized express courier, (c) immediately upon delivery by facsimile if a confirmation is received and (d) one (1) day after deposit with a nationally recognized overnight carrier for next-day delivery. Such notices shall be given to Members at their respective addresses set forth on Exhibit A and to the Manager at its address set forth on Exhibit C as may be updated from time to time. Any party may, at any time by giving five (5) business days' prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice will be given.

14. Certain Member Representations and Warranties. Each Member, and in the case of an organization, the Person(s) executing this LLC Agreement on behalf of the organization, hereby represents and warrants to the Company and each other Member that: (a) that if such Member is an organization, it is duly organized, validly existing, and in good standing under the law of its state of organization and has full organizational power and authority to execute this LLC Agreement and to perform its obligations hereunder; (b) that the Member is acquiring its Membership Interest in the Company for such Member's own account as an investment and without an intent to distribute the same; (c) the Member acknowledges that the Membership Interests in the Company have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

15. Disclaimer. The Members agree that their Membership Interests in the Company are not being sold by any one or more Members, but that the Company is being formed, and the Membership Interests are being sold, as a private offering under applicable federal and state securities laws, and that there is no sponsor, promoter or seller of such securities. To induce the Manager to serve as a Manager of the Company, and to induce the Manager to take an active

role in procuring properties and business opportunities for the Company, all Members agree that neither the Manager nor any Member is a sponsor, promoter or seller of any securities, and neither the Manager nor any Member shall be liable for any disclosures or failures to disclose any matters pertaining to any new properties purchased, or relating to the formation of the Company or issuance of any Membership Interests. Each Member agrees that it is each Member's responsibility to obtain full information concerning the Company, the Membership Interests therein, and any acquisition, sale, or business transaction entered into by the Company, and each Member acknowledges that decisions of the Company are made by the Manager or the Members, as applicable. Accordingly, each Member hereby disclaims any right to assert that any other Member violated any federal or state securities laws in connection with the formation of this Company, the acquisition of such Member's Membership Interest, or in connection with any acquisition or sale by the Company in the conduct of its business.

16. No Right to Dissolve or Demand Partition. Except as otherwise expressly permitted by the terms and conditions of this LLC Agreement, until such time as the Company is dissolved pursuant to the provisions of this LLC Agreement, no Member shall have, and each such Member hereby expressly waives, any right or power to: (i) maintain an action for partition; or (ii) in any way cause a dissolution of the Company.

17. No Partnership Intended for Nontax Purposes. The Members have formed the Company under the LLC Act, and expressly do not intend hereby to form a partnership under either the Delaware Revised Uniform Partnership Act or the Delaware Uniform Limited Partnership Act. The Members do not intend to be partners one to another, or partners as to any third party.

18. Rights of Creditors and Third Parties under this LLC Agreement. This LLC Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and permitted assigns. This LLC Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this LLC Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or Required Additional Capital Contribution, or otherwise.

19. Non-Competition Agreement. (a) Without the prior written consent of the Board ("Competitive Business Approval"), neither Member shall, and each Member shall cause each of its Affiliates not to, directly or indirectly, own or operate a Competitive Business, unless the Competitive Business shall be an External Competitive Business. In the event a Member or any of its Affiliates acquires or otherwise operates an External Competitive Business, or in the event a Member or any of its Affiliates acquires or otherwise operates a Competitive Business that is not an External Competitive Business, but the required Competitive Business Approval shall have been obtained, the operating and other assets associated therewith that are located or operated within the Ready Mix Boundaries ("Internal Boundaries Assets") shall, subject to receipt of any required governmental consents or approvals, be contributed or sold by the Member or its Affiliate, as the case may be (the "Contributing Member"), to the Company as provided herein. Within thirty (30) days after the acquisition of Internal Boundaries Assets by the Contributing Member, the value of the Internal Boundaries Assets shall be determined by the Board based on the applicable multiples of EBITDA of the predecessor business during the last Fiscal Year immediately prior to the acquisition as set forth on Schedule 19 attached hereto. In the event that the EBITDA of the Internal Boundaries Assets takes into account acquisitions or divestitures of certain assets of the Internal Boundaries Assets during the Fiscal Year immediately prior to such acquisition, then such EBITDA shall be adjusted to reflect such acquisitions and divestitures. Upon the determination by the Board of the value of the Internal Boundaries Assets (the "Internal Boundaries Assets Value"), the Board shall notify the Members in writing of the Board's determination of the Internal Boundaries Assets Value and the Non-Contributing Member shall elect, within thirty (30) days after its receipt of such notice, one of the following options by giving written notice of such election to the Contributing Member:

(i) that the Contributing Member shall

contribute the Internal Boundaries Assets to the Company (whereupon the Internal Boundaries Assets Value shall be credited to the contributing Member's Capital Account) and the Non-Contributing Member shall simultaneously make a Capital Contribution to the Company in cash in an amount equal to the Internal Boundaries Assets Value (which shall be credited to such Member's Capital Account);

(ii) subject to Section 8.2(b)(vi) and paragraph (b) below, that the Company shall borrow from a third party the funds necessary to purchase the Internal Boundaries Assets from the Contributing Member for the Internal Boundaries Assets Value and shall purchase the Internal Boundaries Assets from the Contributing Member;

(iii) that the Company shall borrow the funds, as contemplated in (ii) above, from the Contributing Member and purchase the Internal Boundaries Assets from the Contributing Member, in which case, at the closing of the purchase of the Internal Boundaries Assets, the Company shall execute a promissory note payable to the Contributing Member which provides for the payment of interest at an annual rate of ten percent (10%), and which is amortized and payable (principal and interest) over five (5) years; or

(iv) that the Contributing Member shall contribute the Internal Boundaries Assets to the Company and the Non-Contributing Member shall make no Capital Contribution to the Company, in which case the Percentage Interest of the Contributing Member shall be increased to the amount determined by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets and (2) the Internal Boundaries Assets Value with respect to such Internal Boundaries Assets, by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets, and the Percentage Interest of the Non-Contributing Member shall be reduced to the amount obtained by dividing (x) an amount equal to the product of the Percentage Interest of the Non Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets.

(b) Notwithstanding any provision in the foregoing paragraph (a) to the contrary, in the event the Non-Contributing Member elects the option set forth in paragraph (a)(ii) above and the incurring of the indebtedness by the Company as contemplated in such paragraph (a)(ii) above, after giving effect thereto, would cause the ratio of indebtedness for borrowed money to EBITDA to be greater than 2.5:1, then upon the making of such election by the Non-Contributing Member the Contributing Member shall have the option (which must be exercised within thirty (30) days after the Non-Contributing Member makes its election or shall be deemed to be waived) to loan to the Company the funds necessary to purchase the Internal Boundaries Assets, which loan shall bear interest at an annual rate equal to the lesser of (i) the best rate available to the Company from its proposed third party lender, or (ii) ten percent (10%), and be amortized and payable (principal and interest) over five (5) years.

(c) In the event the Non-Contributing Member fails to make its election within the thirty (30) day period, such Member shall be deemed to have waived its right to make an election, and the Contributing Member shall elect, within thirty (30) days thereafter, one of the following options by giving written notice of such election to the Non-Contributing Member.

(i) that the Contributing Member shall contribute the Internal Boundaries Assets to the Company in which case the Percentage Interest of the Contributing Member shall be increased to the amount obtained by dividing (x) an amount equal to the sum of (1) the product of the Percentage Interest of the Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior

to the contribution of such Internal Boundaries Assets and (2) the Internal Boundaries Assets Value with respect to such Internal Boundaries Assets, by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets, and the Percentage Interest of the Non-Contributing Member shall be reduced to the amount obtained by dividing (x) an amount equal to the product of the Percentage Interest of the Non-Contributing Member prior to such adjustment and the Adjusted Book Value immediately prior to the contribution of such Internal Boundaries Assets by (y) the Adjusted Book Value immediately after contribution of such Internal Boundaries Assets;

(ii) subject to Section 8.2(b)(vi), that the Company shall borrow from a third party the funds necessary to purchase the Internal Boundaries Assets from the Contributing Member for the Internal Boundaries Assets Value and shall purchase the Internal Boundaries Assets from the Contributing Member; or

(iii) that the Company shall borrow the funds, as contemplated in (ii) above, from the Contributing Member and purchase the Internal Boundaries Assets from the Contributing Member, in which case, at the closing of the purchase of the Internal Boundaries Assets, the Company shall execute a promissory note payable to the Contributing Member which provides for the payment of interest at an annual rate of ten percent (10%), and which is amortized and payable (principal and interest) over five (5) years.

(d) After the election has been made by the Non-Contributing Member or the Contributing Member, as the case may be, as contemplated above, the Company, the Manager and Members shall use their good faith efforts to consummate the contribution or sale by the Contributing Member of the Internal Boundaries Assets to the Company, and, if applicable, the financing of such transaction, as soon as is reasonably practicable, but in any event within one hundred eighty (180) days after acquisition of the Internal Boundaries Assets by the Contributing Member. Without limiting the generality of the foregoing, each of the Members and their Affiliates shall use its best efforts to promptly obtain (and to cause the Company to obtain) all authorizations, consents, orders and approvals of all governmental authorities and officials that may be or become necessary to permit the contribution or sale to the Company of the Internal Boundaries Assets, and will cooperate fully with the other party in promptly seeking to obtain all such authorizations, consents, orders and approvals, including making any required filing pursuant to the HSR Act, with respect to the contribution or sale, and to supply as promptly as practicable to the appropriate governmental authorities any information and documentary material that may be requested pursuant to the HSR Act. In the event that the Contributing Member or the Company shall not have consummated the contribution or sale of the Internal Boundaries Assets to the Company in accordance with this Section 19 prior to the end of such 180-day period for any reason, including any failure to obtain any necessary authorization, consent, order or approval, other than a breach by the Company, the Manager or any of the Members of this Section 19, then the Non-Contributing Member shall have the right, exercisable for a period of three hundred sixty-five (365) days thereafter, to require the Contributing Member to sell or otherwise transfer the Internal Boundaries Assets to an un-Affiliated third party. Upon the exercise by the Non-Contributing Member of its right to require a sale of the Internal Boundaries Assets, the Contributing Member shall use its best efforts to sell or otherwise transfer such Internal Boundaries Assets to an un-Affiliated third party as soon as reasonably practicable, and in no event more than one hundred eighty (180) days after the Non-Contributing Member gives written notice to the Contributing Member of its election. In the event the Non-Contributing Member does not exercise its right to require the Contributing Member to sell the Internal Boundaries Assets as contemplated in the foregoing sentence and the Internal Boundaries Assets have not been purchased or otherwise contributed to the Company as of the expiration of the 365-day period, then the Contributing Member shall be entitled to own and operate or sell the said Assets without such being a breach of this Section 19. In the event the Contributing Member does not consummate a sale or transfer to an un-Affiliated third party within the time allotted following the giving of written notice by the Non-Contributing Member,

in addition to other remedies available to the Company and the Non-Contributing Member, the Contributing Member shall cease operation of the Internal Boundaries Assets.

(e) Notwithstanding anything in this Agreement to the contrary, pending consummation of the contribution or sale of the Internal Boundaries Assets to the Company pursuant to this Section 19, or to an un-Affiliated third party in accordance with the fourth sentence of Section 19(d), ownership and operation of the Internal Boundaries Assets by the Contributing Member or its Affiliates shall not constitute a breach of this Section 19.

(f) In the event either Member or any of its Affiliates acquires assets or operations within the Ready Mix Boundaries used primarily for the production of aggregates (the "Aggregates Assets"), at the election of the non-acquiring Member, the Aggregate Assets shall be contributed to the Company by the acquiring Member or its Affiliate, as the case may be. The non-acquiring Member shall make such election within thirty (30) days following notice to it of the acquisition of such Aggregates Assets. Following such notice, the acquiring Member (or its Affiliate) shall provide the non-acquiring Member with such information regarding such Aggregates Assets as the non-acquiring Member shall reasonably request. In the event the non-Acquiring Member so elects to cause the Aggregates Assets to be contributed to the Company, the provisions contained in subsections (a) through (e) above shall become applicable with respect to the contribution transaction. If the non-acquiring Member elects that such Aggregates Assets shall not be contributed to the Company, then the ownership and operation of such assets by the acquiring Member (or its Affiliate) shall not be deemed a violation of this Section 19.

(g) Notwithstanding anything to the contrary in this LLC Agreement, this Section 19 shall not apply to a passive minority investment made by a Member or any of its Affiliates. Further, notwithstanding anything to the contrary in this LLC Agreement, this Section 19 shall not apply to: (x) a Person (and any of its Affiliates) that is not an Affiliate of the Member prior to the transaction and that acquires (i) a majority of the equity interests in a Member, or (ii) a majority of the equity interests in a controlling Person of a Member; provided, that the provisions of this Section 19 shall continue to apply to such Member and such Persons that were Affiliates of such Member prior to such transaction; nor shall this Section 19 apply to (y) a Person (and any of its Affiliates) purchasing any assets or business from a Member, which assets include the Membership Interest held by such Member, where such Member's share of the revenues of the Company during the Fiscal Year preceding such transaction represent less than 20% of the consolidated total revenues during such Fiscal Year of the assets or business being transferred; provided, that the Transferring Member complied with its obligations under Sections 9.3 and 9.4 with respect to such transfer; nor shall this Section 19 apply to (z) the ownership and operation of the Allied Assets by Cemex, Inc.

(h) In the event a Member acquires the Membership Interest of the other Member pursuant to the exercise of such Member's right of first refusal under Section 9.3(a) or pursuant to Section 11.1(d), the Member whose Membership Interest is acquired shall at the closing of the acquisition execute and deliver to the acquiring Member an agreement whereby such Transferring Member covenants and agrees that it shall not, and shall cause its Affiliates not to, directly or indirectly, own or operate a Competitive Business for a period of five (5) years following the date of such closing. In the event Cemex acquires the Membership Interest of RMUSA pursuant to the exercise by RMUSA of its Put Option, at the Put Option Closing or upon the payment in full of the Purchase Price, whichever is the later to occur, RMUSA shall execute and deliver to Cemex an agreement whereby RMUSA covenants and agrees that it shall not, and shall cause its Affiliates not to, directly or indirectly, own or operate a Competitive Business for a period of five (5) years following the delivery of such agreement.

(i) For purposes of this Section 19, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries.

20. Continuing Contribution to the University of Alabama. The Members acknowledge and agree that the Company will make an annual contribution in the amount of $1,000,000 to the University of Alabama for a period of ten (10) years from the date of this Agreement.

21. Contribution Agreement Indemnification Obligations.

21.1 Notwithstanding anything in this LLC Agreement to the contrary, each of Cemex and RMUSA hereby agrees (and any Permitted Transferee of either of the foregoing shall agree) that any Damages for which it or any of its Affiliates (the "Indemnifying Party") owes the other party (or its Affiliates) or the Company or Cemex Southeast LLC (the "Indemnified Party") an indemnification obligation under the Contribution Agreement or the Cemex Contribution Agreement shall be paid from any distributions that otherwise would be paid by the Company to the Indemnifying Party pursuant to Section 6.1 or otherwise, and each party hereby irrevocably waives all rights and title it would otherwise have to, and irrevocably instructs the Manager to pay to the Indemnified Party, all distributions that otherwise would be paid by the Company to the Indemnifying Party under this LLC Agreement, until all such Damages have been paid in full to the Indemnified Party. For purposes of this Section 21.1, each party acknowledges that to the extent any distributions are paid to the Indemnified Party under Section 21.1 of the Cemex Southeast LLC Agreement in respect of a particular indemnification claim, such payments will also reduce the amount of such Damages. In the event of multiple claims, the distributions shall be applied against such claims in the order in which the amount of the indemnification obligation in respect thereof is finally determined. Notwithstanding anything in this LLC Agreement to the contrary, in no event shall any amount of damages withheld by the Company under this Section 21.1 as a payment of indemnified Damages incurred by the Company be treated as (i) EBITDA for purposes of (x) calculating the amount of any required distribution (including pursuant to Section 6.1) or (y) determining the Purchase Price or the Buyout Purchase Price, or (ii) available cash for purposes of determining the amount of any distribution under Section 9.6.4(a).

21.2 Notwithstanding anything in this LLC Agreement to the contrary, prior to making any distribution to the Members, if there is any Net Indemnity Obligation owed by any Member immediately prior to such distribution, each of Cemex and RMUSA hereby agrees that the Percentage Interests of the Net Indemnifying Party (and any Member that is an Affiliate of the Net Indemnifying Party), on the one hand, and the Net Zero Indemnifying Party (and any Member that is an Affiliate of the Net Zero Indemnifying Party), on the other hand, shall be adjusted as follows:

(a) the aggregate Percentage Interest of the Net Indemnifying Party and its Affiliates shall be adjusted to the amount obtained by dividing (i) an amount equal to (1) the product of the aggregate Notional Pre-Damage Percentage Interest of the Net Indemnifying Party and its Affiliates as of the time of such adjustment and the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof), minus (2) the Net Indemnity Obligation Amount as of such time, by (ii) the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof) minus the Net Indemnity Obligation as of such time;

(b) the aggregate Percentage Interest of the Net Zero Indemnifying Party and its Affiliates shall be adjusted to the amount obtained by dividing (i) an amount equal to the product of the aggregate Notional Pre-Damage Percentage Interest of the Net Zero Indemnifying Party and its Affiliates at the time of such adjustment and the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof), by (ii) the Adjusted Book Value as of the time of such adjustment (without regard to any adjustment for such Net Indemnity Obligation or any component thereof) minus the Net Indemnity Obligation as of such time; and

(c) If immediately prior to making any distribution to the Members, there is no Net Indemnity Obligation owed by any Member, then immediately prior to such distribution, each of Cemex and RMUSA hereby agrees

that the Percentage Interests of each Member shall be adjusted, if necessary, to equal such Member's Notional Pre-Damage Percentage Interest as of such time.

21.3 Notwithstanding anything in this LLC Agreement to the contrary, in the event that the aggregate Cemex Southeast Percentage Interest of Cemex and its Affiliates or RMUSA and its Affiliates, as the case may be, under the Cemex Southeast LLC Agreement is zero, then the amount of any Damages under the Cemex Contribution Agreement that otherwise would have resulted in an adjustment to the Ready Mix Percentage Interest under Section 21.2 of the Cemex Southeast LLC Agreement shall be deemed to be Damages arising under the Contribution Agreement for purposes of Section 21.2 hereof.

21.4 For purposes of this Section 21, the following terms shall have the meanings set forth below:

"Net Zero Indemnifying Party" means, as of a particular time, a Member (and its Affiliates) with a Net Indemnity Obligation at such time of zero.

"Net Indemnifying Party" means, as of a particular time, an Indemnified Party with a positive Net Indemnity Obligation at such time.

"Net Indemnity Obligation" means, with respect to a particular Indemnifying Party as of a particular time, the amount, if any, by which (i) the aggregate Damages for which it and its Affiliates owes the Indemnified Party and any of its Affiliates an indemnification obligation under the Contribution Agreement as of such time exceeds (ii) the aggregate Damages for which the other Indemnifying Party (or Member, as the case may be) and any of its Affiliates owes the Indemnified Party and any of its Affiliates an indemnification obligation under the Contribution Agreement as of such time. For purposes of determining the Net Indemnity Obligation, only Damages which have been finally determined (whether by agreement of the parties or by any final, non-appealable determination of any tribunal with jurisdiction) shall be taken into account.

"Notional Pre-Damage Percentage Interest" of a Member as of a particular time means the Percentage Interest of such Member as set forth on Exhibit A as of the date of this Agreement, as adjusted through such time pursuant to Section 1.4, other than any adjustments pursuant to Section 21.2, which shall be disregarded for purposes of determining the Notional Pre-Damage Percentage Interest.

22. Miscellaneous.

22.1 Applicable Law. This LLC Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles.

22.2 Consent to Jurisdiction. All disputes, litigation, proceedings or other legal actions by any party to this Agreement in connection with or relating to this LLC Agreement or any matters described or contemplated in this LLC Agreement shall be instituted in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia. Each party to this LLC Agreement irrevocably submits to the exclusive jurisdiction of the courts of the State of Georgia, and of the United States sitting in the State of Georgia, in connection with any such dispute, litigation, action or proceeding arising out of or relating to this LLC Agreement. Each party to this LLC Agreement may receive the service of any process or summons in connection with any such dispute, litigation, action or proceeding brought in any such court by a mailed copy of such process or summons sent to it at its address set forth, and in the manner provided, in Section 13 hereof. Each party to this LLC Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding under this LLC Agreement brought in the courts of the State or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia, and any claim that any

proceeding under this LLC Agreement brought in any such court has been brought in an inconvenient forum.

22.3 Entire Agreement. This LLC Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all prior understandings or agreements among the parties with respect to that subject matter. There are no representations, arrangements, understandings or agreements, oral or written, among the parties hereto relating to the subject matter hereof, except those fully expressed herein.

22.4 Transaction Agreements. The Members hereby authorize the Company to execute and deliver this LLC Agreement and the Contribution Agreement, and to consummate the transactions contemplated hereby and thereby.

22.5 Specific Performance. The parties to this LLC Agreement agree that irreparable damage would occur in the event that any provision of this LLC Agreement was not performed in accordance with the terms of this LLC Agreement and that the parties shall be entitled to specific performance of the terms of this LLC Agreement in addition to any other remedy at law or equity.

22.6 Assignment; Successors in Interests; No Third Party Rights. Except as otherwise provided herein, all provisions of this LLC Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the respective successors and permitted assigns of any of the parties to this LLC Agreement. Except as otherwise provided herein, no Member may assign, by operation of law or otherwise, any of its rights or obligations under this LLC Agreement without the prior written consent of all of the other Members. Nothing expressed or referred to in this LLC Agreement will be construed to give any Person other than the parties to this LLC Agreement any legal or equitable right, remedy, or claim under or with respect to this LLC Agreement or any provision of this LLC Agreement.

22.7 Counterparts. This LLC Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Execution and delivery by facsimile shall constitute good and valid execution and delivery unless and until replaced or substituted by an original executed instrument.

22.8 Captions. The captions or headings in this LLC Agreement are made for convenience and general reference only and shall not be construed to describe, define or limit the scope or intent of the provisions of this LLC Agreement.

22.9 Construction.

(a) Whenever the singular number is used in this LLC Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

(b) In the event any claim is made by any Member relating to any conflict, omission or ambiguity in this LLC Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this LLC Agreement was prepared by or at the request of a particular Member or its counsel.

(c) Whenever the words "include," "includes" or "including" are used in this LLC Agreement, they shall be deemed to be followed by the words "without limitation." The phrases "the date of this LLC Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 1, 2005.

(d) If a payment hereunder is scheduled to be made on a date that is not a Business Day, payment shall be made on the next succeeding day that is a Business Day.

22.10 Severability. If any provision of this LLC Agreement or the application thereof to any person or circumstance shall be invalid, illegal

or unenforceable to any extent, the remainder of this LLC Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

22.11 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this LLC Agreement and the transactions contemplated hereby.

[Signature Pages Follow]

MEMBER:

CEMEX SOUTHEAST HOLDINGS LLC

By /s/ Gilberto Perez

Name Gilberto Perez

Its President

MEMBER:

READY MIX USA, INC.

By /s/ Marc Bryant Tyson

Name Marc Bryant Tyson

Its President

THE COMPANY:

READY MIX USA, LLC

By /s/ Marc Bryant Tyson

Name Marc Bryant Tyson

Its Manager

SOLELY FOR PURPOSES OF SECTION 9.6:

CEMEX, INC.

By /s/ Gilberto Perez

Name Gilberto Perez

Its President

Schedule 3.2

Permitted Affiliate Transactions

1. Supply Agreement, dated as of July 1, 2005, between Cemex Southeast LLC and Company.

2. The transition services set forth on the attached summary of principal terms.

3. Until the assignment date, necessary payments under the following leases will be made by Cemex, Inc., and Company will reimburse Cemex, Inc. for such payments:

    a. Master Lease Agreement, dated as of March 9, 2000, between Banc One Leasing Corporation, as Lessor, and Southdown, Inc., as Lessee, as it pertains to Schedule # 1000103366.

    b. Master Lease Agreement 07709-00400, dated as of April 16, 2004, among Bank of America Leasing & Capital, LLC, as Lessor, and Cemex, Inc., Cemex Cement, Inc., Cemex Cement Texas, L.P., Cemex Construction Materials, L.P., Pacific Coast Cement Corporation, Cemex California Cement LLP, Cemex Central Plains Cement, LLC, and Kosmos Cement Company, as Lessees, as it pertains to Schedules #011, #002, #059, and #046.

    c. Equipment Lease, dated as of May 17, 2002, between First Union Commercial Corporation, as Lessor, and Cemex, Inc., as Lessee, as it pertains to Schedules No. XI (2020016-015), No. XX (20300199-008), No. XXVI (2030019-015), and XXI (2030019-009).

    d. Master Lease Agreement, dated as of August 1, 1997, between General Electric Capital Corporation, as Lessor, and Sunbelt Asphalt & Materials, Inc., as Lessee, as it pertains to Schedule No. 42 (4045017-099).

    e. Master Lease Agreement, dated as of July 25, 2003, between Lasalle National Leasing Corporation, as Lessor, and Cemex, Inc., as Lessee, as it pertains to Schedules No. 10376-3CCM and No. 10375-10CCM.

    f. Lease Agreement, dated as of June, 2004, among RBS Lombard, Inc., as Lessor, and Cemex, Inc., Cemex Cement, Inc., Cemex Cement of Texas, L.P., Cemex Construction Materials, L.P., Cemex Pacific Coast Cement Corporation, Cemex California Cement LLC, Cemex Central Plains Cement LLC, and Kosmos Cement Company, as Lessees, as it pertains to Schedule No. 001-000049-000 #04.

    g. Master Lease Finance Agreement, dated as of April 19, 1999, between STI Credit Corporation, as Lessor, and Southdown, Inc., as Lessee, as it pertains to Schedule No. 139-9500364-031.

4. Lease Agreement, dated as of July 1, 2005 between Cemex Southeast LLC and Company for Company's portion of the property located in Freeport,

Florida.

5. License Agreement between Cemex Trademarks Worldwide Ltd. and Company dated as of the date hereof.

6. Allease, Inc. is a lessor of certain equipment to Company. See attached schedule for equipment leased from Allease, Inc. to RMUSA as of July 1, 2005.

7. 22 employees of Alabama Catfish, Inc., the sole employee of AIM Management, Inc., and 4 employees of Coeur d'Alene Racing Limited Partnership are covered under the Company's self-insured health plan on the same terms and conditions as employees of the Company. 21 employees of Alabama Catfish, Inc. and 4 employees of Coeur d'Alene Racing Limited Partnership are covered under the Company's self-insured dental plan on the same terms and conditions as employees of the Company.

8. 8 non-highly compensated employees of Greene Group, Inc. participate in the Company's 401(k) plan on the same terms and conditions as employees of the Company.

9. The Company purchases catfish at market terms from Alabama Catfish, Inc. for corporate purposes.

10. The Company uses a farm owned by Paul W. Bryant, Jr., for corporate purposes and reimburses Mr. Bryant for expenses incurred as a result of RMUSA's use. Any such transaction is entered into on terms no less favorable to Paul W. Bryant, Jr. than those which he could obtain at that time on an arm's length basis from an unaffiliated third party.

11. Intellectual Property License Agreement by and between Ready Mix USA, Inc. and Ready Mix USA, LLC.

12. Ready Mix USA, LLC will maintain bank accounts with Bryant Bank on the same terms and conditions as other customers of Bryant Bank.

13. Hunting and Fishing Leases by and between Thisldu and Ready Mix USA, LLC. Any such transaction is entered into on terms no less favorable to Thisldu than those which it could obtain at that time on an arm's length basis from an unaffiliated third party.

14. Hunting Lease by and between Paul W. Bryant, Jr. and Ready Mix USA, LLC. Any such transaction is entered into on terms no less favorable to Paul W. Bryant, Jr. than those which he could obtain at that time on an arm's length basis from an unaffiliated third party.

Administrative Services

A. Time Period: Fourty-five (45) days following the Closing Date. Following expiration of the time period set forth in this Section (A), and any extension granted by Cemex, Ready Mix USA LLC shall have no further right to receive any services or use any property described herein.

B. Payment for Administrative Services. No payment for service is required for the 45-day period. If an extension of the service period is requested, Ready Mix USA LLC shall pay Cemex Fifteen Thousand Dollars ($15,000.00) for each 45-day extension granted; however such extension is at the sole discretion of Cemex.

1. Order entry/ticketing services, including:
   - Order entry
   - Scheduling
   - Ticketing

Cemex's granting Ready Mix USA LLC employees the continued use of the Cemex proprietary GINCO and Lupex systems, at a portion of the facilities they are

currently located, will constitute such services. Cemex employees will have no operational responsibilities for these systems other than as follows:

- o Centrally controlled master data entry as reasonably requested by Ready Mix USA LLC operational personnel for normal daily business. Said master data will continue the coding methodology and numerical sequences currently used by Cemex. Master data includes new customers, projects, mix designs, and product and raw material codes.
- o Maintaining the Order entry/Dispatching/Ticketing applications in working condition, as currently used.

2. Ready Mix USA LLC shall be responsible for providing the stationary needs (tickets) at each facility prior to the Closing Date. The tickets will use the same format as the current Cemex tickets but will replace the Cemex logo and address information with that of Ready Mix USA LLC.

3. All control data changes required to transition from Cemex systems to Ready Mix USA LLC systems will be the sole responsibility of Ready Mix USA LLC. "Control data" includes, but is not limited to, customer masters, trucks, drivers, mix designs, and product codes. Cemex will provide control data transition assistance within accepted business practice, as allowed by time constraints.

4. All communication circuits will be kept operational for the duration of the services agreement, Cemex will be responsible for the support and troubleshooting of the circuits, at the end of the services agreement all lines will be cancelled. Ready Mix USA LLC will be responsible for providing its own communication circuits to the locations included in the agreement

5. Only the Administrative Services as described above will be provided. Without limiting the foregoing, Cemex will not provide any financial reporting and any inadvertent errors such as incorrect shipments will result in no liability to Cemex.

Schedule 9.6(a)

Member Ultimate Parent

Member Name and Mailing Address	Ultimate Parent
Cemex Southeast Holdings LLC 840 Gessner, Suite 1400 Houston, TX 77024	Cemex, Inc. 840 Gressner, Suite 1400 Houston, TX 77024
READY MIX USA, INC. P. O. Box 020152 Tuscaloosa, AL 35402	Paul W. Bryant, Jr. Sam M. Phelps

Schedule 19

EBITDA Multiples

8x EBITDA

Exhibit A

Initial Members' Names, Mailing Addresses, Initial Capital Contributions and Initial Percentage and Voting Interests

Member Name and Mailing Address	Initial Capital Contribution	Initial Percentage Interest	Initial Voting Interest
READY MIX USA, INC. P.O. Box 020152 Tuscaloosa, AL 35402	$433,401,939.05	50.01%	50.01%
CEMEX SOUTHEAST HOLDINGS LLC 840 Gessner, Suite 1400 Houston, TX 77024	$ 43,208,461.45	49.99%	49.99%
Total		100.00%	100.00%

Exhibit B-1

"Minor Acquisition Criteria"

1) 5x EBITDA multiple for the respective business type times the previous year EBITDA of the operations to be acquired.

Or

2) 5x EBITDA multiple for the respective business type times the previous 3 year average EBITDA of the operations to be acquired.

Equity investments that do not represent 100% ownership shall be subject to the Minor Acquisition criteria requirements of 1) or 2) above, on a prorated basis, in accordance with the percent equity share of the investment.

In the case of an aggregates acquisition, the existing permitted reserves must be in excess of 20 years at current production rates for either option 1) or 2) above.

Or

3) Assets to be valued in aggregate with the following maximum valuation scale on a per item basis (applies to block and concrete acquisitions only):
   - o Permitted and operating concrete plant ($750,000)
   - o Permitted and operating block plant in excess of 5 years old ($1,500,000)
   - o Permitted and operating block plant less than 5 years old ($3,000,000)
   - o Equipment (current replacement cost depreciated with a 10% declining balance per year)
   - o Rolling stock (current replacement cost depreciated with a 10% declining balance per year)
   - o Buildings ($25 per SQFT and $100 per SQFT of office space)
   - o Land (appraised value or under $25,000 per acre)
   - o Current Assets (book value)

Exhibit B-2

"Minor Investment Criteria"

1) Margin Improvement or Growth Investments - minimum of 20% IRR (on a free cash flow basis) for minor strategic capital investments.

2) Mandatory Investments - letter, report or notice from the applicable governmental or legal authority in regards to the required investment.

Exhibit B-3

"Adjusted Book Value Calculation"

Attached.

Exhibit B-4

"Allied Assets"

Attached.

Exhibit C

Name and Mailing Address of Manager

READY MIX USA, INC.
P.O. Box 020152
Tuscaloosa, AL 35402

Exhibit D

Form of Adoption Agreement

This Adoption Agreement (this "Adoption Agreement") is executed by the undersigned Person (the "New Member") pursuant to the terms of that Limited Liability Company Agreement of READY MIX USA, LLC (the "Company") dated [_______], 20[__] (as may be amended from time to time, the "LLC Agreement"). By the execution of this Adoption Agreement, the New Member agrees as follows:

1. Adoption. On the date of this Adoption Agreement, the New Member is [acquiring Membership Interests from the Company]\[acquiring Membership Interests from [identify transferor]]. The New Member hereby agrees to be bound by the terms and conditions of the LLC Agreement to the same extent as if the New Member had executed the LLC Agreement as an original Member thereto.

2. Representations and Warranties. The representations and warranties set forth in Section 14 of the LLC Agreement are incorporated herein mutatis mutandis, and the New Member hereby makes such representations and warranties as of the date of this Adoption Agreement.

3. Notice. Any notice required as permitted by the LLC Agreement shall be given to the New Member at the address listed below the New Member's signature below.

4. Definitions. Capitalized terms used in this Adoption Agreement which are not otherwise defined have the meaning set forth in the LLC Agreement.

5. Counterparts. This Adoption Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

6. Governing Law. This Adoption Agreement shall be governed by the laws of the State of Delaware, without reference to the principles of conflicts of law thereof.

EXECUTED AND DATED this _____ day of _____ _____

[NEW MEMBER]

By:

Name:
Title:
Address:
Attention:
Telecopy:

Agreed to and accepted by the Company:

READY MIX USA, LLC

By:

Name:
Title:

Exhibit 4.18.1

AMENDMENT NO. 1

TO LIMITED LIABILITY COMPANY AGREEMENT

AMENDMENT NO. 1 TO LIMITED LIABILITY COMPANY AGREEMENT OF READY MIX USA, LLC, a Delaware limited liability company ("Company"), effective as of September 1, 2005 (this "Amendment"), by and between Company, CEMEX SOUTHEAST HOLDINGS, LLC, a Delaware limited liability company ("Cemex"), READY MIX USA, INC., an Alabama corporation ("RMUSA"), and solely for the purposes set forth in Section 9.6 thereof, CEMEX, INC., a Louisiana corporation. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the LLC Agreement (as defined below).

WITNESSETH:

WHEREAS, the Company, Cemex and RMUSA desire to amend the Limited Liability Company Agreement of the Company, effective as of July 1, 2005 (the "LLC Agreement");

WHEREAS, Company and RMC Mid-Atlantic, LLC, a South Carolina limited liability company and an Affiliate of Cemex ("RMC"), have entered into an Asset Purchase Agreement, dated, September 1, 2005 (the "Asset Purchase Agreement"), whereby (a) Company will purchase from RMC, and RMC will assign and delegate to Company, certain assets and liabilities of RMC in accordance with the terms of the Asset Purchase Agreement and (b) Company will be indemnified;

WHEREAS, Section 8.2(b)(x) of the LLC Agreement provides that the LLC Agreement may be amended with prior Board approval, which approval has been granted by the Board; and

WHEREAS, the Company, Cemex and RMUSA have agreed to amend certain provisions of the LLC Agreement on the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in the LLC Agreement and this Amendment, the receipt, adequacy and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company, Cemex and RMUSA hereby agree as follows:

ARTICLE I

AMENDMENTS, ACKNOWLEDGEMENT AND COVENANTS

SECTION 1.1 Amendments to Section 3.2

(a) Section 3.2 of the LLC Agreement is amended to include a definition of the "Asset Purchase Agreement" as follows:

> "Asset Purchase Agreement" means that certain Asset Purchase Agreement entered by and between the Company and RMC Mid-Atlantic, LLC, a South Carolina limited liability company and an Affiliate of Cemex, dated September 1, 2005.

SECTION 1.2 Amendments to Section 21

(a) Section 21.1 of the LLC Agreement is amended and restated in its entirety to read as follows:

> 21.1 Notwithstanding anything in this LLC Agreement to the contrary, each of Cemex and RMUSA hereby agrees (and any Permitted Transferee of either of the foregoing shall agree) that any

Damages for which it or any of its Affiliates (the "Indemnifying Party") owes the other party (or its Affiliates) or the Company or Cemex Southeast LLC (the "Indemnified Party") an indemnification obligation under the Contribution Agreement, the Cemex Contribution Agreement or the Asset Purchase Agreement shall be paid from any distributions that otherwise would be paid by the Company to the Indemnifying Party and its Affiliates pursuant to Section 6.1 or otherwise, and each party hereby irrevocably waives all rights and title it would otherwise have to, and irrevocably instructs the Manager to pay to the Indemnified Party, all distributions that otherwise would be paid by the Company to the Indemnifying Party and its Affiliates under this LLC Agreement, until all such Damages have been paid in full to the Indemnified Party. For purposes of this Section 21.1, each party acknowledges that to the extent any distributions are paid to the Indemnified Party under Section 21.1 of the Cemex Southeast LLC Agreement in respect of a particular indemnification claim, such payments will also reduce the amount of such Damages. In the event of multiple claims, the distributions shall be applied against such claims in the order in which the amount of the indemnification obligation in respect thereof is finally determined. Notwithstanding anything in this LLC Agreement to the contrary, in no event shall any amount of damages withheld by the Company under this Section 21.1 as a payment of indemnified Damages incurred by the Company be treated as (i) EBITDA for purposes of (x) calculating the amount of any required distribution (including pursuant to Section 6.1) or (y) determining the Purchase Price or the Buyout Purchase Price, or (ii) available cash for purposes of determining the amount of any distribution under Section 9.6.4(a). The parties acknowledge and agree that in the event RMC Mid-Atlantic, LLC is no longer an Affiliate of Cemex such change in status shall not affect the obligations under this Section 21.1 and any Damages for which RMC Mid-Atlantic, LLC owes the Company (or its Affiliates) an indemnification obligation under the Asset Purchase Agreement shall be paid as provided in this Section 21.1 as if RMC Mid-Atlantic, LLC remained an Affiliate of Cemex. For purposes of this Section 21, none of Cemex, RMUSA or any of their respective Affiliates shall be deemed to be Affiliates of the Company or any of its Subsidiaries or Cemex Southeast LLC or any of its Subsidiaries.

(b) The definition of "Net Indemnity Obligation" in Section 21.4 of the LLC Agreement is amended and restated in its entirety to read as follows:

"Net Indemnity Obligations" means, with respect to a particular Indemnifying Party as of a particular time, the amount, if any, by which (i) the aggregate Damages for which it and its Affiliates owes the Indemnified Party and any of its Affiliates an indemnification obligation under the Contribution Agreement and the Asset Purchase Agreement as of such time exceeds (ii) the aggregate Damages for which the other Indemnifying Party (or Member, as the case may be) and any of its Affiliates owes the Indemnified Party and any of its Affiliates an indemnification obligation under the Contribution Agreement and the Asset Purchase Agreement as of such time. For purposes of determining the Net Indemnity Obligation, only Damages which have been finally determined (whether by agreement of the parties or by any final, non-appealable determination of any tribunal with jurisdiction) shall be taken into account.

SECTION 1.3 Amendments to Exhibit A

(a) The first column of Exhibit A of the LLC Agreement titled "Member Name and Mailing Address" is amended and restated in its entirety to read as follows:

READY MIX USA, INC.
1300 McFarland Blvd NE
Tuscaloosa, AL 35406
Attn: Scott Phelps
Fax: (205) 345-5772

CEMEX SOUTHEAST HOLDINGS, LLC
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Leslie White
Fax: (713) 722-5110

SECTION 1.4 Amendments to Exhibit C

(a) Exhibit C of the LLC Agreement is amended and restated in its entirety to read as follows:

READY MIX USA, INC.
1300 McFarland Blvd NE
Tuscaloosa, AL 35406

ARTICLE II

REPRESENTATIONS

Each of Company, Cemex and RMUSA hereby represents to the other that (a) it has full organizational power and authority to execute and deliver this Amendment and to consummate the transactions contemplated hereby, (b) the execution and delivery of this Amendment by such party have been duly and validly authorized by all necessary corporate action on the part of such party and (c) this Amendment has been duly and validly executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity and the discretion of the court before which any proceedings seeking injunctive relief or specific performance may be brought.

ARTICLE III

MISCELLANEOUS

SECTION 3.1 Headings. The headings contained in this Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment.

SECTION 3.2 Counterparts. This Amendment may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

SECTION 3.3 Governing Law. This Amendment shall be governed, construed and enforced in accordance with the Laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

SECTION 3.4 No Other Effect on the LLC Agreement. Except as modified by this Amendment, all of the terms of the LLC Agreement are hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Company, Cemex and RMUSA have caused this Amendment to be signed by their respective officers thereunto duly authorized as of the date first written above.

READY MIX USA, LLC

By: Ready Mix USA, Inc.

Its Manager

By: /s/ Marc Bryant Tyson

Marc Bryant Tyson
Its Manager

READY MIX USA, INC.

By: /s/ Marc Bryant Tyson

Marc Bryant Tyson
Its President

CEMEX SOUTHEAST HOLDINGS LLC

By: /s/ Gilberto Perez

Name: Gilberto Perez
Title: President

Exhibit 4.19

ASSET AND CAPITAL CONTRIBUTION AGREEMENT

THIS ASSET AND CAPITAL CONTRIBUTION AGREEMENT (this "Agreement") made and entered into this 1st day of July, 2005, by and among READY MIX USA, INC., an Alabama corporation ("RMUSA"), CEMEX SOUTHEAST HOLDINGS LLC, a Delaware limited liability company ("Cemex"), and CEMEX SOUTHEAST LLC, a Delaware limited liability company ("Company").

W-I-T-N-E-S-S-E-T-H :

WHEREAS, RMUSA and Cemex are the sole members of Company; and

WHEREAS, RMUSA and Cemex have agreed to each make an asset and capital contribution (the "Contribution") to Company pursuant to terms contained herein; and

WHEREAS, subsequent to the Contribution, Company will own and operate the RMUSA Assets and the Cemex Assets, both of which terms are defined below, in connection with the cement production and terminal business at the RMUSA Business Location and the Cemex Business Locations, both of which terms are defined below.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the receipt, adequacy and sufficiency of which are hereby acknowledged, RMUSA and Cemex agree as follows:

ARTICLE 1

TRANSFER OF ASSETS

1.1 Assets To Be Contributed By RMUSA. Subject to the terms hereinafter set forth, RMUSA hereby transfers, conveys, assigns and delivers, and agrees to cause each of its Affiliates (as defined herein) to transfer, convey, assign and deliver, to Company those assets described on Schedule 1.1(a) which are currently owned by RMUSA or any of its Affiliates and used or intended for use primarily in, or which are being utilized or operated by RMUSA or any of its Affiliates primarily in its cement terminal location located in Birmingham, Alabama (the "RMUSA Assets") and the business associated with said assets (the "RMUSA Business"). The location listed on Schedule 1.1(a)-1 is referred to sometimes herein as the "RMUSA Business Location." Notwithstanding the foregoing, the assets, properties and rights described on Schedule 1.1(b) shall not be transferred, conveyed, assigned or delivered to Company under this Agreement (the "Retained RMUSA Assets").

1.2 Assets To Be Contributed By Cemex. Subject to the terms hereinafter set forth, Cemex hereby transfers, conveys, assigns and delivers, and agrees to cause each of its Affiliates to transfer, convey, assign and deliver, to Company those assets described on Schedule 1.2(a) which are currently owned by Cemex or any of its Affiliates and used or intended for use primarily in, or which are being utilized or operated by Cemex or any of its Affiliates primarily in its cement production and terminal business locations in the Cemex Boundaries (the "Cemex Assets") and the business associated with said assets (the "Cemex Business", and together with the RMUSA Business, the "Business"). The locations listed on Schedule 1.2(a)-1 are referred to sometimes herein as the "Cemex Business Locations". Notwithstanding the foregoing, the assets, properties and rights described on Schedule 1.2(b) shall not be transferred, conveyed, assigned or delivered to Company under this Agreement (the "Retained Cemex Assets").

ARTICLE 2

ASSIGNED VALUES

2.1 Values Assigned to RMUSA Assets And Cemex Assets. RMUSA and Cemex agree, for purposes of this Agreement, that:

(a) the value assigned to the RMUSA Assets is equal to the sum of $1,000,000.00, plus the adjustments made pursuant to Section 2.2 and 2.3 below (the "RMUSA Value"); and

(b) the value assigned to the Cemex Assets is equal to the sum of $371,859.275.15 ($375,000,000.00 - $3,140,724.85), plus the adjustments made pursuant to Section 2.2 and 2.3 below (the "Cemex Value").

2.2 Prorations. Except for any accounts payable of Cemex or its Affiliates, arising out of the ordinary course of the Cemex Business, which shall be valued at face value (net of discounts) at close of business on the Contribution Date and subject to adjustment pursuant to Section 2.3 below ("Cemex Accounts Payable"), Cemex and RMUSA each acknowledge and agree that RMUSA shall be responsible for the expenses relating to the RMUSA Assets, and Cemex shall be responsible for the expenses relating to the Cemex Assets, up to and through the Contribution Date (for example, ad valorem taxes and utilities) and that such expenses shall be paid by them at or before the Contribution Date. To the extent that a period of time for the assessment of any of the expenses (for example, property taxes) shall be due both before and after the Contribution Date, the same shall be prorated as of the Contribution Date. RMUSA and Cemex acknowledge and agree that one or more of such prorations may occur or be reconciled subsequent to the Contribution Date.

2.3 Estimated Values; Adjustments.

(a) The RMUSA Value shall be (i) increased by (w) any cash contributed to the Company by RMUSA on the Contribution Date; (x) the value of the inventory of sand, gravel, cement, admixtures, fuel, other raw material and finished goods on hand constituting RMUSA Inventory, which shall all be valued at book value at close of business on the Contribution Date; (y) the value of the inventory of tools, parts and related items constituting RMUSA Inventory, which shall all be valued at book value at close of business on the Contribution Date; and (z) the value of all deposits and prepaid items at close of business on the Contribution Date (the "RMUSA Prepaids").

(b) The Cemex Value shall be (i) increased by (v) any cash contributed to the Company by Cemex on the Contribution Date; (w) the value of the inventory of sand, gravel, cement, admixtures, fuel, other raw material and finished goods on hand constituting Cemex Inventory, which shall all be valued at book value at close of business on the Contribution Date; (x) the value of the inventory of tools, parts and related items constituting Cemex Inventory, which shall all be valued at book value at close of business on the Contribution Date; (y) the value of all deposits and prepaid items at close of business on the Contribution Date (the "Cemex Prepaids"); and (z) the amount, if any, by which the Cemex Accounts Receivable, valued at face value at close of business on the Contribution Date, exceed the Cemex Accounts Payable, and (ii) decreased by the amount, if any, by which the Cemex Accounts Payable exceed the Cemex Accounts Receivable. For the purpose of calculating the Cemex Accounts Receivable: (i) accounts receivable that are less than sixty (60) days past due will be valued at face value as of the close of business on the Contribution Date; (ii) accounts receivable that are more than sixty (60) days and less than ninety (90) days past due will be valued at 90% of face value as of the close of business on the Contribution Date; and (iii) accounts receivable that are more than ninety (90) days past due will be valued at 75% of the face value as of the close of business on the Contribution Date.

(c) (i) Within thirty (30) days after the Contribution Date, (x) Cemex shall deliver to the Company and RMUSA a working capital statement reflecting the current assets, the Cemex Prepaids and the Cemex Accounts Payable assigned by Cemex pursuant to this Agreement as of the close of business on the Contribution Date, with each item valued as contemplated in Section 2.2 or 2.3(b), as the case may be (the "Cemex Working Capital Statement") and (y) RMUSA shall deliver to the Company and Cemex a working capital statement reflecting the current assets and the RMUSA Prepaids assigned by RMUSA pursuant to this Agreement as of the close of business on the Contribution Date, with

each item valued as contemplated in Section 2.2 or 2.3(a), as the case may be (the "RMUSA Working Capital Statement").

(ii) Upon receipt of the Cemex Working Capital Statement, RMUSA and its independent certified public accountants shall have the right during the succeeding 30-day period to review and audit the accounts represented by the line items set forth on the Cemex Working Capital Statement and to examine and review all records and work papers and other supporting documents used to prepare such statement. Cemex shall give RMUSA full access at all reasonable times to the working papers relating to the Cemex Working Capital Statement, including but not limited to any descriptions of the methodology, procedures, internal audits and analysis undertaken in connection with the preparation of the Cemex Working Capital Statement. RMUSA shall notify Cemex in writing, on or before the last day of the 30-day period, of any good faith objections to the Cemex Working Capital Statement, setting forth a detailed explanation of the objections and the dollar amount of each such objection. If RMUSA does not deliver such notice within such 30-day period, the Cemex Working Capital Statement shall be deemed to have been irrevocably accepted by RMUSA and the Company.

(iii) Upon receipt of the RMUSA Working Capital Statement, Cemex and its independent certified public accountants shall have the right during the succeeding 30-day period to review and audit the accounts represented by the line items set forth on the RMUSA Working Capital Statement and to examine and review all records and work papers and other supporting documents used to prepare such statement. RMUSA shall give Cemex full access at all reasonable times to the working papers relating to the RMUSA Working Capital Statement, including but not limited to any descriptions of the methodology, procedures, internal audits and analysis undertaken in connection with the preparation of the RMUSA Working Capital Statement. Cemex shall notify RMUSA in writing, on or before the last day of the 30-day period, of any good faith objections to the RMUSA Working Capital Statement, setting forth a detailed explanation of the objections and the dollar amount of each such objection. If Cemex does not deliver such notice within such 30-day period, the RMUSA Working Capital Statement shall be deemed to have been irrevocably accepted by Cemex and the Company.

(iv) If any party in good faith objects to line items set forth on the Cemex Working Capital Statement, or the RMUSA Working Capital Statement, as the case may be, the parties shall attempt to resolve any such objections within 30 days of receipt by the corresponding party of any such objections. If the parties are unable to resolve the matter within such 30-day period, they shall jointly appoint an impartial nationally recognized independent certified public accounting firm (the "Impartial Accounting Firm") mutually acceptable to the parties (or, if they cannot agree on a mutually acceptable firm, they shall cause their respective accounting firms to select such firm) within five (5) days after the end of such 30-day period to resolve any such remaining matters. Any such resolution shall be conclusive and binding on the parties and the fees of the Impartial Accounting Firm shall be borne as the Impartial Accounting Firm shall determine after considering the positions asserted by the parties in light of its final decision. The parties shall fully cooperate with the Impartial Accounting Firm. The Impartial Accounting Firm shall be instructed to reach its conclusion regarding the dispute within 30 days of its appointment to settle the dispute.

(v) Adjustments to the values contemplated in paragraphs (a) and (b) of this Section 2.3 shall be made pursuant to the Cemex Working Capital Statement and the RMUSA Working Capital Statement, after their acceptance by the parties or the resolution of all disputes in connection therewith, pursuant to the provisions of this paragraph 2.3(c) Upon any adjustment to the RMUSA Value or the Cemex Value, as contemplated above, in the event that the sum of RMUSA Value

under this Agreement and the RMUSA Value under the Ready Mix LLC Contribution Agreement, as finally determined (the "Aggregate RMUSA Contribution"), is less than the sum of the Cemex Value under this Agreement and the Cemex Value under the Ready Mix LLC Contribution Agreement, as finally determined (the "Aggregate Cemex Contribution"), then within ten (10) days following such final determination RMUSA shall make a cash contribution (as part of its Contribution) to Ready Mix LLC in an amount equal to such shortfall. In the event the Aggregate RMUSA Contribution is greater than the Aggregate Cemex Contribution, then within ten (10) days following such final determination Cemex shall make a cash contribution (as part of its Contribution) to Company in an amount equal to such shortfall.

(d) In connection with the preparation of the Cemex Working Capital Statement and the RMUSA Working Capital Statement, each of RMUSA and Cemex shall be entitled, for a period of thirty (30) days following the Contribution Date, to conduct a review of Company's physical inventory.

ARTICLE 3

CONTRIBUTION DATE

3.1 Contribution Date. The Contribution shall be made by RMUSA and Cemex simultaneously with the entering into of this Agreement (the "Contribution Date").

ARTICLE 4

DELIVERIES

4.1 Deliveries By RMUSA. Contemporaneously with the execution and delivery of this Agreement, RMUSA shall deliver or cause to be delivered the following:

(a) To Company:

(i) A bill of sale and assignment evidencing the contribution to Company of those items described in paragraph 2 of Schedule 1.1(a), duly executed by RMUSA;

(ii) A limited warranty deed for each parcel of RMUSA Land duly executed by RMUSA, evidencing the contribution of the RMUSA Land to Company (the "RMUSA Warranty Deed");

(iii) A Title Policy for each parcel of RMUSA Land;

(iv) Any sales tax and real estate transfer tax returns, notice of sale of assets, inventory resale certificate or like governmental report required or permitted by any Governmental Authority having jurisdiction over the RMUSA Real Property;

(v) An affidavit pursuant to the Foreign Investment and Real Property Transfer Act in respect of the transfer of RMUSA Land;

(vi) Duly executed and assigned certificates of title for all vehicles/rolling stock being contributed to Company as part of the RMUSA Assets;

(vii) Resolutions adopted by the directors of RMUSA unanimously authorizing the execution and delivery of this Agreement and the transactions contemplated hereunder and appointing the person(s) authorized to consummate this transaction on behalf of RMUSA (the "RMUSA Authorized Person(s)");

(viii) A current Certificate of Good Standing of RMUSA from the state in which the RMUSA Business Location is located;

(ix) A certificate executed by an authorized officer of RMUSA

as to the incumbency of the RMUSA Authorized Person(s);

(x) Possession of the RMUSA Assets;

(xi) To the extent assignable, an assignment of the RMUSA Permits;

(xii) An instrument of assignment and assumption with respect to each RMUSA Assumed Contract (the "RMUSA Agreement Assignment and Assumption"), duly executed by RMUSA;

(xiii) An Assignment and Assumption Agreement and Lessor and Lessee Estoppel Agreement with respect to each RMUSA Lease substantially in the form attached hereto as Exhibit A ("RMUSA Lease Assignment");

(xiv) The Cement Supply Agreement duly executed by RMUSA, in its capacity as manager of Ready Mix LLC; and

(xv) $7,000,000 by wire transfer in immediately available funds to the account designated by the Company.

(b) To Company and Cemex:

(i) The Limited Liability Company Agreement of Cemex Southeast LLC; dated July 1, 2005 (the "Cemex LLC Agreement"), duly executed by RMUSA.

4.2 Deliveries By Cemex. Contemporaneously with the execution and delivery of this Agreement, Cemex shall deliver or cause to be delivered the following:

(a) To Company:

(i) A bill of sale and assignment evidencing the contribution to Company of those items described in paragraph 2 of Schedule 1.2(a), duly executed by Cemex;

(ii) A limited warranty deed for each parcel of Cemex Land duly executed by Cemex, evidencing the contribution of the Cemex Land to Company (the "Cemex Warranty Deed");

(iii) A Title Policy for each parcel of Cemex Land;

(iv) Any sales tax and real estate transfer tax returns, notice of sale of assets, inventory resale certificate or like governmental report required or permitted by any Governmental Authority having jurisdiction over the Cemex Real Property;

(v) An affidavit pursuant to the Foreign Investment and Real Property Transfer Act in respect of the transfer of Cemex Land;

(vi) Duly executed and assigned Certificates of Title for all vehicles/rolling stock being contributed to Company as part of the Cemex Assets;

(vii) Resolutions adopted by the directors of Cemex unanimously authorizing the execution and delivery of this Agreement and the transactions contemplated hereunder and appointing the person(s) authorized to consummate this transaction on behalf of Cemex (the "Cemex Authorized Person(s)");

(viii) A current Certificate of Good Standing of Cemex from each state in which a Cemex Business Location is located;

(ix) A certificate executed by an authorized officer of Cemex as to the incumbency of the Cemex Authorized Person(s);

(x) Possession of the Cemex Assets;

(xi) To the extent assignable, an assignment of the Cemex Permits;

(xii) An instrument of assignment and assumption with respect to each Cemex Assumed Contract (the "Cemex Agreement Assignment and Assumption"), duly executed by Cemex; and

(xiii) An Assignment and Assumption Agreement and Lessor and Lessee Estoppel Agreement with respect to each Cemex Lease substantially in the form attached hereto as Exhibit B ("Cemex Lease Assignment").

(b) To Company and RMUSA:

(i) The Cemex LLC Agreement, duly executed by Cemex.

4.3 Deliveries By Company. Contemporaneously with the execution and delivery of this Agreement, Company shall deliver or cause to be delivered:

(a) To each of RMUSA and Cemex, the Cemex LLC Agreement, duly executed by Company;

(b) To Ready Mix LLC, the Cement Supply Agreement, duly executed by Company;

(c) To RMUSA, the RMUSA Agreement Assignment and Assumption, duly executed by Company;

(d) To Cemex, the Cemex Agreement Assignment and Assumption, duly executed by Company;

(e) To Cemex, a Cemex Lease Assignment with respect to each Cemex Lease, duly executed by Company; and

(f) To RMUSA, a RMUSA Lease Assignment with respect to each RMUSA Lease, duly executed by Company.

4.4 Consents. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement to transfer, sell or otherwise assign any instrument, Contract, license or Permit of the Cemex Business or the RMUSA Business which would otherwise be a Transferred Asset but which is not permitted to be assigned in connection with a transaction of the type contemplated by this Agreement (collectively, the "Unassigned Contracts"). To the extent permitted under the terms of each Unassigned Contract, the beneficial interest in and to each Unassigned Contract shall in any event pass to Company at the Closing, and each of Cemex and RMUSA, as the case may be, covenants and agrees to cooperate with Company in any lawful and economically reasonable arrangement to provide Company with Cemex's or RMUSA's, as the case may be, entire interest in the benefits under each of the Unassigned Contracts. Cemex or RMUSA, as the case may be, shall exercise or exploit its rights and options under all such Unassigned Contracts referred to in this Section 4.4 only as reasonably directed by Company; provided, that Company shall be responsible for any liability incurred by Cemex or RMUSA, as the case may be, pursuant to such direction and, provided, further, that Company shall not direct Cemex or RMUSA, as the case may be, not to attempt to obtain a Required Contractual Consent for an Unassigned Contract. If Company receives an economic benefit under an Unassigned Contract, Company shall accept the burdens and perform the obligations under such Unassigned Contract as subcontractor of Cemex or RMUSA, as the case may be, to the extent of the benefit received, and to the extent such burdens and obligations would have constituted an Assumed Liability if such Unassigned Contract had been transferred to Company at the Contribution. Furthermore, if the other party(ies) to an Unassigned Contract subsequently Consent to the assignment of such Contract to Company, Company shall thereupon agree to assume and perform all liabilities and the obligations arising thereunder after the date of such Consent, at which time such Unassigned Contract shall be deemed a Transferred

Asset, without the payment of further consideration, and the obligations so assumed thereunder shall be deemed Assumed Liabilities.

ARTICLE 5

LIABILITIES

5.1 Limitation on Liabilities of RMUSA to be Assumed by Company. Notwithstanding any provision of this Agreement to the contrary, Company shall not assume or become liable to RMUSA, or any other Person, for any liabilities or obligations of RMUSA or any of its Affiliates whether accrued, absolute, contingent or otherwise, except for those liabilities of RMUSA and its Affiliates described on Schedule 5.1 (the "RMUSA Assumed Liabilities"), which Company hereby assumes and agrees to perform, satisfy and discharge when due.

5.2 Limitation on Liabilities of Cemex to be Assumed by Company. Notwithstanding any provision of this Agreement to the contrary, Company shall not assume or become liable to Cemex, or any other Person, for any liabilities or obligations of Cemex or any of its Affiliates whether accrued, absolute, contingent or otherwise, except for those liabilities of Cemex and its Affiliates described on Schedule 5.2 (the "Cemex Assumed Liabilities") which the Company hereby assumes and agrees to perform, satisfy and discharge when due.

ARTICLE 6

CERTAIN POST-CONTRIBUTION MATTERS

6.1 Further Acts.

(a) RMUSA and Cemex shall, respectively, assist Company in planning for and accomplishing the orderly transfer of the RMUSA Assets and Cemex Assets to Company as of the Contribution Date and shall take all steps reasonably requested by Company in furtherance thereof. From time to time, at the request of Company, whether at or after the Contribution Date and without further consideration, RMUSA, Cemex and their respective officers and employees will do, execute, acknowledge and deliver to Company all further acts, instruments, and assurances, in recordable form, that are reasonably required by Company to effectuate the terms and conditions of this Agreement and the Contribution contemplated hereunder. In addition to the foregoing, on or before the day which is sixty (60) days following the Contribution Date, Cemex shall cause (i) all of the Cemex Required Contractual Consents to be obtained, (ii) the Cemex Permits to be assigned to the Company, and (iii) all certificates of title for all vehicles/rolling stock being contributed to the Company as part of the Cemex Assets to be duly executed and assigned to the Company. In addition to the foregoing, on or before the day which is sixty (60) days following the Contribution Date, RMUSA shall cause (i) all of the RMUSA Required Contractual Consents to be obtained, (ii) the RMUSA Permits to be assigned to the Company, and (iii) all certificates of title for all vehicles/rolling stock being contributed to the Company as part of the RMUSA Assets to be duly executed and assigned to the Company. The parties covenant and agree that following the Contribution Date they shall take all commercially reasonable actions necessary at their own respective cost to clarify, correct, remove or satisfy any matters of title or survey as to which either party may have an objection that affect any parcel of real property that is contributed or conveyed by either party to Company. From time to time, at the request of RMUSA or Cemex, whether at or after the Contribution Date and without further consideration, Company and its officers and employees will do, execute, acknowledge and deliver to RMUSA or Cemex, as the case may be, all further acts, instruments, and assurances, in recordable form, that are reasonably required by RMUSA or Cemex, as the case may be, to effectuate the terms and conditions of this Agreement and the assumption of the RMUSA Assumed Liabilities or the Cemex Assumed Liabilities, as the case may be, contemplated hereunder.

(b) The agreements of RMUSA and Cemex in (a) above shall include, without limitation, the execution and delivery of deeds, assignments, bills of sale, affidavits, agreements, consents, certificates and other documents or instruments which RMUSA or Cemex, as applicable, shall be unable to deliver as

of the Contribution Date and RMUSA and Cemex, as applicable, shall diligently take whatever steps or actions subsequent to the Contribution Date as may be necessary in order to effectuate delivery of each of the same.

6.2 Continued Access to Records. RMUSA and Cemex shall, respectively, preserve for a period of five (5) years after the Contribution Date their respective records and documents which, in Company's reasonable opinion, relate to the RMUSA Assets and the Cemex Assets, respectively, any of the representations or warranties of RMUSA and Cemex, as applicable, contained herein, or the conduct or operation of the RMUSA Assets and Cemex Assets in the Business by Company subsequent to Contribution and will grant Company such reasonable access to and ability to copy all such records and documents as may be needed by Company.

6.3 Accounts Receivable. In the event that Cemex receives any payments subsequent to the Contribution Date relating to any Cemex Accounts Receivable outstanding on or after such date, such payment shall be the property of, and shall be forwarded and remitted to Company as hereinafter provided. After the Contribution Date Cemex shall and shall cause its Affiliates to pay to Company on a bi-monthly basis all amounts received after the Contribution Date by Cemex with respect to Cemex Accounts Receivable.

6.4 Publicity. Unless and only to the extent required to be made pursuant to any applicable Law, regulation or other requirement of any Governmental Authority, or by any listing agreement with a national securities exchange or trading market, none of RMUSA, Cemex or Company shall make any public announcement or issue any press release regarding this Agreement or the consummation of the transactions contemplated hereby without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

6.5 Insurance. Each of Cemex and Company acknowledges that the RMUSA Retained Policies will not continue to insure the RMUSA Assets or the RMUSA Business after the Contribution Date and that it is incumbent upon Company to obtain substitute policies of insurance that provide insurance coverage for the RMUSA Assets and the RMUSA Business. Each of Cemex and Company hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the RMUSA Assets or RMUSA Business occurs prior to or on the Contribution Date, such loss shall be payable solely from the RMUSA Retained Policies. Each of Cemex and Company hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the RMUSA Assets or RMUSA Business occurs after the Contribution Date, such loss shall be payable solely from such substitute policies. Any such substitute policies shall include a waiver of any rights of subrogation that the insurance carriers underwriting such policies may have against RMUSA or RMUSA's Affiliates, or under the RMUSA Retained Policies.

6.6 Employment Matters. Cemex shall cause the transfer to Company of the employees of Cemex and its Affiliates associated with the Cemex Assets and the Cemex Business ("Cemex Transferred Employees"). Cemex shall maintain, or cause to be maintained, employee benefit and compensation plans, programs and arrangements for the benefit of the Cemex Transferred Employees.

6.7 Cemex Environmental Indemnity. Cemex, in addition to its other indemnity obligations otherwise provided in this Agreement, agrees to indemnify and hold harmless Company and its officers, shareholders, members, managers, directors, employees, agents, successors, and assigns (the "Cemex Environmental Indemnitees"), against and in respect of, any and all damages, claims, losses, liabilities, and expenses (including without limitation, reasonable legal, accounting, consulting, engineering and other expenses) that may be incurred by any of the Cemex Environmental Indemnitees, or assessed against any of the Cemex Environmental Indemnitees by any other party or parties (including, without limitation, a governmental entity) arising out of, in connection with, or relating to the subject matter of: (1) the breach or inaccuracy of any of the representations and warranties set forth in Section 7.7; (2) any Cemex Environmental Condition which exists as of the Contribution Date, even if not discovered until after the Contribution Date, including, without limitation,

remediation of such condition and loss of life, injury to persons or property, or damage to natural resources arising from such condition; (3) any violation of an Environmental Law prior to the Contribution Date which relates to the Cemex Real Property or the Cemex Business; or (4) the off-site transportation, storage, disposal, treatment or recycling of Hazardous Materials generated by or on behalf of the Cemex Business on or prior to the Contribution Date, including, without limitation, any claims related to remediation of such Hazardous Materials and loss of life, injury to persons or property, or damage to natural resources arising from such Hazardous Materials. Such damages, claims, losses, liabilities, and expenses may sometimes be referred to herein as "Cemex Environmental Liabilities." This indemnity shall survive the Contribution Date only for a period of five (5) years after the Contribution Date. Any testing or investigation which RMUSA or Company deems reasonably necessary in order to determine whether any environmental indemnity obligations of Cemex exist hereunder may be conducted at any time prior to the termination of this indemnity obligation at the expense of RMUSA.

6.8 RMUSA Environmental Indemnity. RMUSA, in addition to its other indemnity obligations otherwise provided in this Agreement, agrees to indemnify and hold harmless Company and its officers, shareholders, members, managers, directors, employees, agents, successors, and assigns (the "RMUSA Environmental Indemnitees"), against and in respect of, any and all damages, claims, losses, liabilities, and expenses (including without limitation, reasonable legal, accounting, consulting, engineering and other expenses) that may be incurred by any of the RMUSA Environmental Indemnitees, or assessed against any of the RMUSA Environmental Indemnitees by any other party or parties (including, without limitation, a governmental entity) arising out of, in connection with, or relating to the subject matter of: (1) the breach or inaccuracy of any of the representations and warranties set forth in Section 8.7; (2) any RMUSA Environmental Condition which exists as of the Contribution Date, even if not discovered until after the Contribution Date, including, without limitation, remediation of such condition and loss of life, injury to persons or property, or damage to natural resources arising from such condition; (3) any violation of an Environmental Law prior to the Contribution Date which relates to the RMUSA Real Property or the RMUSA Business; or (4) the off-site transportation, storage, disposal, treatment or recycling of Hazardous Materials generated by or on behalf of the RMUSA Business on or prior to the Contribution Date, including, without limitation, any claims related to remediation of such Hazardous Materials and loss of life, injury to persons or property, or damage to natural resources arising from such Hazardous Materials. Such damages, claims, losses, liabilities, and expenses may sometimes be referred to herein as "RMUSA Environmental Liabilities." This indemnity shall survive the Contribution Date only for a period of five (5) years after the Contribution Date. Any testing or investigation which Cemex or Company deems reasonably necessary in order to determine whether any environmental indemnity obligations of RMUSA exist hereunder may be conducted at any time prior to the termination of this indemnity obligation at the expense of Cemex.

6.9 Bulk Transfer Laws. Without admitting applicability of the bulk transfer laws of any jurisdiction, RMUSA, Cemex and Company have agreed to waive compliance by each of RMUSA and Cemex with the laws of any jurisdiction relating to bulk transfers which may be applicable in connection with the transfer of the RMUSA Assets or the Cemex Assets to Company. Each of RMUSA and Cemex shall defend, indemnify and hold harmless Company from and against any liabilities incurred as a result of its noncompliance with any applicable bulk transfer laws.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES BY CEMEX

Cemex hereby represents and warrants to Company that, except as set forth in the disclosure schedule being delivered by Cemex contemporaneously herewith (the "Cemex Disclosure Schedule"):

7.1 Existence and Authorization for Agreement; Enforceability. Cemex is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite power

and authority to own, lease, and operate its properties and carry on and operate its business as and where such business is now being conducted. Each of the Affiliates of Cemex which are contributing Cemex Assets or Cemex Business at the direction of or for the benefit of Cemex is an entity duly organized, validly existing and in good standing under the laws of the State of its organization, and has the requisite power and authority to own, lease, and operate the Cemex Assets and the Cemex Business that it is contributing to Company. Each of the Affiliates of Cemex which are contributing Cemex Assets or Cemex Business to Company has been duly authorized to do so, and has taken all necessary actions to transfer such Cemex Assets or Cemex Business to Company. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein, have been duly authorized by the Board of Directors of Cemex. Cemex has taken all actions necessary to authorize it to enter into and perform fully its obligations under this Agreement and all of the documents or instruments otherwise contemplated herein and to consummate the transactions contemplated herein and therein. Each of this Agreement and the other closing documents delivered pursuant hereto has been duly executed and delivered by Cemex and is the legal, valid and binding obligation of Cemex enforceable in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to the general principles of equity.

7.2 Title to and Sufficiency of Cemex Assets.

(a) Cemex or the Cemex Affiliate that contributes the Cemex Assets, as the case may be, has good and marketable title to the Cemex Assets. Except for (i) the Cemex Assumed Liabilities, and (ii) Permitted Encumbrances, none of the Cemex Assets shall, at the Contribution Date, be subject to any Lien.

(b) The Cemex Assets, in conjunction with the rights, goods and services granted, transferred or to be performed by Cemex and its Affiliates and subsidiaries pursuant to this Agreement, constitute all the property, real and personal, tangible and intangible, necessary for the conduct of the Cemex Business as it is presently being conducted by Cemex or its Affiliates in all material respects.

7.3 Taxes. Cemex will pay and satisfy, or cause to be paid and satisfied, all property and excise and other tax obligations, penalties and interest, imposed by any governmental entity either (i) in connection with the Cemex Business or the Cemex Assets arising prior to the Contribution Date, and in connection with the transactions contemplated by this Agreement, including, but not limited to, all United States, foreign, state, provincial, county and local income, ad valorem, excise, sales, use, withholding, unemployment, social security or other taxes and assessments of or payable by Cemex and arising prior to the Contribution Date, or (ii) otherwise chargeable against the Cemex Business or the Cemex Assets, and arising prior to Contribution Date. Anything in this Agreement to the contrary notwithstanding, the Company shall pay all recording and filing fees and taxes, sales taxes, gross receipt taxes, tag fees and similar expenses applicable to the transfer of the Cemex Assets from Cemex to the Company, including but not limited to any recording or filing fees or taxes associated with the transfer of the Cemex Real Property and any sales, gross receipt, and tag fees or taxes associated with transferring the titles to any vehicles. All taxes attributable to the activities of the Cemex Business and the ownership and operation of the Cemex Assets prior to the Contribution Date shall be the responsibility of Cemex.

7.4 Litigation. There is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the Knowledge of Cemex, threatened, against or relating to Cemex or any of its Affiliates, or any of their respective directors, officers, shareholders, employees, or properties, in each case, with respect to the Cemex Assets or the Cemex Business, which would reasonably be expected to have a material adverse effect on, the Cemex Assets, the Cemex Business or the transactions contemplated by this Agreement.

7.5 Contracts; and Other Agreements.

(a) Section 7.5 of the Cemex Disclosure Schedule sets forth a list of the Material Cemex Contracts primarily relating to the Cemex Business or the Cemex Assets as of the date of this Agreement. Cemex has made available to each of the Company and RMUSA a true and complete copy of each Material Cemex Contract listed on Section 7.5 of the Cemex Disclosure Schedule. For purposes hereof, "Material Cemex Contract" shall mean:

(i) agreements, contracts, licenses, leases of real or personal property, indentures, mortgages, instruments, security interests, purchase and sale orders and other similar arrangements, commitments or understandings in each case, whether written or oral ("Contracts"), for the future acquisition or sale of any assets involving $250,000 individually (or in the aggregate, in the case of any related series of Contracts), other than the acquisition or sale of inventory in the ordinary course of business;

(ii) Contracts calling for future payments to or from Cemex or any of its Affiliates in any one year of more than $250,000 in any one case (or in the aggregate, in the case of any related series of Contracts), or involving the payment or receipt of $1,000,000 or more over the lifetime of such agreements;

(iii) Contracts that contain covenants prohibiting or limiting the right to compete of the Cemex Business or prohibiting or restricting the ability of the owner of the Cemex Business (or any of its Affiliates) to deal with any Person or in any geographical area;

(iv) Contracts that require the payment by or to Cemex or any Affiliate of Cemex of a royalty, override or similar commission or fee of more than $1,000,000 in the aggregate;

(v) Contracts that are collective bargaining agreements;

(vi) guaranties and any outstanding Contracts and instruments relating to the borrowing of money, or any extension of credit, which impose any Lien on any of the Cemex Assets;

(vii) Contracts involving sales agency, manufacturing, consignment, sales representative, distributorship or marketing;

(viii) Contracts for the license to or from Cemex or any Affiliate of Cemex to or from, as the case may be, any third party (including to another Affiliate) of any (x) Cemex Intangible Property or (y) intellectual property rights that are owned by any such third party and, in each case that primarily relate to or are material to the Cemex Business, except for contracts for the license of software that is commercially available "off the shelf";

(ix) Contracts for the construction or acquisition of fixed assets or other capital expenditures requiring the payment by Cemex of more than $1,000,000 in the aggregate;

(x) Contracts that are broker's or finder's agreements;

(xi) Contracts relating to partnerships, joint ventures or other arrangements involving a sharing of profits or expenses;

(xii) Contracts to sell, lease or otherwise dispose of any Cemex Asset, in each case other than in the ordinary course of business;

(xiii) except for collective bargaining agreements (which are listed in subparagraph (v) above), Contracts relating to employment or termination or severance benefits or arrangements;

(xiv) Contracts relating to the leasing of or other arrangement for use of real property or material personal property;

(xv) Contracts that include any obligation to make payments, contingent or otherwise, arising out of the prior acquisition or disposition of a business;

(xvi) Contracts which, upon the consummation of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits, from Company, Cemex or any of their respective Affiliates to any officer, director, consultant or employee thereof; and

(xvii) Contracts entered into outside of the ordinary course of business or which are material to the Cemex Business.

(b) With respect to each Material Cemex Contract, (i) each such Contract is a valid and binding agreement of Cemex or its Affiliates and is in full force and effect in all material respects, (ii) Cemex has no Knowledge of any material default by any third party under any such Contract which default has not been cured or waived and which default by any third party would reasonably be expected to result in a material adverse effect on (i) the Cemex Assets or the business, financial condition or results of operations of the Cemex Business, taken as a whole, or (ii) on the ability of Cemex and its Affiliates to consummate the transactions contemplated hereby or perform any of their obligations hereunder (a "Cemex Material Adverse Effect") and (iii) there is no material default by Cemex or its Affiliates under any such Contract which default has not been cured or waived and which default would reasonably be expected to result in a Cemex Material Adverse Effect.

7.6 Compliance with Laws. The Cemex Business is presently complying in all material respects with all applicable Laws and Judgments, except for such failures to comply which, individually or in the aggregate, would not reasonably be expected to result in a Cemex Material Adverse Effect. The Cemex Business and Cemex and its Affiliates have all Permits necessary for the conduct of the Cemex Business as currently conducted, other than those the absence of which, individually or in the aggregate, would not reasonably be expected to result in a Cemex Material Adverse Effect, and there are no Proceedings pending, or to the Knowledge of Cemex, threatened which may result in the revocation, termination, cancellation or suspension of any such Permit except those that, individually or in the aggregate, would not reasonably be expected to result in a Cemex Material Adverse Effect; it being understood that nothing in this Section 7.6 is intended to address any failure to comply with any Law, Judgment or Permit (including Environmental Laws or environmentally-related Judgments or Permits) that is the subject of any other representation or warranty set forth herein. All of the Cemex Permits are listed in Section 7.6 of the Cemex Disclosure Schedule, together with any information relative to any requirements applicable to the assignability of the same.

7.7 Environmental:

(a) Definitions. For the purpose of this Agreement, the following words and phrases shall have the following meanings:

"Cemex Environmental Condition" shall mean any condition of the Environment with respect to the Cemex Real Property or property located in the vicinity of the Cemex Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the Cemex Business on the Cemex Real Property, that (i) exists as of the Contribution Date, and (ii) is in violation of applicable Environmental Law as of the Contribution Date or involves concentrations of Hazardous Materials in soils, surface waters, groundwater, land, stream sediments, or surface or subsurface strata that are in excess of applicable remediation standards or guidelines, in effect as of the Contribution Date, that are applicable in the jurisdiction in which the relevant real property is located.

For purposes of this Section 7.7 only, the term "Cemex Real Property" shall mean the Cemex Real Property as referred to in Schedule 1.2(a)(i) and any

leased real property upon which a Cemex Business Location is operated.

(b) Environmental Representations, Warranties, and Obligations. With reference to the Cemex Real Property and the Cemex Business, Cemex represents and warrants that, to the Knowledge of Cemex, Cemex and its Affiliates are presently in substantial compliance with all Environmental Laws applicable to the Cemex Real Property and the Cemex Business, and no Cemex Environmental Conditions exist that are material, whether individually or in the aggregate.

7.8 No Violations. The execution, delivery and performance by Cemex of this Agreement and each of the other documents or agreements to which it is or will be a party pursuant hereto, and the consummation by Cemex and its Affiliates of the transactions contemplated by this Agreement and such other documents and agreements, do not and will not (i) violate any provision of the certificate of formation or limited liability company agreement of Cemex or the articles of incorporation, by-laws or similar governing documents of any of its Affiliates or subsidiaries, or (ii) (x) violate any Law, Permit or Judgment applicable to Cemex or any of its Affiliates or subsidiaries, or any of their respective properties or assets, or (y) subject to obtaining the Consents set forth in Section 7.8 of the Cemex Disclosure Schedule (the "Cemex Required Contractual Consents"), violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Cemex or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Cemex or any of its Affiliates is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, will not have and would not be reasonably likely to have a Cemex Material Adverse Effect.

7.9 Consents. No consent is required to be obtained by Cemex (or by any Affiliate) from, and no notice or filing is required to be given by Cemex (or by any Affiliate) to or made by Cemex (or by any Affiliate) with, any Governmental Authority in connection with the execution, delivery and performance by Cemex of this Agreement, other than in all cases where the failure to obtain such Consent or to give or make such notice or filing would not, individually or in the aggregate, reasonably be expected to result in a Cemex Material Adverse Effect.

7.10 Financial Information. True and complete copies of the Cemex Financial Statements are included in the Cemex Disclosure Schedule. The Cemex Financial Statements have been prepared from, are in accordance with and accurately reflect the books and records of the Cemex Business, comply in all material respects with applicable accounting requirements, fairly present, in all material respects, the results of operations of the Cemex Business for the respective periods indicated, and were prepared in accordance with GAAP applied consistently during such periods, except as set forth in the footnotes thereto, and except that the Interim Cemex Financial Statements are subject to normal year-end adjustments and do not contain all of the footnote disclosure required by GAAP.

7.11 Absence of Changes.

(a) Since August 31, 2004, (i) the Cemex Business has been operated in the ordinary course in a manner consistent with past practice and (ii) there has not been a change, event, development or circumstance that has had or would reasonably be expected to have a Cemex Material Adverse Effect, but for purposes of this Section 7.11(a), with respect to clause (i) of the definition of Cemex Material Adverse Effect shall exclude any change or development involving (w) a prospective change arising out of any proposed or adopted legislation, or any other proposal or enactment by any governmental, regulatory or administrative authority, (x) general conditions applicable to the economy of the United States, including changes in interest rates, (y) conditions or

effects resulting from the announcement of the existence and terms of this Agreement, or (z) conditions or factors affecting the industry in the United States in which the Cemex Business operates, taken as a whole; provided, with respect to clauses (w) or (x) above, that such change, event, development or circumstance does not affect the Cemex Business to a materially greater extent than other participants in the industry in the United States in which the Cemex Business operates generally.

(b) Without limiting the foregoing, since August 31, 2004, neither Cemex nor any of its Affiliates has with respect to the Cemex Business:

(i) granted or committed to grant any bonus, commission, or other form of incentive compensation or increased or committed to increase the compensation, fees or pension, welfare, fringe or other benefits provided or payable to or in respect of any employees of the Cemex Business, except for customary bonuses and regular salary increases made in the ordinary course of business, consistent with past practices, or granted any severance or termination pay;

(ii) except in the ordinary course, written off any accounts receivable without adequate consideration;

(iii) made any material change in any method of accounting (for book or Tax purposes) or accounting practice;

(iv) purchased or otherwise acquired, or sold, leased, transferred or otherwise disposed of any material properties or material assets of the Cemex Business, except in the ordinary course of business, consistent with past practices;

(v) entered into any leases with respect to the Cemex Real Property;

(vi) terminated or amended any Material Cemex Contract;

(vii) entered into, terminated or amended any Contracts or other agreements with respect to intellectual property rights, except in the ordinary course of business;

(viii) suffered any material damage or material loss to the assets of the Cemex Business;

(ix) permitted or suffered any material Lien on any Cemex Asset, other than Permitted Encumbrances;

(x) commenced or initiated any lawsuit, action or proceeding with respect to the Cemex Business or Cemex Assets, except in the ordinary course of business;

(xi) incurred any indebtedness, material liability or obligation (whether absolute, accrued, contingent or otherwise) with respect to the Cemex Business, except in the ordinary course of business, consistent with past practices;

(xii) waived, abandoned or otherwise disposed of any material rights in or to any intangible property related to the Cemex Business; or

(xiii) agreed (whether or not in writing) to do any of the foregoing.

7.12 Transactions with Affiliates. No Affiliate of Cemex is an employee, consultant, competitor, customer, distributor, supplier or vendor of, or is party to any contractual obligations with Cemex relating to the Cemex Business and no officer or director of Cemex is an Affiliate of any competitor, customer, distributor, supplier or vendor of the Cemex Business. None of the Cemex Assets are owned by an Affiliate of Cemex or subject to any license or similar arrangement allowing use thereof by an Affiliate.

7.13 Condition of Cemex Assets. To Cemex's Knowledge, there are no defects in or concerning the buildings, equipment or the tangible personal property occupied, operated or owned by Cemex or its Affiliates as a part of the Cemex Business which, individually or in the aggregate, would reasonably be expected to result in a Cemex Material Adverse Effect. All of the Cemex Assets are in good operating condition and repair, ordinary wear and tear excepted, and are suitable for the uses for which such Cemex Assets were intended. Except as expressly set forth in this Agreement, (i) Cemex expressly disclaims any other representation and warranty of any kind or nature, express or implied, as to the condition, value or quality of the Cemex Assets and (ii) Cemex specifically disclaims any representation or warranty of merchantability, usage or fitness for any particular purpose with respect to any of the Cemex Assets.

7.14 Real Property Matters. (A) Cemex and its Affiliates are not currently in default under any agreement, order, judgment or decree relating to the Cemex Real Property, and no conditions or circumstances exist which, with the giving of notice or passage of time or both, would constitute a default or breach with respect to any such agreement, order, judgment or decree, (B) Cemex and its Affiliates have paid all Taxes due and owing which if not paid could result in a Lien on the Cemex Real Property or impose liability on Company, (C) Neither Cemex nor its Affiliates have received any written notice of any proposed special assessment which would affect the Cemex Real Property, (D) Neither Cemex nor its Affiliates have received any written notice of any claims, causes of action, lawsuits or legal proceedings pending or threatened regarding the ownership, use or possession of the Cemex Real Property, including condemnation or similar proceedings, (E) Neither Cemex nor its Affiliates have received any written notice of any violation of any zoning, subdivision, platting, building, fire or insurance laws, ordinances or regulations (whether related to the Cemex Real Property or the occupancy thereof) to the extent not previously cured, including the failure of Cemex to comply with all covenants, easements and restrictions recorded against the Cemex Real Property, (F) Cemex and its Affiliates have not received any written notice of any intention on the part of the issuing authority to cancel, suspend or modify any licenses or permits relating to the Cemex Real Property, (G) Cemex and its Affiliates are in material compliance with all recorded covenants, easements and restrictions affecting the Cemex Real Property, and (H) each of the Cemex Leases is in full force and effect and has not been modified, amended, added to, or changed in any manner whatsoever except for those amendments attached to a Cemex Lease Assignment.

7.15 Brokers and Finders. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Cemex or any Affiliate of Cemex who might be entitled to any fee or commission from Cemex or any Affiliate of Cemex in connection with the transactions contemplated by this Agreement.

7.16 Labor Matters. With respect to the Cemex Business, since January 1, 2000, there has not occurred or been threatened any material employee strike, work stoppage, slowdown, lockout, picketing or concerted refusal to work overtime at Cemex Business Location and there are no labor disputes currently subject to any arbitration or administrative proceeding involving employees of Cemex or its Affiliates who are involved in the Cemex Business (excluding routine workers' compensation claims).

7.17 Accounts Receivable. All Cemex Accounts Receivable represent bona fide sales actually made in the ordinary course of business and the accounts receivable reflected in the adjustments pursuant to Section 2.3 are owed to Cemex or its Affiliates, are not more than 120 days past due and are not subject to offset, counterclaim or other defense.

7.18 Inventory. The Cemex Inventory, whether finished goods, work in process or raw materials, consist of a quality and quantity usable and saleable in the ordinary and usual course of the Cemex Business consistent with past practice.

7.19 Employee Benefit Plans; ERISA. None of Cemex or its ERISA Affiliates has incurred any liability under, arising out of or by operation of

Title IV of ERISA (other than for payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business), and no fact or event exists which would reasonably be expected to give rise to any such liability that would reasonably be expected to result in a Lien on the Cemex Assets or a liability of the Company. The employee benefit plans, programs and arrangements applicable to the Cemex Transferred Employees have been administered in accordance with their terms and applicable law, including ERISA and the Code, in all material respects.

7.20 Cement Reserves. The Cemex Assets include at least twenty (20) years of permitted limestone reserves at current production rates.

7.21 No Liabilities. There are no liabilities or obligations, secured or unsecured, known or unknown (whether accrued, absolute, contingent or otherwise) of Cemex or its Affiliates which in any way relate to or encumber the Cemex Assets or the Cemex Business, except for (a) those reflected or reserved on the Cemex Financial Statements, (b) those trade payables and contractual obligations incurred or accrued in the ordinary and normal course of the Cemex Business and consistent with past practice since August 31, 2004, none of which, individually or in the aggregate, is material, and none of which is for breach of warranty or contract or for tort infringement, (c) those under the Cemex Assumed Contracts, (d) those under the Cemex Permits, (e) Environmental Liabilities, and (f) any taxes accruing in the ordinary course of the Cemex Business, none of such taxes being the responsibility or obligation of Company (other than those ad valorem taxes which will be prorated as of the Contribution Date).

ARTICLE 8

REPRESENTATIONS AND WARRANTIES BY RMUSA

RMUSA hereby represents and warrants to Company that, except as set forth in the disclosure schedule being delivered by RMUSA contemporaneously herewith (the "RMUSA Disclosure Schedule"):

8.1 Existence and Authorization for Agreement; Enforceability. RMUSA is a corporation duly organized, validly existing and in good standing under the laws of the State of Alabama, and has the requisite power and authority to own, lease, and operate its properties and carry on and operate the RMUSA Business as and where the RMUSA Business is now being conducted. The execution and delivery of this Agreement, and the consummation of the transactions contemplated herein, have been duly authorized by the Board of Directors of RMUSA. RMUSA has taken all actions necessary to authorize it to enter into and perform fully its obligations under this Agreement and all of the documents or instruments otherwise contemplated herein and to consummate the transactions contemplated herein and therein. Each of this Agreement and the other closing documents delivered pursuant hereto has been duly executed and delivered by RMUSA and is the legal, valid and binding obligation of RMUSA enforceable in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to the general principles of equity.

8.2 Title to and Sufficiency of RMUSA Assets.

(a) RMUSA has good and marketable title to the RMUSA Assets. Except for (i) the RMUSA Assumed Liabilities, and (ii) Permitted Encumbrances, none of the RMUSA Assets shall, at the Contribution Date, be subject to any Lien.

(b) The RMUSA Assets, in conjunction with the rights, goods and services granted, transferred or to be performed by RMUSA and its subsidiaries pursuant to this Agreement, constitute all the property, real and personal, tangible and intangible, necessary for the conduct of the RMUSA Business as it is presently being conducted by RMUSA in all material respects.

8.3 Taxes. RMUSAwill pay and satisfy, or cause to be paid and satisfied, all property and excise and other tax obligations, penalties and interest, imposed by any governmental entity either (i) in connection with the RMUSA Business or the RMUSA Assets arising prior to the Contribution Date, and

in connection with the transactions contemplated by this Agreement, including, but not limited to, all United States, foreign, state, provincial, county and local income, ad valorem, excise, sales, use, withholding, unemployment, social security or other taxes and assessments of or payable by RMUSA and arising prior to the Contribution Date, or (ii) otherwise chargeable against the RMUSA Business or the RMUSA Assets, and arising prior to Contribution Date. Anything in this Agreement to the contrary notwithstanding, the Company shall pay all recording and filing fees and taxes, sales taxes, gross receipt taxes, tag fees and similar expenses applicable to the transfer of the RMUSA Assets from RMUSA to the Company, including but not limited to any recording or filing fees or taxes associated with the transfer of the RMUSA Real Property and any sales, gross receipt, and tag fees or taxes associated with transferring the titles to any vehicles. All taxes attributable to the activities of the RMUSA Business and the ownership and operation of the RMUSA Assets prior to the Contribution Date shall be the responsibility of RMUSA.

8.4 Litigation. There is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the Knowledge of RMUSA, threatened, against or relating to RMUSA or any of its Affiliates, or any of their respective directors, officers, shareholders, employees, or properties, in each case, with respect to the RMUSA Assets or the RMUSA Business, which would reasonably be expected to have a material adverse effect on, the RMUSA Assets, the RMUSA Business or the transactions contemplated by this Agreement.

8.5 Contracts; and Other Agreements.

(a) Section 8.5 of the RMUSA Disclosure Schedule sets forth a list of the Material RMUSA Contracts primarily relating to the RMUSA Business or the RMUSA Assets as of the date of this Agreement. RMUSA has made available to each of the Company and RMUSA a true and complete copy of each Material RMUSA Contract listed on Section 8.5 of the RMUSA Disclosure Schedule. For purposes hereof, "Material RMUSA Contract" shall mean:

(i) Contracts for the future acquisition or sale of any assets involving $250,000 individually (or in the aggregate, in the case of any related series of Contracts), other than the acquisition or sale of inventory in the ordinary course of business;

(ii) Contracts calling for future payments to or from RMUSA or any of its Affiliates in any one year of more than $250,000 in any one case (or in the aggregate, in the case of any related series of Contracts), or involving the payment or receipt of $1,000,000 or more over the lifetime of such agreements;

(iii) Contracts that contain covenants prohibiting or limiting the right to compete of the RMUSA Business or prohibiting or restricting the ability of the owner of the RMUSA Business (or any of its Affiliates) to deal with any Person or in any geographical area;

(iv) Contracts that require the payment by or to RMUSA or any Affiliate of RMUSA of a royalty, override or similar commission or fee of more than $1,000,000 in the aggregate;

(v) Contracts that are collective bargaining agreements;

(vi) guaranties and any outstanding Contracts and instruments relating to the borrowing of money, or any extension of credit, which impose any Lien on any of the RMUSA Assets;

(vii) Contracts involving sales agency, manufacturing, consignment, sales representative, distributorship or marketing;

(viii) Contracts for the license to or from RMUSA or any Affiliate of RMUSA to or from, as the case may be, any third party (including to another Affiliate) of any (x) RMUSA Intangible Property or (y) intellectual property rights that are owned by any such third

party and, in each case that primarily relate to or are material to the RMUSA Business, except for contracts for the license of software that is commercially available "off the shelf";

(ix) Contracts for the construction or acquisition of fixed assets or other capital expenditures requiring the payment by RMUSA of more than $1,000,000 in the aggregate;

(x) Contracts that are broker's or finder's agreements;

(xi) Contracts relating to partnerships, joint ventures or other arrangements involving a sharing of profits or expenses;

(xii) Contracts to sell, lease or otherwise dispose of any RMUSA Asset, in each case other than in the ordinary course of business;

(xiii) except for collective bargaining agreements (which are listed in subparagraph (v) above), Contracts relating to employment or termination or severance benefits or arrangements;

(xiv) Contracts relating to the leasing of or other arrangement for use of real property or material personal property;

(xv) Contracts that include any obligation to make payments, contingent or otherwise, arising out of the prior acquisition or disposition of a business;

(xvi) Contracts which, upon the consummation of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits, from Company, RMUSA or any of their respective Affiliates to any officer, director, consultant or employee thereof; and

(xvii) Contracts entered into outside of the ordinary course of business or which are material to the RMUSA Business.

(b) With respect to each Material RMUSA Contract, (i) each such Contract is a valid and binding agreement of RMUSA and is in full force and effect in all material respects, (ii) RMUSA has no Knowledge of any material default by any third party under any such Contract which default has not been cured or waived and which default by any third party would reasonably be expected to result in a material adverse effect on (i) the RMUSA Assets or the business, financial condition or results of operations of the RMUSA Business, taken as a whole, or (ii) on the ability of RMUSA and its Affiliates to consummate the transactions contemplated hereby or perform any of their obligations hereunder (a "RMUSA Material Adverse Effect") and (iii) there is no material default by RMUSA under any such Contract which default has not been cured or waived and which default would reasonably be expected to result in a RMUSA Material Adverse Effect.

8.6 Compliance with Laws. The RMUSA Business is presently complying in all material respects with all applicable Laws and Judgments, except for such failures to comply which, individually or in the aggregate, would not reasonably be expected to result in a RMUSA Material Adverse Effect. The RMUSA Business or RMUSA has all Permits necessary for the conduct of the RMUSA Business as currently conducted, other than those the absence of which, individually or in the aggregate, would not reasonably be expected to result in a RMUSA Material Adverse Effect, and there are no Proceedings pending, or to the knowledge of RMUSA, threatened which may result in the revocation, termination, cancellation or suspension of any such Permit except those that, individually or in the aggregate, would not reasonably be expected to result in a RMUSA Material Adverse Effect; it being understood that nothing in this Section 8.6 is intended to address any failure to comply with any Law, Judgment or Permit (including Environmental Laws or environmentally-related Judgments or Permits) that is the subject of any other representation or warranty set forth

herein. All of the RMUSA Permits are listed in Section 8.6 of the RMUSA Disclosure Schedule, together with any information relative to any requirements applicable to the assignability of the same.

8.7 Environmental:

(a) Definitions. For the purpose of this Agreement, the following words and phrases shall have the following meanings:

"RMUSA Environmental Condition" shall mean any condition of the Environment with respect to the RMUSA Real Property or property located in the vicinity of the RMUSA Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the RMUSA Business on the RMUSA Real Property, that (i) exists as of the Contribution Date, and (ii) is in violation of applicable Environmental Law as of the Contribution Date or involves concentrations of Hazardous Materials in soils, surface waters, groundwater, land, stream sediments, or surface or subsurface strata that are in excess of applicable remediation standards or guidelines, in effect as of the Contribution Date, that are applicable in the jurisdiction in which the relevant real property is located.

For purposes of this Section 8.7 only, the term "RMUSA Real Property" shall mean the RMUSA Real Property as referred to in Schedule 1.1(a)-1 and any leased real property upon which a RMUSA Business Location is operated.

(b) Environmental Representations, Warranties, and Obligations. With reference to the RMUSA Real Property and the RMUSA Business, RMUSA represents and warrants that, to the Knowledge of RMUSA, RMUSA is presently in substantial compliance with all Environmental Laws applicable to the RMUSA Real Property and the RMUSA Business, and no RMUSA Environmental Conditions exist that are material, whether individually or in the aggregate.

8.8 No Violations. The execution, delivery and performance by RMUSA of this Agreement and each of the other documents or agreements to which it is or will be a party pursuant hereto, and the consummation by RMUSA of the transactions contemplated by this Agreement and such other documents and agreements, do not and will not (i) violate any provision of the articles of incorporation or bylaws of RMUSA or the articles of incorporation, by-laws or similar governing documents of any of its subsidiaries, or (ii) (x) violate any Law, Permit or Judgment applicable to RMUSA or any of its subsidiaries, or any of their respective properties or assets, or (y) subject to obtaining the Consents set forth in Section 8.8 of the RMUSA Disclosure Schedule (the "RMUSA Required Contractual Consents"), violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of RMUSA or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which RMUSA or any of its Affiliates is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, will not have and would not be reasonably likely to have a RMUSA Material Adverse Effect.

8.9 Consents. No consent is required to be obtained by RMUSA (or by any Affiliate) from, and no notice or filing is required to be given by RMUSA (or by any Affiliate) to or made by RMUSA (or by any Affiliate) with, any Governmental Authority in connection with the execution, delivery and performance by RMUSA of this Agreement, other than in all cases where the failure to obtain such Consent or to give or make such notice or filing would not, individually or in the aggregate, reasonably be expected to result in a RMUSA Material Adverse Effect.

8.10 Financial Information. True and complete copies of the RMUSA Financial Statements are included in the RMUSA Disclosure Schedule. The RMUSA

Financial Statements have been prepared from, are in accordance with and accurately reflect the books and records of the RMUSA Business, comply in all material respects with applicable accounting requirements, fairly present, in all material respects, the results of operations of the RMUSA Business for the respective periods indicated, and were prepared in accordance with GAAP applied consistently during such periods, except as set forth in the footnotes thereto, and except that the Interim RMUSA Financial Statements are subject to normal year-end adjustments and do not contain all of the footnote disclosure required by GAAP.

8.11 Absence of Changes.

(a) Since August 31, 2004, (i) the RMUSA Business has been operated in the ordinary course in a manner consistent with past practice and (ii) there has not been a change, event, development or circumstance that has had or would reasonably be expected to have a RMUSA Material Adverse Effect, but for purposes of this Section 8.11(a), with respect to clause (i) of the definition of RMUSA Material Adverse Effect shall exclude any change or development involving (w) a prospective change arising out of any proposed or adopted legislation, or any other proposal or enactment by any governmental, regulatory or administrative authority, (x) general conditions applicable to the economy of the United States, including changes in interest rates, (y) conditions or effects resulting from the announcement of the existence and terms of this Agreement, or (z) conditions or factors affecting the industry in the United States in which the RMUSA Business operates, taken as a whole; provided, with respect to clauses (w) or (x) above, that such change, event, development or circumstance does not affect the RMUSA Business to a materially greater extent than other participants in the industry in the United States in which the RMUSA Business operates generally.

(b) Without limiting the foregoing, since August 31, 2004, neither RMUSA nor any of its Affiliates has with respect to the RMUSA Business:

(i) granted or committed to grant any bonus, commission, or other form of incentive compensation or increased or committed to increase the compensation, fees or pension, welfare, fringe or other benefits provided or payable to or in respect of any employees of the RMUSA Business, except for customary bonuses and regular salary increases made in the ordinary course of business, consistent with past practices, or granted any severance or termination pay;

(ii) except in the ordinary course, written off any accounts receivable without adequate consideration;

(iii) made any material change in any method of accounting (for book or Tax purposes) or accounting practice;

(iv) purchased or otherwise acquired, or sold, leased, transferred or otherwise disposed of any material properties or material assets of the RMUSA Business, except in the ordinary course of business, consistent with past practices;

(v) entered into any leases with respect to the RMUSA Real Property;

(vi) terminated or amended any Material RMUSA Contract;

(vii) entered into, terminated or amended any Contracts or other agreements with respect to intellectual property rights, except in the ordinary course of business;

(viii) suffered any material damage or material loss to the assets of the RMUSA Business;

(ix) permitted or suffered any material Lien on any RMUSA Asset, other than Permitted Encumbrances;

(x) commenced or initiated any lawsuit, action or proceeding

with respect to the RMUSA Business or RMUSA Assets, except in the ordinary course of business;

(xi) incurred any indebtedness, material liability or obligation (whether absolute, accrued, contingent or otherwise) with respect to the RMUSA Business, except in the ordinary course of business, consistent with past practices;

(xii) waived, abandoned or otherwise disposed of any material rights in or to any intangible property related to the RMUSA Business; or

(xiii) agreed (whether or not in writing) to do any of the foregoing.

8.12 Transactions with Affiliates. No Affiliate of RMUSA is an employee, consultant, competitor, customer, distributor, supplier or vendor of, or is party to any contractual obligations with RMUSA relating to the RMUSA Business and no officer or director of RMUSA is an Affiliate of any competitor, customer, distributor, supplier or vendor of the RMUSA Business. None of the RMUSA Assets are owned by an Affiliate of RMUSA or subject to any license or similar arrangement allowing use thereof by an Affiliate.

8.13 Condition of RMUSA Assets. To RMUSA's Knowledge, there are no defects in or concerning the buildings, equipment or the tangible personal property occupied, operated or owned by RMUSA as a part of the RMUSA Business which, individually or in the aggregate, would reasonably be expected to result in a RMUSA Material Adverse Effect. All of the RMUSA Assets are in good operating condition and repair, ordinary wear and tear excepted, and are suitable for the uses for which such RMUSA Assets were intended. Except as expressly set forth in this Agreement, (i) RMUSA expressly disclaims any other representation and warranty of any kind or nature, express or implied, as to the condition, value or quality of the RMUSA Assets and (ii) RMUSA specifically disclaims any representation or warranty of merchantability, usage or fitness for any particular purpose with respect to any of the RMUSA Assets.

8.14 Real Property Matters. (A) RMUSA is not currently in default under any agreement, order, judgment or decree relating to the RMUSA Real Property, and no conditions or circumstances exist which, with the giving of notice or passage of time or both, would constitute a default or breach with respect to any such agreement, order, judgment or decree, (B) RMUSA has paid all Taxes due and owing which if not paid could result in a Lien on the RMUSA Real Property or impose liability on Company, (C) RMUSA has not received any written notice of any proposed special assessment which would affect the RMUSA Real Property, (D) RMUSA has not received any written notice of any claims, causes of action, lawsuits or legal proceedings pending or threatened regarding the ownership, use or possession of the RMUSA Real Property, including condemnation or similar proceedings, (E) RMUSA has not received any written notice of any violation of any zoning, subdivision, platting, building, fire or insurance laws, ordinances or regulations (whether related to the RMUSA Real Property or the occupancy thereof) to the extent not previously cured, including the failure of RMUSA to comply with all covenants, easements and restrictions recorded against the RMUSA Real Property, (F) RMUSA has not received any written notice of any intention on the part of the issuing authority to cancel, suspend or modify any licenses or permits relating to the RMUSA Real Property, (G) RMUSA is in material compliance with all recorded covenants, easements and restrictions affecting the RMUSA Real Property, and (H) each of the RMUSA Leases is in full force and effect and has not been modified, amended, added to, or changed in any manner whatsoever except for those amendments attached to a RMUSA Lease Assignment.

8.15 Brokers and Finders. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of RMUSA or any Affiliate of RMUSA who might be entitled to any fee or commission from RMUSA or any Affiliate of RMUSA in connection with the transactions contemplated by this Agreement.

8.16 Labor Matters. Except as set forth on Section 8.16 of the RMUSA

Disclosure Schedule, with respect to the RMUSA Business, since January 1, 2000, there has not occurred or been threatened any material employee strike, work stoppage, slowdown, lockout, picketing or concerted refusal to work overtime at RMUSA Business Location and there are no labor disputes currently subject to any arbitration or administrative proceeding involving employees of RMUSA who are involved in the RMUSA Business (excluding routine workers' compensation claims).

8.17 Accounts Receivable. Reserved.

8.18 Inventory. The RMUSA Inventory, whether finished goods, work in process or raw materials, consist of a quality and quantity usable and saleable in the ordinary and usual course of the RMUSA Business consistent with past practice.

8.19 Employee Benefit Plans; ERISA. None of RMUSA or its ERISA Affiliates has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than for payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business), and no fact or event exists which would reasonably be expected to give rise to any such liability that would reasonably be expected to result in a Lien on the RMUSA Assets or a liability of the Company.

8.20 No Liabilities. There are no liabilities or obligations, secured or unsecured, known or unknown (whether accrued, absolute, contingent or otherwise) of RMUSA which in any way relate to or encumber the RMUSA Assets or the RMUSA Business, except for (a) those reflected or reserved on the RMUSA Financial Statements, (b) those trade payables and contractual obligations incurred or accrued in the ordinary and normal course of the RMUSA Business and consistent with past practice since August 31, 2004, none of which, individually or in the aggregate, is material, and none of which is for breach of warranty or contract or for tort infringement, (c) those under the RMUSA Assumed Contracts, (d) those under the RMUSA Permits, (e) Environmental Liabilities, and (f) any taxes accruing in the ordinary course of the RMUSA Business, none of such taxes being the responsibility or obligation of Company (other than those ad valorem taxes which will be prorated as of the Contribution Date).

ARTICLE 9

INDEMNIFICATION

9.1 Indemnity By Cemex. Subject to the provisions of this Article 9, Cemex agrees to pay and to indemnify fully, hold harmless and defend each Company Indemnified Party from and against any and all claims and/or Damages arising out of or relating to:

(a) any inaccuracy or breach of any representation or warranty of Cemex contained in this Agreement;

(b) any breach of any covenant or agreement of Cemex contained in this Agreement;

(c) the liabilities and obligations of Cemex or any of its Affiliates arising out of the operation or ownership of the Cemex Assets or the Cemex Business on or prior to the Contribution Date, except obligations or liabilities assumed by the Company pursuant to this Agreement; or

(d) all obligations or liabilities that arise, whether before, on or after, the Contribution Date, out of, or in connection with, the Retained Cemex Assets;

provided that Cemex shall have an obligation to indemnify any Company Indemnified Party for Damages pursuant to this Section 9.1 only to the extent that such Damages are in excess of (i) any amounts recovered by any Company Indemnified Party pursuant to any contract to which any Company Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or

premiums); provided, further, that upon making any payment to any Company Indemnified Party, Cemex shall be subrogated to all rights of the Company Indemnified Party against any third party in respect of the losses to which such payment relates, and such Company Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 9.1 shall require a Company Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 9.

9.2 Indemnity By RMUSA. Subject to the provisions of this Article 9, RMUSA agrees to pay and to indemnify fully, hold harmless and defend each Company Indemnified Party from and against any and all claims and/or Damages arising out of or relating to:

(a) any inaccuracy or breach of any representation or warranty of RMUSA contained in this Agreement;

(b) any breach of any covenant or agreement of RMUSA contained in this Agreement;

(c) the liabilities and obligations of RMUSA or any of its Affiliates arising out of the operation or ownership of the RMUSA Assets or the RMUSA Business on or prior to the Contribution Date, except obligations or liabilities assumed by the Company pursuant to this Agreement; or

(d) all obligations or liabilities that arise, whether before, on or after, the Contribution Date, out of, or in connection with, the Retained RMUSA Assets;

provided that RMUSA shall have an obligation to indemnify any Company Indemnified Party for Damages pursuant to this Section 9.2 only to the extent that such Damages are in excess of (i) any amounts recovered by any Company Indemnified Party pursuant to any contract to which any Company Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Company Indemnified Party, RMUSA shall be subrogated to all rights of the Company Indemnified Party against any third party in respect of the losses to which such payment relates, and such Company Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 9.2 shall require a Company Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 9.

9.3 Indemnity By Company. Subject to the provisions of this Article 9, Company agrees to pay and to indemnify fully, hold harmless and defend

(a) each Cemex Indemnified Party from and against any and all claims and/or Damages arising out of or relating to:

(i) any breach of any covenant or agreement of Company contained in this Agreement; or

(ii) the Cemex Assumed Liabilities; and

(b) each RMUSA Indemnified Party from and against any and all claims and/or Damages arising out of or relating to:

(i) any breach of any covenant or agreement of Company contained in this Agreement; or

(ii) the RMUSA Assumed Liabilities;

provided that Company shall have an obligation to indemnify any Contributor Indemnified Party for Damages pursuant to this Section 9.3 only to the extent that such Damages are in excess of (i) any amounts recovered by any Contributor Indemnified Party pursuant to any contract to which any Contributor Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto

(exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Contributor Indemnified Party, Company shall be subrogated to all rights of the Contributor Indemnified Party against any third party in respect of the losses to which such payment relates, and such Contributor Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 9.3 shall require a Contributor Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 9.

9.4 Exclusive Remedy. Except as provided in Section 10.12, the right to indemnification provided for in this Article 9 shall be the exclusive remedy of all Company Indemnified Parties with respect to the transactions contemplated under this Agreement.

9.5 Indemnification Procedures. The party or parties making a claim for indemnification under Section 9.1, 9.2 or 9.3 shall be, for the purposes of this Agreement, referred to as the "Indemnified Party" and the party or parties against whom such claims are asserted under this Article 9 shall be, for the purposes of this Agreement, referred to as the "Indemnifying Party." All claims by any Indemnified Party under this Article 9 shall be asserted and resolved as follows:

(a) In the event that (i) any claim, demand or Proceeding is asserted or instituted by any Person other than the parties to this Agreement or their Affiliates which could give rise to Damages for which an Indemnifying Party could be liable to an Indemnified Party under this Agreement (such claim, demand or Proceeding, a "Third Party Claim") or (ii) any Indemnified Party under this Agreement shall have a claim to be indemnified by any Indemnifying Party under this Agreement which does not involve a Third Party Claim (such claim, a "Direct Claim"), the Indemnified Party shall with reasonable promptness send to the Indemnifying Party a written notice specifying the nature of such claim, demand or Proceeding and the amount or estimated amount thereof if known (which amount or estimated amount shall not be conclusive of the final amount, if any, of such claim, demand or Proceeding) (a "Claim Notice").

(b) In the event of a Third Party Claim, the Indemnifying Party shall be entitled to appoint counsel of the Indemnifying Party's choice at the expense of the Indemnifying Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in connection with such claim, demand or Proceeding (in which case the Indemnifying Party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by any Indemnified Party except as set forth below); provided that such counsel is reasonably acceptable to the Indemnified Party. Notwithstanding an Indemnifying Party's election to appoint counsel to represent an Indemnified Party in connection with a Third Party Claim, an Indemnified Party shall have the right to employ separate counsel, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest or (ii) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any claim, demand or Proceeding which the Indemnifying Party defends, or, if appropriate and related to the claim, demand or Proceeding in question, in making any counterclaim against the person asserting the Third Party Claim, or any cross-complaint against any person. No Third Party Claim may be settled or compromised (i) by the Indemnified Party without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed or (ii) by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. In the event any Indemnified Party settles or compromises or consents to the entry of any Judgment with respect to any Third Party Claim without the prior written consent of the Indemnifying Party, each Indemnified Party shall be deemed to have waived all rights against the Indemnifying Party for indemnification under this Article 9 with respect to such Third Party Claim.

(c) In the event of a Direct Claim the Indemnifying Party shall notify the Indemnified Party within 30 days Business Days of receipt of a Claim Notice whether or not the Indemnifying Party disputes such claim.

(d) From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its representatives all reasonable access to the books, records and properties of such Indemnified Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access shall be granted during normal business hours and shall be granted under conditions, which will not unreasonably interfere with the business and operations of such Indemnified Party. The Indemnifying Party will not, and shall require that its representatives do not, use (except in connection with such Claim Notice) or disclose to any third person other than the Indemnifying Party's representatives (except as may be required by applicable Law) any information obtained pursuant to this Section 9.5(d).

9.6 Monetary and Payment Limitations.

(a) Neither Cemex nor RMUSA shall have any obligation to indemnify a Company Indemnified Party pursuant to Sections 9.1(a) or 9.2(a), respectively, unless the aggregate amount of Damages suffered by all Company Indemnified Parties in respect of such claims exceeds $1,000,000, in which case the Company Indemnified Parties shall be entitled to recover all Damages including the $1,000,000.

(b) Notwithstanding any provision of this Agreement to the contrary, the aggregate liability of Cemex or RMUSA for Damages in respect of all claims for indemnification pursuant to Sections 9.1(a) or 9.2(a), respectively, shall in no event exceed the Cemex Value or the RMUSA Value, respectively. NO PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR SIMILAR DAMAGES, EXCEPT TO THE EXTENT ASSERTED BY, AWARDED, PAID OR PAYABLE TO ANY THIRD PARTY.

(c) The parties mutually agree that payment to an Indemnified Party by an Indemnifying Party for Damages shall be paid solely from the required EBITDA distributions to be paid to the Indemnifying Party pursuant to Section 6.1 of the Cemex LLC Agreement and Section 6.1 of the Ready Mix LLC Agreement. In the event of Damages, compensation for which is owed to the Indemnified Party by the Indemnifying Party, the parties mutually agree that the Indemnifying Party shall waive all rights and title it has to, and shall instruct the Manager of the Company and the Manager of Ready Mix LLC to make to the Indemnified Party, distributions due the Indemnifying Party from the Company under Section 6.1 of the Cemex LLC Agreement or Ready Mix LLC under Section 6.1 of the Ready Mix LLC Agreement until such time as the Indemnified Party has recouped the amount of Damages incurred by the Indemnified Party. The provisions and limitations set forth in this Section 9.6(c) will not apply to any indemnification liability of the Company pursuant to Section 9.3.

(d) Notwithstanding the foregoing, the Indemnified Party shall not be limited to recovery of Damages pursuant to clause (c) above with respect to Damages arising out of or relating to any fraud by RMUSA or Cemex in connection with this Agreement, the discussions and negotiations leading up to this Agreement or the transaction contemplated herein, and each of RMUSA and Cemex shall be and remain liable to the other for any Damages arising out of any such claim or fraud.

9.7 Survival. Except for the representations and warranties in Sections 7.2(a) and 8.2(a), which shall survive without limit, the representations and warranties of Cemex and RMUSA contained in this Agreement shall survive the Contribution for the applicable period set forth in this Section 9.7, and any and all claims and causes of action for indemnification under this Article 9 arising out of the inaccuracy or breach of any representation or warranty of Cemex or RMUSA must be made prior to the termination of the applicable survival period set forth in this Section 9.7. All of the representations and warranties of Cemex and RMUSA contained in this Agreement and any and all claims and causes of action for indemnification under

this Article 9 with respect thereto shall terminate on the second anniversary of the date of this Agreement; provided that the representations and warranties in Sections 7.3, 7.6, 7.19, 8.3, 8.6 and 8.19 shall survive until the expiration of the applicable statute of limitations; provided further that the representations and warranties in Sections 7.7 and 8.7 shall survive until the fifth anniversary of the date of this Agreement and the representations and warranties in Section 7.20 shall survive until the twentieth anniversary of the date of this Agreement; it being understood that in the event notice of any claim for indemnification under Section 9.1(a) or Section 9.2(a) shall have been given within the applicable survival period, the representations and warranties that are the subject of such indemnification claim shall survive until such time as such claim is finally resolved.

9.8 Binding Nature. The indemnity obligations imposed under this Article 9 shall be binding upon the parties hereto and their respective successors and assigns. Wherever possible, such indemnity obligations shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of these indemnity obligations shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of the said indemnity obligations.

ARTICLE 10

MISCELLANEOUS

10.1 Reliance Upon Representations and Warranties. The parties mutually agree that notwithstanding any right of any party to investigate the affairs of any other party and notwithstanding any Knowledge of any facts determined or determinable by such party pursuant to such investigation or right of investigation, each party has the right to fully rely upon the respective representations and warranties of each other party contained in this Agreement.

10.2 Amendments. No change, modification or amendment to this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto.

10.3 Notices. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or mailed by first class registered mail, return receipt requested, addressed to the parties at the addressees set forth below (or at such other address as any party may specify by notice to all other parties given as aforesaid).

If to RMUSA:

Ready Mix USA, Inc.
P.O. Box 020152
Tuscaloosa, Alabama 35402
Attn: Scott M. Phelps

With a copy, which shall not constitute notice, to:

Phelps, Jenkins, Gibson & Fowler, L.L.P.
P.O. Box 020848
Tuscaloosa, Alabama 35402-0848
Attn: Sam M. Phelps

If to Cemex:

Cemex, Inc.
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Jesus Gonzalez

With copies, which shall not constitute notice, to:

Cemex, Inc.
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Leslie White

Skadden, Arps, Slate, Meagher & Flom LLP
1600 Smith, Suite 4400
Houston, TX 77024
Attn: Frank Ed Bayouth II

If to Company:

Cemex Southeast LLC
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Leslie White

10.4 Payment of Fees and Expenses. Except as otherwise provided in this Agreement, Cemex and RMUSA shall pay all fees and expenses of such respective party's respective counsel, accountants and all other expenses incurred by such party incident to the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby.

10.5 Binding Effect. This Agreement shall be binding and conclusive upon and inure to the benefit of the respective parties hereto and their successors and assigns.

10.6 Waiver. Failure of any party hereto to insist upon the strict performance of any of the covenants or conditions of this Agreement or to exercise any right or option conferred herein in one or more instances shall not be construed as a waiver or relinquishment of any such covenant, or condition, right or option, but the same shall remain in full force and effect. The committing by either party of any act or thing which it is not obligated to do hereunder shall not be deemed to impose an obligation upon it to do any such act or thing in the future or in any way change or alter any provision of this Agreement.

10.7 Counterparts. This Agreement may be executed by original or facsimile signatures in several counterparts that together shall constitute but one and the same agreement, binding on both the parties notwithstanding that both parties have not signed the same counterpart.

10.8 Construction.

(a) This Agreement shall be construed in its entirety according to its plain meaning and shall not be construed against the party who provided or drafted it.

(b) Any reference to an Article, Section, Schedule or Annex is a reference to an Article or Section of, or a Schedule or an Annex to, this Agreement.

(c) Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(d) The words "include", "includes" and "including" are not limiting, and shall be deemed to be followed by the phrase "without limitation".

(e) The terms "dollars" and "$" mean United States dollars.

(f) The phrases "the date of this Agreement", "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 1, 2005.

(g) The conjunction "or" shall be understood in its inclusive sense (and/or).

10.9 Captions. The titles of the Articles, Sections, Schedules and

Annexes of this Agreement have been assigned thereto for convenience only and shall not be construed as limiting, defining or affecting the substantive terms of this Agreement.

10.10 Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Georgia, without giving effect to its principles or rules of conflict of laws.

10.11 Consent to Jurisdiction. All disputes, litigation, proceedings or other legal actions by any party to this Agreement in connection with or relating to this Agreement or any matters described or contemplated in this Agreement shall be instituted in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the courts of the State of Georgia, and of the United States sitting in the State of Georgia, in connection with any such dispute, litigation, action or proceeding arising out of or relating to this Agreement. Each party to this Agreement may receive the service of any process or summons in connection with any such dispute, litigation, action or proceeding brought in any such court by a mailed copy of such process or summons sent to it at its address set forth, and in the manner provided, in Section 10.3 hereof. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding under this Agreement brought in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia, and any claim that any proceeding under this Agreement brought in any such court has been brought in an inconvenient forum.

10.12 Specific Performance. The parties to this Agreement agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with the terms of this Agreement and that the parties shall be entitled to specific performance of the terms of this Agreement in addition to any other remedy at Law or equity.

10.13 Translation. Should this Agreement be translated into any language other than English, the English version shall control and prevail on any question of interpretation or otherwise.

10.14 Assignment. This Agreement shall be binding upon the respective successors and permitted assigns of the parties hereto. This Agreement shall not be assignable or otherwise transferable by any of Cemex, RMUSA or Company without the prior written consent of the other parties and any attempt to so assign or transfer this Agreement without such consent shall be void and of no effect.

10.15 Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matters hereof and thereto.

10.16 Rights of Creditors and Third Parties under this Agreement. This Agreement is entered into among the Company, RMUSA and Cemex for the exclusive benefit of the Company, RMUSA and Cemex, and their successors and permitted assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and RMUSA or Cemex with respect to any Contribution, or otherwise.

10.17 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meaning, the terms "controlled," "controlled by"

and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, for purposes of this Agreement, Company shall not be deemed to be an Affiliate of Cemex or RMUSA or any of their respective Affiliates.

"Aggregate Cemex Contribution" has the meaning set forth in Section 2.3(c)(v).

"Aggregate RMUSA Contribution" has the meaning set forth in Section 2.3(c)(v).

"Agreement" has the meaning set forth in the Introduction.

"Assumed Liability" means a Cemex Assumed Liability or an RMUSA Assumed Liability, as the context requires.

"Business" has the meaning set forth in Section 1.2.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to close.

"Cement Supply Agreement" means the cement supply agreement to be entered into concurrently with the execution of this Agreement, by and between the Company and Ready Mix LLC.

"Cemex" has the meaning set forth in the Introduction.

"Cemex Accounts Payable" has the meaning set forth in Section 2.2.

"Cemex Accounts Receivable" has the meaning set forth in Schedule 1.2(a)5.

"Cemex Agreement Assignment and Assumption" has the meaning set forth in Section 4.2(a)(xii).

"Cemex Assets" has the meaning set forth in Section 1.2.

"Cemex Assumed Contracts" has the meaning set forth in Schedule 1.2(a)8.

"Cemex Assumed Liabilities" has the meaning set forth in Section 5.2.

"Cemex Authorized Person(s)" has the meaning set forth in Section 4.2(a)(vii).

"Cemex Boundaries" means the states of Alabama, Georgia and Mississippi, the Cemex Florida Panhandle (as defined herein) and the Cemex Limited Tennessee Area (as defined herein).

"Cemex Business" has the meaning set forth in Section 1.2.

"Cemex Business Locations" has the meaning set forth in Section 1.2.

"Cemex Disclosure Schedule" has the meaning set forth in Article 7.

"Cemex Environmental Condition" has the meaning set forth in Section 7.7(a).

"Cemex Environmental Indemnitees" has the meaning set forth in Section 6.7.

"Cemex Environmental Liabilities" has the meaning set forth in Section 6.7.

"Cemex Financial Statements" means the statement of income for the Cemex Assets for the twelve months ended December 31, 2004.

"Cemex Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf and Franklin. The Cemex Florida Panhandle shall exclude the City of Tallahassee, Florida.

"Cemex Indemnified Party" means Cemex, Cemex's Affiliates, directors, officers, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"Cemex Intangible Property" means intellectual property owned by Cemex or any Affiliate of Cemex.

"Cemex Intracompany Receivables" has the meaning set forth in Schedule 1.2(b)5.

"Cemex Inventory" has the meaning set forth in Schedule 1.2(a)3.

"Cemex Land" has the meaning set forth in Schedule 1.2(a)1.

"Cemex Leases" has the meaning set forth in Schedule 1.2(a)8.

"Cemex Lease Assignment" has the meaning set forth in Section 4.2(a)(xiii).

"Cemex LLC Agreement" has the meaning set forth in Section 4.1(b)(i).

"Cemex Limited Tennessee Area" means the Metropolitan Statistical Areas of Chattanooga and Memphis, Tennessee.

"Cemex Material Adverse Effect" has the meaning set forth in Section 7.5(b).

"Cemex Permits" has the meaning set forth in Schedule 1.2(a)9.

"Cemex Prepaids" has the meaning set forth in Section 2.3(b).

"Cemex Real Property" has the meaning set forth in Schedule 1.2(a)1.

"Cemex Required Contractual Consents" has the meaning set forth in Section 7.8.

"Cemex Retained Names" has the meaning set forth in Schedule 1.2(b)(4).

"Cemex Retained Policies" has the meaning set forth in Schedule 1.2(b)3.

"Cemex Transferred Employees" has the meaning set forth in Section 6.6.

"Cemex Value" has the meaning set forth in Section 2.1(b).

"Cemex Warranty Deed" has the meaning set forth in Section 4.2(a)(ii).

"Cemex Working Capital Statement" has the meaning set forth in Section 2.3(c)(i).

"Claim Notice" has the meaning set forth in Section 9.5(a).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" has the meaning set forth in the Introduction.

"Company Indemnified Party" means Company, Company's Affiliates, directors, managers, officers, members, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"Consent" means any consent, waiver, approval, authorization, exemption, registration or declaration.

"Contracts" has the meaning set forth in Section 7.5(a)(i).

"Contribution" has the meaning set forth in the Recitals.

"Contribution Date" has the meaning set forth in Section 3.1.

"Contributor Indemnified Party" means any Cemex Indemnified Party or any RMUSA Indemnified Party.

"Damages" means liabilities, damages, penalties, Judgments, assessments, losses, costs and expenses in any case, whether arising under strict liability or otherwise (including reasonable attorneys' fees) including lost profits, lost benefits, loss of or diminution in enterprise value and loss of goodwill, but excluding consequential, incidental, special, punitive or similar damages, except to the extent such consequential, incidental, special, punitive or similar damages are asserted by, awarded, paid or payable to any third party.

"Direct Claim" has the meaning set forth in Section 9.5(a).

"Environment" shall mean soil, surface waters, groundwater, land, stream sediments, surface or subsurface strata, ambient air, indoor air or indoor air quality, interior and/or exterior, including, without limitation, any material or substance used in the physical structure, of any building or improvement and any environmental medium.

"Environmental Law" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq., as amended ("RCRA"); the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq. (original act know as "CERCLA" or "Superfund," the Amendments are known as "SARA"); the HSWA amendments to RCRA regulating Underground Storage Tanks ("USTS"), 42 U.S.C. " 6991-6991(i); the Clean Air Act of 1963 as amended in 1970 and 1977, 42 U.S.C. ' 7401, et seq. ("Clean Air Act"); the Federal Water Pollution Control Act of 1976, as subsequently amended by the Clean Water Act of 1977 and 1987, 33 U.S.C. " 1251, et seq. ("Clean Water Act"), and the Toxic Substances Control Act of 1976, 15 U.S.C. " 2501 ("TSCA"), and all other federal, state and local laws, regulations, rules or ordinances implementing or otherwise dealing with the subject matter of the preceding federal statutes or otherwise relating to the protection of human health or the Environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any entity that is a member of a controlled group for purposes of Section 4001(a)(14) of ERISA.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"Governmental Authority" means (i) any domestic or foreign national, state or local government, any political subdivision thereof or any

other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, court, department, bureau or entity, or (ii) any arbitrator with authority to legally bind a party or any of its Affiliates.

"Hazardous Material" shall mean any pollutant, toxic substance including asbestos and asbestos-containing materials, hazardous waste, hazardous material or hazardous substance as defined in or controlled by the Environmental Law.

"Impartial Accounting Firm" has the meaning set forth in Section 2.3(c)(iv).

"Indemnified Party" has the meaning set forth in Section 9.5.

"Indemnifying Party" has the meaning set forth in Section 9.5.

"Injunction" means any order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order.

"Interim Cemex Financial Statements" means the statement of income for the RMUSA Assets for the nine months ended September 30, 2004.

"Interim RMUSA Financial Statements" means the statement of income for the RMUSA Assets for the eight months ended August 31, 2004.

"IP License Agreement" means the Intellectual Property License Agreement dated as of the date hereof by and between Cemex Trademarks Worldwide Ltd. and the Company.

"Judgments" means any judgments, injunctions, orders, writs, rulings or awards of any court or other judicial authority or any governmental, administrative or regulatory authority of competent jurisdiction.

"Knowledge" shall mean, with respect to the Cemex, the actual knowledge of the Jesus Gonzalez Herrera, Leslie White, Andy Miller, Steve Wise, Luis Oropeza, and Frank Craddock, and with respect to RMUSA, the actual knowledge of Marc Bryant Tyson, Scott Phelps, Steve Shaw, Bill Roy, Bill Holden, Bobby Lindsay and James Lewis.

"Laws" means any federal, state, local or foreign law, statute, ordinance, rule, regulation, order or decree.

"Liens" means all liens (statutory or otherwise), mortgages, pledges, charges, security interests, sureties, options, easements, covenants, restrictions or other encumbrances whatsoever.

"Material Cemex Contract" has the meaning set forth in Section 7.5(a).

"Material RMUSA Contract" has the meaning set forth in Section 8.5(a).

"Permits" means all permits, authorizations, approvals, registrations, licenses, certificates, variances and similar rights granted by or obtained from any federal, state, local or foreign governmental, administrative or regulatory authority.

"Permitted Encumbrances" means (a) mechanics', carriers', warehousemens' workmens' and other similar Liens arising (I) with respect to the Cemex Assets, in the ordinary course of the Cemex Business and (II) with respect to the RMUSA Assets, in the ordinary course of the RMUSA Business, and which would not, individually or in the aggregate, reasonably be expected to have a Cemex Material Adverse Effect or a RMUSA Material Adverse Effect, respectively, (b) Liens for taxes, assessments and other governmental charges not yet due and payable or that may subsequently be paid without penalty or that are being contested in good faith by appropriate proceedings, and (c) with

respect to the Real Property, encumbrances to fee simple, leasehold or easement title for: (I) Real Property taxes or other property taxes, assessments, governmental charges or levies not yet due; (II) easements, rights-of-way, licenses, restrictions, reservations of mineral rights (with surface rights being waived) or similar encumbrances that do not materially impair the marketability, use or operation of such Real Property by the Company; and (III) rights of tenants in possession of any such Real Property pursuant to tenant leases to be assigned to the Company.

"Person" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or other entity or organization.

"Proceeding" means any action, suit, demand, claim, legal or administrative proceeding or any arbitration or other alternative dispute resolution proceeding, hearing or investigation.

"Ready Mix LLC" means Ready Mix USA, LLC, a Delaware limited liability company.

"Ready Mix LLC Agreement" means the Limited Liability Company Agreement of Ready Mix USA, LLC, dated July 1, 2005.

"Ready Mix LLC Contribution Agreement" means the Asset and Capital Contribution Agreement of Ready Mix USA, LLC dated July 1, 2005.

"Required Contractual Consent" means a Cemex Required Contractual Consent or a RMUSA Required Contractual Consent.

"Retained Cemex Assets" has the meaning set forth in Section 1.2.

"Retained RMUSA Assets" has the meaning set forth in Section 1.1.

"RMUSA" has the meaning set forth in the Introduction.

"RMUSA Accounts Receivable" has the meaning set forth in Schedule 1.1(b)2.

"RMUSA Agreement Assignment and Assumption" has the meaning set forth in Section 4.1(a)(xii).

"RMUSA Assets" has the meaning set forth in Section 1.1.

"RMUSA Assumed Contracts" has the meaning set forth in Schedule 1.1(a)8.

"RMUSA Assumed Liabilities" has the meaning set forth in Section 5.1.

"RMUSA Authorized Person(s)" has the meaning set forth in Section 4.1(a)(vii).

"RMUSA Boundaries" means the states of Alabama, Arkansas, Georgia, excluding the Metropolitan Statistical Area of Brunswick, Georgia, Mississippi and Tennessee and the RMUSA Florida Panhandle (as defined herein).

"RMUSA Business" has the meaning set forth in Section 1.1.

"RMUSA Business Location" has the meaning set forth in Section 1.1.

"RMUSA Disclosure Schedule" has the meaning set forth in Article 8.

"RMUSA Environmental Condition" has the meaning set forth in Section 8.7(a).

"RMUSA Environmental Indemnitees" has the meaning set forth in Section 6.8.

"RMUSA Environmental Liabilities" has the meaning set forth in Section 6.8.

"RMUSA Financial Statements" means the statement of income for the RMUSA Asset for the twelve months ended December 31, 2004.

"RMUSA Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf, Franklin, Liberty, Gadsden, Leon, Wakulla, Jefferson, Madison and Taylor.

"RMUSA Indemnified Party" means RMUSA, RMUSA's Affiliates, directors, officers, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"RMUSA Intangible Property" means intellectual property owned by RMUSA or any Affiliate of RMUSA.

"RMUSA Intracompany Receivables" has the meaning set forth in Schedule 1.1(b)6.

"RMUSA Inventory" has the meaning set forth in Schedule 1.1(a)3.

"RMUSA Land" has the meaning set forth in Schedule 1.1(a)1.

"RMUSA Leases" has the meaning set forth in Schedule 1.1(a)8.

"RMUSA Lease Assignment" has the meaning set forth in Section 4.1(a)(xiii).

"RMUSA Material Adverse Effect" has the meaning set forth in Section 8.5(b).

"RMUSA Permits" has the meaning set forth in Schedule 1.1(a)9.

"RMUSA Prepaids" has the meaning set forth in Section 2.3(a).

"RMUSA Real Property" has the meaning set forth in Schedule 1.1(a)1.

"RMUSA Required Contractual Consents" has the meaning set forth in Section 8.8.

"RMUSA Retained Names" has the meaning set forth in Schedule 1.1(b)5.

"RMUSA Retained Policies" has the meaning set forth in Schedule 1.1(b)4.

"RMUSA Transferred Employees" has the meaning set forth in Section 6.6.

"RMUSA Value" has the meaning set forth in Section 2.1(a).

"RMUSA Warranty Deed" has the meaning set forth in Section 4.1(a)(ii).

"RMUSA Working Capital Statement" has the meaning set forth in Section 2.3(c)(i).

"Third Party Claim" has the meaning set forth in Section 9.5(a).

"Title Company" shall mean either of First American Title Insurance Company or Fidelity National Title Insurance Company.

"Title Policy" shall mean an ALTA owner's policy of title insurance in a form acceptable to (i) Cemex, with respect to any such policy issued for RMUSA Real Property and (ii) RMUSA, with respect to a policy issued for Cemex Real Property (or, with respect to any parcel of RMUSA Real Property or Cemex Real Property that is in a State which does not permit the issuance of such ALTA policy, such form as shall be permitted in such State and acceptable to Cemex or RMUSA, respectively) issued by the Title Company with respect to such Real Property and insuring the Company's indefeasible fee simple ownership of such Real Property as of the date hereof, subject only to the standard exceptions and exclusions from coverage and the (i) RMUSA's Permitted Encumbrances, with respect to any such policy issued for RMUSA Real Property and (ii) Cemex's Permitted Encumbrances, with respect to any policy issued for Cemex Real Property.

"Trademark License Agreement" means the Trademark License Agreement dated as of the date hereof by and between Cemex S.A. de C.V. and the Company.

"Transferred Asset" means a Cemex Asset or an RMUSA Asset, as the context requires.

"Unassigned Contracts" has the meaning set forth in Section 4.4.

"WARN" has the meaning set forth in paragraph 6 of Schedule 5.1.

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IN WITNESS WHEREOF, this Agreement executed on the day and year first above written.

READY MIX USA, INC.

/s/ Marc Bryant Tyson

Marc Bryant Tyson
President

CEMEX SOUTHEAST HOLDINGS LLC

/s/ Gilberto Perez

Gilberto Perez
President

CEMEX SOUTHEAST LLC
By: Cemex, Inc.
Its Manager

/s/ Gilberto Perez

Gilberto Perez
Its President

LIST OF SCHEDULES

1.1(a) RMUSA Assets
1.1(a)-1 RMUSA Land
1.1(b) RMUSA Retained Assets
1.2(a) Cemex Assets
1.2(a)-1 Cemex Land
1.2(b) Cemex Retained Assets
1.2(b)-8 Cemex Retained Contracts
5.1 RMUSA Assumed Liabilities
5.2 Cemex Assumed Liabilities

LIST OF EXHIBITS

A Form of Cemex Lease Assignment
B Form of RMUSA Lease Assignment

Schedule 1.1(a)

RMUSA Assets

1. Real Property. Subject to the RMUSA Permitted Encumbrances, the real property owned, or in the case of (vi) below, leased, by RMUSA or any of its Affiliates and consisting of: (i) the real property described on Schedule 1.1(a)-1 (the "RMUSA Land"), (ii) all buildings, structures and improvements located on the RMUSA Land, to the extent owned by RMUSA or any of its Affiliates, (iii) all fixtures, machinery, apparatus or equipment affixed to the Cemex Land, including all of the electrical, heating, plumbing, air conditioning, air compression and all other similar systems located on the RMUSA Land, to the extent owned by RMUSA or any of its Affiliates and to the extent that such items constitute fixtures, (iv) all right, title and interest of RMUSA or any of its Affiliates, reversionary or otherwise, in and to all easements, if any, in or upon the RMUSA Land and all other rights and appurtenances belonging or in any way pertaining to the RMUSA Land (including RMUSA's and its Affiliates' right, title and interest in and to any mineral rights or water rights relating to the RMUSA Land), (v) all right, title and interest of RMUSA or any of its Affiliates in, to or under all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining the RMUSA Land and (vi) the RMUSA Leases (collectively, the "RMUSA Real Property");

2. Personal Property. Except as described on Schedule 1.1(b), the tangible personal property that is either located on the RMUSA Real Property or used or intended for use primarily in, or which is being utilized or operated by RMUSA primarily in the RMUSA Business as presently conducted, including all off road, non-titled rolling stock, material handling equipment, wheel loaders, track dozers, scrapers, water trucks, haul trucks, conveyor system, aggregate processing equipment/crushers and machinery, cement manufacturing equipment including rotary kilns, storage silos, installed control systems, installed electric motors, conveyors, rail engine, cement and raw material storage and handling equipment, weigh

scales, office furniture, business machines, cement/aggregate testing and laboratory equipment, tools and fixtures;

3. Inventory. Except as described on Schedule 1.1(b), all inventory, including all inventories of products, work in process, finished goods, raw materials, supplies, parts, finished cement, clinker, construction aggregate, coal and fuel, lubricants, machinery and equipment repair parts and components, including those tools, fuel, repair parts, components and other items, and including the supplies of coal, clay, construction aggregate, fly and bottom ash and other raw materials and repair parts (collectively, "RMUSA Inventory");

4. Prepaid Items. All of RMUSA's and its Affiliates' rights and interests relating to prepaid expenses, advance payments, deposits and prepaid items, including prepaid interest and deposits with lessors, suppliers or utilities, which relate primarily to the RMUSA Business;

5. Reserved.

6. Books, Records and Written Materials. Except as described on Schedule 1.1(b), all of RMUSA's and its Affiliates' books and records, whether in hard copy or in electronic format (e.g. computer files), including all production data, equipment maintenance data, accounting records, (but specifically excluding those files related to the Retained RMUSA Litigation), and any inventory records, sales and sales promotional data and materials, advertising materials, sales training materials, educational support program materials, cost and pricing information, business plans, quality control records and manuals, blueprints, research and development files, records and laboratory books, patent disclosures, correspondence, and any other records and data, in each case (i) used primarily in or necessary for the conduct of the RMUSA Business or (ii) that are located on the RMUSA Real Property or are within the possession or control of those persons employed by RMUSA to work primarily for the Business, and all books and records relating to Taxes (other than income Taxes) with respect to the RMUSA Business; provided that nothing in this paragraph 6 shall require RMUSA to deliver to Company or otherwise provide Company access to any electronic records that cannot be separated from information relating to the RMUSA Retained Assets or RMUSA's other businesses;

7. Catalogs and Advertising Materials. RMUSA's and its Affiliates' promotional and advertising materials relating primarily to or necessary for the conduct of the RMUSA Business as presently conducted, including all catalogs, brochures, plans, customer lists, supplier lists, manuals, handbooks, equipment and parts lists, and dealer and distributor lists;

8. Assumed Contracts. Except as described on Schedule 1.1(b) and subject to Section 4.4, all rights and benefits of RMUSA and its Affiliates in, to or under all Contracts relating primarily to the RMUSA Business, to which RMUSA or any of its Affiliates is a party or by which any of the RMUSA Assets are bound, including (i) all rights of RMUSA and its Affiliates in all purchase and sales orders relating principally to the Business, (ii) all rights of RMUSA and its Affiliates as lessee under all leases of personal property relating primarily to the RMUSA Business, (iii) all Contracts with suppliers for any products, raw materials, supplies, equipment or parts heretofore sold, or to be sold, by RMUSA and its Affiliates used primarily in the RMUSA Business as presently conducted, and (iv) all rights of RMUSA and its Affiliates either as lessee or lessor under all leases affecting the RMUSA Real Property (the "RMUSA Leases"), (all of the foregoing being collectively, the "RMUSA Assumed Contracts");

9. Permits and Approvals. All licenses, permits, approvals, variances, emission allowances, authorizations, waivers or consents used primarily in or necessary for the conduct of the RMUSA Business as presently conducted or ownership or operation of the RMUSA Real Property as currently operated and issued to RMUSA or any of its Affiliates by any Governmental Authority, to the extent transferable (collectively, "RMUSA Permits");

10. Claims. Except as described on Schedule 1.1(b), all rights, privileges, claims, demands, causes of action, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims (to the extent transferable), offsets and other claims relating to the RMUSA Assets or the RMUSA Business, but not to the extent that they relate to the Retained RMUSA Assets or the Retained RMUSA Liabilities; and

11. Goodwill. Any and all goodwill associated principally with the RMUSA Business.

Schedule 1.1(a)-1

RMUSA Land

1. 24th Street North, Finley Site (Birmingham Cement Terminal)

Schedule 1.1(b)

RMUSA Retained Assets

1. Cash. All cash, bank balances, money market accounts, moneys in possession of banks and other depositories, term or term deposits and similar cash equivalents and cash items of, owned or held by or for the account of RMUSA;

2. Accounts Receivable. RMUSA's and its Affiliates' accounts receivable arising out of the conduct of the RMUSA Business and outstanding as of the Contribution Date, including any payments received by RMUSA or any of its Affiliates with respect thereto on or after the Contribution Date, and unpaid interest accrued on any accounts receivable and any security or collateral relating thereto (collectively, "RMUSA Accounts Receivable");

3. Corporate and Other Records. The corporate books and records, including stock certificates, treasury stock, stock transfer records, corporate seals and minute books of RMUSA (i) which are not used in or necessary for the conduct of the RMUSA Business and (ii) which are not located on the RMUSA Real Property or are not within the possession or control of those persons employed to work principally for the RMUSA Business, (iii) employee files for employees other than the RMUSA Transferred Employees, (iv) RMUSA's Tax Returns and any tax supporting information related thereto, and (v) any and all records related to pending or completed litigation and claims;

4. Insurance. Any and all policies of insurance, whether or not covering the RMUSA Assets or the RMUSA Business, that are or have been maintained or managed through RMUSA or any of its Affiliates, including general liability, property, casualty, product liability and workers' compensation insurance (the "RMUSA Retained Policies"), including any and all amounts recovered by RMUSA under such RMUSA Retained Policies;

5. Intellectual Property. All intellectual property of RMUSA and its Affiliates, whether or not used primarily in or necessary for the conduct of the RMUSA Business, including RMUSA's and its Affiliates' patents, trade secrets, copyrights, trademarks, trade names, logos, slogans, internet domain names, licenses and software, including any and all rights (including any common law trademark rights) to the names Ready Mix USA, Inc. and Ready Mix USA (such names, collectively, the "RMUSA Retained Names");

6. Intracompany Receivables. All outstanding amounts, including accounts receivable, owing to the RMUSA Business from other businesses of RMUSA or RMUSA 's Affiliates (the "RMUSA Intracompany Receivables").

Schedule 1.2(a)

Cemex Assets

1. Real Property. Subject to the Cemex's Permitted Encumbrances, the real property owned, or in the case of (vi) below, leased, by Cemex, Inc. or any of its Affiliates and consisting of: (i) the real property described on Schedule 1.2(a)-1 (the "Cemex Land"), (ii) all buildings, structures and improvements located on the Cemex Land, to the extent owned by Cemex, Inc. or any of its Affiliates, (iii) all fixtures, machinery, apparatus or equipment affixed to the Cemex Land, including all of the electrical, heating, plumbing, air conditioning, air compression and all other similar systems located on the Cemex Land, to the extent owned by Cemex, Inc. or any of its Affiliates and to the extent that such items constitute fixtures, (iv) all right, title and interest of Cemex, Inc. or any of its Affiliates, reversionary or otherwise, in and to all easements, if any, in or upon the Cemex Land and all other rights and appurtenances belonging or in any way pertaining to the Cemex Land (including Cemex, Inc.'s and its Affiliates' right, title and interest in and to any mineral rights or water rights relating to the Cemex Land), (v) all right, title and interest of Cemex, Inc. or any of its Affiliates in, to or under all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining the Cemex Land and (vi) the Cemex Leases (collectively, the "Cemex Real Property");

2. Personal Property. Except as described on Schedule 1.2(b), the tangible personal property that is either located on the Cemex Real Property or used or intended for use primarily in, or which is being utilized or operated by Cemex primarily in the Cemex Business as presently conducted, including all off road, non-titled rolling stock, material handling equipment, wheel loaders, track dozers, scrapers, water trucks, haul trucks, conveyor system, aggregate processing equipment/crushers and machinery, cement manufacturing equipment including rotary kilns, storage silos, installed control systems, installed electric motors, conveyors, rail engine, cement and raw material storage and handling equipment, weigh scales, office furniture, business machines, cement/aggregate testing and laboratory equipment, tools and fixtures;

3. Inventory. Except as described on Schedule 1.2(b), all inventory, including all inventories of products, work in process, finished goods, raw materials, supplies, parts, finished cement, clinker, construction aggregate, coal and fuel, lubricants, machinery and equipment repair parts and components, including those tools, fuel, repair parts, components and other items, and including the supplies of coal, clay, construction aggregate, fly and bottom ash and other raw materials and repair parts (collectively, "Cemex Inventory");

4. Prepaid Items. All of Cemex Inc.'s and its Affiliates' rights and interests relating to prepaid expenses, advance payments, deposits and prepaid items, including prepaid interest and deposits with lessors, suppliers or utilities, which relate primarily to the Cemex Business;

5. Accounts Receivable. Except as described on Schedule 1.2(b), Cemex, Inc.'s and its Affiliates' accounts receivable arising out of the conduct of the Cemex Business and outstanding as of the Contribution Date, including any payments received by Cemex, Inc. or any of its Affiliates with respect thereto on or after the Contribution Date, and unpaid interest accrued on any accounts receivable and any security or collateral relating thereto (collectively, "Cemex Accounts Receivable");

6. Books, Records and Written Materials. Except as described on Schedule

1.2(b), all of Cemex Inc.'s and its Affiliates' books and records, whether in hard copy or in electronic format (e.g. computer files), including all production data, equipment maintenance data, accounting records, (but specifically excluding those files related to the Retained Cemex Litigation), any inventory records, sales and sales promotional data and materials, advertising materials, sales training materials, educational support program materials, cost and pricing information, business plans, quality control records and manuals, blueprints, research and development files, records and laboratory books, patent disclosures, correspondence, and any other records and data, in each case (i) used primarily in or necessary for the conduct of the Cemex Business or (ii) that are located on the Cemex Real Property or are within the possession or control of those persons employed by Cemex, Inc. to work primarily for the Business, and all books and records relating to Taxes (other than income Taxes) with respect to the Cemex Business; provided that nothing in this paragraph 6 shall require Cemex, Inc. to deliver to Company or otherwise provide Company access to any electronic records that cannot be separated from information relating to the Cemex Retained Assets or Cemex's other businesses;

7. Catalogs and Advertising Materials. Cemex, Inc.'s and its Affiliates' promotional and advertising materials relating primarily to or necessary for the conduct of the Cemex Business as presently conducted, including all catalogs, brochures, plans, customer lists, supplier lists, manuals, handbooks, equipment and parts lists, and dealer and distributor lists;

8. Assumed Contracts. Except as described on Schedule 1.2(b) and subject to Section 4.4, all rights and benefits of Cemex, Inc. and its Affiliates in, to or under all Contracts relating primarily to the Cemex Business, to which Cemex, Inc. or any of its Affiliates is a party or by which any of the Cemex Assets are bound, including (i) all rights of Cemex, Inc. and its Affiliates in all purchase and sales orders relating principally to the Business, (ii) all rights of Cemex, Inc. and its Affiliates as lessee under all leases of personal property relating primarily to the Cemex Business, (iii) all Contracts with suppliers for any products, raw materials, supplies, equipment or parts heretofore sold, or to be sold, by Cemex, Inc. and its Affiliates used primarily in the Cemex Business as presently conducted, and (iv) all rights of Cemex, Inc. and its Affiliates either as lessee or lessor under all leases affecting the Cemex Real Property (the "Cemex Leases"), (all of the foregoing being collectively, the "Cemex Assumed Contracts");

9. Permits and Approvals. All licenses, permits, approvals, variances, emission allowances, authorizations, waivers or consents used primarily in or necessary for the conduct of the Cemex Business as presently conducted or ownership or operation of the Cemex Real Property as currently operated and issued to Cemex, Inc. or any of its Affiliates by any Governmental Authority, to the extent transferable (collectively, "Cemex Permits");

10. Claims. Except as described on Schedule 1.2(b), all rights, privileges, claims, demands, causes of action, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims (to the extent transferable), offsets and other claims relating to the Cemex Assets or the Cemex Business, but not to the extent that they relate to the Retained Cemex Assets or the Retained Cemex Liabilities; and

11. Goodwill. Any and all goodwill associated principally with the Cemex Business.

Schedule 1.2(a)-1

Cemex Land

City	State	County	Street Address
Rockmart	GA	Clayton	1801 Rome Hwy
Pensacola	FL	Escambia	110 E. Olive Road
Freeport	FL	Walton	647 E. Bay Loop
Clinchfield	GA	Houston	2620 Highway 341 South
Buford	GA	Hall	6891 McEvers Road
Forest Park	GA	Polk	5115 Old Dixie Road
Chattanooga	TN	Hamilton	611 Hudson Road
Memphis	TN	Shelby	Intersection of Riverport Road and Rivergate Road South
Montgomery	AL	Montgomery	55 Division Street
Decatur	AL	Morgan	1216 State Dock Road
Birmingham	AL	Jefferson	4700 Shuttlesworth Drive
Demopolis	AL	Marengo	1617 Arcola Rd.

Schedule 1.2(b)

Cemex Retained Assets

1. Cash. All cash, bank balances, money market accounts, moneys in possession of banks and other depositories, term or term deposits and similar cash equivalents and cash items of, owned or held by or for the account of Cemex, Inc.;

2. Corporate and Other Records. The corporate books and records, including stock certificates, treasury stock, stock transfer records, corporate seals and minute books of Cemex, Inc. (i) which are not used in or necessary for the conduct of the Cemex Business and (ii) which are not located on the Cemex Real Property or are not within the possession or control of those persons employed to work principally for the Cemex Business, (iii) employee files for employees other than the Cemex Transferred Employees, (iv) Cemex, Inc.'s Tax Returns and any tax supporting information related thereto, and (v) any and all records related to pending or completed litigation and claims;

3. Insurance. Any and all policies of insurance, whether or not covering the Cemex Assets or the Cemex Business, that are or have been maintained or managed through Cemex, Inc. or any of its Affiliates, including general liability, property, casualty, product liability and workers' compensation insurance (the "Cemex Retained Policies"), including any and all amounts recovered by Cemex, Inc. under such Cemex Retained Policies;

4. Intellectual Property. All intellectual property of Cemex, Inc. and its Affiliates, whether or not used primarily in or necessary for the conduct of the Cemex Business, including Cemex Inc.'s and its Affiliates' patents, trade secrets, copyrights, trademarks, trade names, logos, slogans, internet domain names, licenses and software, and any goodwill related to the foregoing including any and all rights (including any common law

trademark rights) to the names Cemex and Cemex, Inc. (such names, collectively, the "Cemex Retained Names");

5. Intracompany Receivables. All outstanding amounts, including accounts receivable, owing to the Cemex Business from other businesses of Cemex or Cemex 's Affiliates (the "Cemex Intracompany Receivables");

6. Personal Property. The following cement tanker haul trucks and their respective trailers: 2000 Mack Truck 3R0030, VIN# 1M1AA13Y5YW120782; 2000 Mack Truck 3R0031, VIN# 1M1AA13Y5YW120781; 2000 Mack Truck 3R0032, VIN# 1M1AA13Y5YW120575; 2006 Peterbilt Truck 3R0049, VIN# 1XPDG09816N899196.

7. Claims. All rights, privileges, claims, demands, causes of action, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims, offsets and other claims relating to the following:

   a. A dispute with the welding contractor and Loeshce over poor quality work done on the raw mill at the Clinchfield Cement plant during the last outage.

   b. A dispute with Airstream over an outage and damages caused by a poor quality kiln ID fan that was installed and subsequently removed at the Demopolis Cement plant.

8. Contracts. All rights and benefits of Cemex, Inc. and its Affiliates in, to or under the contracts listed on Schedule 1.2(b)-8.

Schedule 1.2(b)-8

Cemex Retained Contracts

1. MRO Procurement Agreement, dated as of September 27, 2004, between CEMEX, Inc. and Applied Industrial Technologies.

2. Master Materials Agreement, dated as of June 1, 2003, between CEMEX, Inc. and Quality Grinding Aids, Inc.

3. Global Sourcing Contract, undated, between CEMEX Inc. and Harbison-Walker Refractories Company.

4. Global Sourcing Contract, undated, between CEMEX Inc. and Magotteaux, Inc.

5. Sales Purchase Agreement, dated July 29, 2004, between CEMEX, Inc. and Petroleum Traders Corporation.

6. Service Agreement, dated as of July 21, 2004, between Manpower Inc. and CEMEX Inc.

7. Coke Sales Agreement, undated, between Transenergy Grinding, Inc. and ExxonMobil Corporation.

8. Master Lease Agreement 07709-00400, dated as of April 16, 2004, among Bank of America Leasing & Capital, LLC, as Lessor, and Cemex, Inc., Cemex Cement, Inc., Cemex Cement Texas, L.P., Cemex Construction Materials, L.P., Pacific Coast Cement Corporation, Cemex California Cement LLP, Cemex Central Plains Cement, LLC, and Kosmos Cement Company, as Lessees.

9. BTM Master Lease Agreement, dated as of August 7, 2000, between BTM Capital Corporation (Bank of Tokyo-Mitsubishi), as Lessor, and Southdown, Inc., as Lessee.

10. Master Lease Agreement 287309-000-001, dated as of January 28, 2004, between Caterpillar Financial Services Corporation, as Lessor, and Cemex, Inc.

11. Equipment Lease, dated as of May 17, 2002, between First Union Commercial Corporation, as Lessor, and Cemex, Inc., as Lessee.

12. Master Lease Finance Agreement, dated as of June 13, 1995, between BancBoston Leasing Inc., as Lessor, and Southdown, Inc., as Lessee.

13. Master Equipment Lease Agreement No. 34574, dated as of March 26, 2001, between Fleet Capital Corporation, as Lessor, and Cemex, Inc.

14. Master Lease Agreement, dated as of August 1, 1997, between General Electric Capital Corporation, as Lessor, and Sunbelt Asphalt & Materials, Inc., as Lessee.

15. Master Lease Finance Agreement, dated as of April 19, 1999, between STI Credit Corporation, as Lessor, and Southdown, Inc.

Schedule 5.1

RMUSA Assumed Liabilities

1. Assumed Contracts. Subject to Section 4.4, all liabilities and obligations of RMUSA arising after the Contribution under the RMUSA Assumed Contracts. For the avoidance of doubt, Company shall not assume any liabilities or obligations arising out of any breach of or default under such RMUSA Assumed Contracts by RMUSA that occurred prior to the Contribution;

2. Real Property. Except as set forth in Section 2.2 and 6.8, all liabilities and obligations relating to, or occurring or existing in connection with, or arising out of, the ownership and use of the RMUSA Real Property, arising after the Contribution;

3. Product Liability. Claims for product warranty, product liability, refunds, returns, personal injury and property damage, and all other liabilities and obligations, relating to products sold or services provided by Company after the Contribution;

4. Post Closing Liabilities. Any liability, claim or obligation which is based on events or conditions occurring or arising out of the RMUSA Business as operated by Company after the Contribution or the ownership, possession, use or sale of the RMUSA Assets by Company after the Contribution (but, in each case, only to the extent such liability, claim or obligation is based on events or conditions that occur or arise for the first time after the Contribution);

5. Taxes (excluding transfer and income Taxes). All liabilities and obligations related to Taxes (excluding transfer and income Taxes) to the extent due and payable after the Contribution;

6. WARN. Any liabilities or obligations of RMUSA arising under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss.ss. 2101 2109 ("WARN") to the RMUSA Business Employees arising out of a "plant closing" or "mass layoff" (as those terms are defined under WARN) occurring as of or after the Contribution.

7. Environmental Liabilities. (a) The RMUSA Environmental Liabilities (except to the extent that such liabilities are subject to indemnification pursuant to Section 6.8); and (b) any damages, claims, losses, liabilities and expenses that may be incurred as a result of the presence of Hazardous Materials at the RMUSA Real Property or property located in the vicinity of the RMUSA Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the RMUSA Business or RMUSA Real Property, that exists as of the Contribution Date but is not otherwise a RMUSA Environmental Condition as defined in

Section 8.7(a).

Schedule 5.2

Cemex Assumed Liabilities

1. Assumed Contracts. Subject to Section 4.4, all liabilities and obligations of Cemex, Inc. arising after the Contribution under the Cemex Assumed Contracts and any and all obligations by Cemex, Inc. or any of its Affiliates to guarantee or support obligations of the Company or any of its Subsidiaries under any of the Assumed Contracts. For the avoidance of doubt, Company shall not assume any liabilities or obligations arising out of any breach of or default under such Cemex Assumed Contracts by Cemex, Inc. that occurred prior to the Contribution;

2. Real Property. Except as set forth in Section 2.2 and 6.7, all liabilities and obligations relating to, or occurring or existing in connection with, or arising out of, the ownership and use of the Cemex Real Property, arising after the Contribution;

3. Product Liability. Claims for product warranty, product liability, refunds, returns, personal injury and property damage, and all other liabilities and obligations, relating to products sold or services provided by Company after the Contribution;

4. Post Closing Liabilities. Any liability, claim or obligation which is based on events or conditions occurring or arising out of the Cemex Business as operated by Company after the Contribution or the ownership, possession, use or sale of the Cemex Assets by Company after the Contribution (but, in each case, only to the extent such liability, claim or obligation is based on events or conditions that occur or arise for the first time after the Contribution);

5. Taxes (excluding transfer and income Taxes). All liabilities and obligations related to Taxes (excluding transfer and income Taxes) to the extent due and payable after the Contribution;

6. Accounts Payable. The Cemex Accounts Payable.

7. WARN. Any liabilities or obligations of Cemex arising under the WARN to the Cemex Business Employees arising out of a "plant closing" or "mass layoff" (as those terms are defined under WARN) occurring as of or after the Contribution.

8. Environmental Liabilities. (a) The Cemex Environmental Liabilities (except to the extent that such liabilities are subject to indemnification pursuant to Section 6.7); and (b) any damages, claims, losses, liabilities and expenses that may be incurred as a result of the presence of Hazardous Materials at the Cemex Real Property or property located in the vicinity of the Cemex Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the Cemex Business or Cemex Real Property, that exists as of the Contribution Date but is not otherwise a Cemex Environmental Condition as defined in Section 7.7(a).

Exhibit A

Form of Cemex Lease Assignment

See attached.

Exhibit B

Form of RMUSA Lease Assignment

See attached.

Exhibit 4.20

ASSET AND CAPITAL CONTRIBUTION AGREEMENT

THIS ASSET AND CAPITAL CONTRIBUTION AGREEMENT (this "Agreement") is made and entered into this 1st day of July, 2005, by and among READY MIX USA, INC., an Alabama corporation ("RMUSA"), CEMEX SOUTHEAST HOLDINGS LLC, a Delaware limited liability company ("Cemex"), and READY MIX USA, LLC, a Delaware limited liability company ("Company").

W-I-T-N-E-S-S-E-T-H :

WHEREAS, RMUSA and Cemex are the sole members of Company; and

WHEREAS, RMUSA and Cemex have agreed to each make an asset and capital contribution (the "Contribution") to Company pursuant to terms contained herein; and

WHEREAS, subsequent to the Contribution, Company will own and operate the RMUSA Assets and the Cemex Assets, both of which terms are defined below, in connection with the business of producing and selling ready-mix concrete and concrete block, pavers and septic tanks, and materials to produce the same, such as aggregates and sand, at the RMUSA Business Locations and the Cemex Business Locations, both of which terms are defined below.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the receipt, adequacy and sufficiency of which are hereby acknowledged, RMUSA and Cemex hereby agree as follows:

ARTICLE 1

TRANSFER OF ASSETS

1.1 Assets To Be Contributed By RMUSA. Subject to the terms hereinafter set forth, RMUSA hereby transfers, conveys, assigns and delivers, and agrees to cause each of its Affiliates (as defined herein) to transfer, convey, assign and deliver, to Company those assets described on Schedule 1.1(a) which are currently owned by RMUSA or any of its Affiliates and used or intended for use primarily in, or which are being utilized or operated by RMUSA or any of its Affiliates in its ready-mix concrete, concrete block and septic tank manufacture facilities, paver manufacture facilities and aggregate and sand business (the "RMUSA Assets") and the business associated with said assets, including the business associated with the Partnerships (as defined below) (the "RMUSA Business"). The locations listed on Schedule 1.1(a)-1 are referred to sometimes herein as the "RMUSA Business Locations." Notwithstanding the foregoing, the assets, properties and rights described on Schedule 1.1(b) shall not be transferred, conveyed, assigned or delivered to Company under this Agreement (the "Retained RMUSA Assets"). Notwithstanding the definition of RMUSA Assets included above, the parties acknowledge that a portion of the RMUSA Value (as defined below) includes, primarily for convenience and scheduling purposes, those membership interests (the "Membership Interests") in each of the companies to which each of the Membership Interests apply (the "Partnerships") as disclosed on Schedule 1.1(a).

1.2 Assets To Be Contributed By Cemex. Subject to the terms hereinafter set forth, Cemex hereby transfers, conveys, assigns and delivers, and agrees to cause each of its Affiliates to transfer, convey, assign and deliver, to Company those assets described on Schedule 1.2(a) which are currently owned by Cemex or any of its Affiliates and used or intended for use primarily in, or which are being utilized or operated by Cemex or any of its Affiliates primarily in its ready-mix concrete, concrete block and aggregate business locations in the RMUSA Boundaries (the "Cemex Assets") and the business associated with said assets (the "Cemex Business", and together with the RMUSA Business, the "Business"). The locations listed on Schedule 1.2(a)-1 are referred to sometimes herein as

the "Cemex Business Locations." Notwithstanding the foregoing, the assets, properties and rights described on Schedule 1.2(b) shall not be transferred, conveyed, assigned or delivered to Company under this Agreement (the "Retained Cemex Assets").

ARTICLE 2

ASSIGNED VALUES

2.1 Values Assigned to RMUSA Assets And Cemex Assets. RMUSA and Cemex agree, for purposes of this Agreement, that:

(a) the value assigned to the RMUSA Assets is equal to the sum of $357,318,591.59 ($344,000,000 and 13,318,591.59), plus the adjustments made pursuant to Section 2.2 and 2.3 (the "RMUSA Value"); and

(b) the value assigned to the Cemex Assets is equal to the sum of $41,061,758 ($16,061,758 and $25,000,000), plus the adjustments made pursuant to Section 2.2 and 2.3 (the "Cemex Value").

2.2 Prorations. Except for any accounts payable of RMUSA, arising out of the ordinary course of the RMUSA Business, which shall be valued at face value (net of discounts) at close of business on the Contribution Date, and subject to adjustment pursuant to Section 2.3 below (the "RMUSA Accounts Payable"), Cemex and RMUSA each acknowledge and agree that RMUSA shall be responsible for the expenses relating to the RMUSA Assets, and Cemex shall be responsible for the expenses relating to the Cemex Assets, up to and through the Contribution Date (for example, ad valorem taxes and utilities) and that such expenses shall be paid by them at or before the Contribution Date. To the extent that a period of time for the assessment of any of the expenses (for example, property taxes) shall be due both before and after the Contribution Date, the same shall be prorated as of the Contribution Date. RMUSA and Cemex acknowledge and agree that one or more of such prorations may occur or be reconciled subsequent to the Contribution Date.

2.3 Estimated Values; Adjustments.

(a) The RMUSA Value shall be (i) increased by (v) any cash contributed to the Company by RMUSA on the Contribution Date; (w) the value of the inventory of sand, gravel, cement, admixtures, fuel, other raw material and finished goods on hand constituting RMUSA Inventory, which shall all be valued at book value at close of business on the Contribution Date; (x) the value of the inventory of tools, parts and related items constituting RMUSA Inventory, which shall all be valued at book value at close of business on the Contribution Date; (y) the value of all deposits and prepaid items at close of business on the Contribution Date (the "RMUSA Prepaids"); and (z) the amount, if any, by which the RMUSA Accounts Receivable, valued at face value at close of business on the Contribution Date, exceed the RMUSA Accounts Payable, and (ii) decreased by the amount, if any, by which the RMUSA Accounts Payable exceed the RMUSA Accounts Receivable. For the purpose of calculating the RMUSA Accounts Receivable: (i) accounts receivable that are less than sixty (60) days past due will be valued at face value as of the close of business on the Contribution Date; (ii) accounts receivable that are more than sixty (60) days and less than ninety (90) days past due will be valued at 90% of face value as of the close of business on the Contribution Date; and (iii) accounts receivable that are more than ninety (90) days past due will be valued at 75% of the face value as of the close of business on the Contribution Date.

(b) The Cemex Value shall be (i) increased by (w) any cash contributed to the Company by Cemex on the Contribution Date; (x) the value of the inventory of sand, gravel, cement, admixtures, fuel, other raw material and finished goods on hand constituting Cemex Inventory, which shall all be valued at book value at close of business on the Contribution Date; (y) the value of the inventory of tools, parts and related items constituting Cemex Inventory, which shall all be valued at book value at close of business on the Contribution Date; and (z) the value of all deposits and prepaid items at close of business on the Contribution Date (the "Cemex Prepaids").

(c) (i) Within thirty (30) days after the Contribution Date, (x) Cemex shall deliver to the Company and RMUSA a working capital statement reflecting the current assets and the Cemex Prepaids assigned by Cemex pursuant to this Agreement as of the close of business on the Contribution Date, with each item valued as contemplated in Section 2.2 or 2.3(b), as the case may be (the "Cemex Working Capital Statement") and (y) RMUSA shall deliver to the Company and Cemex a working capital statement reflecting the current assets, the RMUSA Prepaids and the RMUSA Accounts Payable assigned by RMUSA pursuant to this Agreement as of the close of business on the Contribution Date, with each item valued as contemplated in Section 2.2 or 2.3(a), as the case may be (the "RMUSA Working Capital Statement").

(ii) Upon receipt of the Cemex Working Capital Statement, RMUSA and its independent certified public accountants shall have the right during the succeeding 30-day period to review and audit the accounts represented by the line items set forth on the Cemex Working Capital Statement and to examine and review all records and work papers and other supporting documents used to prepare such statement. Cemex shall give RMUSA full access at all reasonable times to the working papers relating to the Cemex Working Capital Statement, including but not limited to any descriptions of the methodology, procedures, internal audits and analysis undertaken in connection with the preparation of the Cemex Working Capital Statement. RMUSA shall notify Cemex in writing, on or before the last day of the 30-day period, of any good faith objections to the Cemex Working Capital Statement, setting forth a detailed explanation of the objections and the dollar amount of each such objection. If RMUSA does not deliver such notice within such 30-day period, the Cemex Working Capital Statement shall be deemed to have been irrevocably accepted by RMUSA and the Company.

(iii) Upon receipt of the RMUSA Working Capital Statement, Cemex and its independent certified public accountants shall have the right during the succeeding 30-day period to review and audit the accounts represented by the line items set forth on the RMUSA Working Capital Statement and to examine and review all records and work papers and other supporting documents used to prepare such statement. RMUSA shall give Cemex full access at all reasonable times to the working papers relating to the RMUSA Working Capital Statement, including but not limited to any descriptions of the methodology, procedures, internal audits and analysis undertaken in connection with the preparation of the RMUSA Working Capital Statement. Cemex shall notify RMUSA in writing, on or before the last day of the 30-day period, of any good faith objections to the RMUSA Working Capital Statement, setting forth a detailed explanation of the objections and the dollar amount of each such objection. If Cemex does not deliver such notice within such 30-day period, the RMUSA Working Capital Statement shall be deemed to have been irrevocably accepted by Cemex and the Company.

(iv) If any party in good faith objects to line items set forth on the Cemex Working Capital Statement, or the RMUSA Working Capital Statement, as the case may be, the parties shall attempt to resolve any such objections within 30 days of receipt by the corresponding party of any such objections. If the parties are unable to resolve the matter within such 30-day period, they shall jointly appoint an impartial nationally recognized independent certified public accounting firm (the "Impartial Accounting Firm") mutually acceptable to the parties (or, if they cannot agree on a mutually acceptable firm, they shall cause their respective accounting firms to select such firm) within five (5) days after the end of such 30-day period to resolve any such remaining matters. Any such resolution shall be conclusive and binding on the parties and the fees of the Impartial Accounting Firm shall be borne as the Impartial Accounting Firm shall determine after considering the positions asserted by the parties in light of its final decision. The parties shall fully cooperate with the Impartial Accounting Firm. The Impartial Accounting Firm shall be instructed to

reach its conclusion regarding the dispute within thirty (30) days of its appointment to settle the dispute.

(v) Adjustments to the values contemplated in paragraphs (a) and (b) of this Section 2.3 shall be made pursuant to the Cemex Working Capital Statement and the RMUSA Working Capital Statement, after their acceptance by the parties or the resolution of all disputes in connection therewith, pursuant to the provisions of this paragraph 2.3(c). Upon any adjustment to the RMUSA Value or the Cemex Value, as contemplated above, in the event that the sum of RMUSA Value under this Agreement and the RMUSA Value under the Cemex Contribution Agreement, as finally determined (the "Aggregate RMUSA Contribution"), is less than the sum of the Cemex Value under this Agreement and the Cemex Value under the Cemex Contribution Agreement, as finally determined (the "Aggregate Cemex Contribution"), then within ten (10) days following such final determination RMUSA shall make a cash contribution (as part of its Contribution) to Company in an amount equal to such shortfall. In the event the Aggregate RMUSA Contribution is greater than the Aggregate Cemex Contribution, then within ten (10) days following such final determination Cemex shall make a cash contribution (as part of its Contribution) to Cemex LLC in an amount equal to such shortfall.

(d) In connection with the preparation of the Cemex Working Capital Statement and the RMUSA Working Capital Statement, each of RMUSA and Cemex shall be entitled, for a period of thirty (30) days following the Contribution Date, to conduct a review of Company's physical inventory.

ARTICLE 3

CONTRIBUTION DATE

3.1 Contribution Date. The Contribution shall be made by RMUSA and Cemex simultaneously with the entering into of this Agreement (the "Contribution Date").

ARTICLE 4

DELIVERIES

4.1 Deliveries By RMUSA. Contemporaneously with the execution and delivery of this Agreement, RMUSA shall deliver or cause to be delivered the following:

(a) To Company:

(i) A bill of sale and assignment evidencing the contribution to Company of those items described in paragraph 2 of Schedule 1.1(a), duly executed by RMUSA;

(ii) A limited warranty deed for each parcel of RMUSA Land duly executed by RMUSA, evidencing the contribution of the RMUSA Land to Company (the "RMUSA Warranty Deed");

(iii) A Title Policy for each parcel of RMUSA Land;

(iv) Any sales tax and real estate transfer tax returns, notice of sale of assets, inventory resale certificate or like governmental report required or permitted by any Governmental Authority having jurisdiction over the RMUSA Real Property;

(v) An affidavit pursuant to the Foreign Investment and Real Property Transfer Act in respect of the transfer of RMUSA Land;

(vi) Duly executed and assigned certificates of title

for all vehicles/rolling stock being contributed to Company as part of the RMUSA Assets;

(vii) Resolutions adopted by the directors of RMUSA unanimously authorizing the execution and delivery of this Agreement and the transactions contemplated hereunder and appointing the person(s) authorized to consummate this transaction on behalf of RMUSA (the "RMUSA Authorized Person(s)");

(viii) A current Certificate of Good Standing of RMUSA from each of the states in which the RMUSA Business Locations are located;

(ix) A certificate executed by an authorized officer of RMUSA as to the incumbency of the RMUSA Authorized Person(s);

(x) Possession of the RMUSA Assets;

(xi) To the extent assignable, an assignment of the RMUSA Permits;

(xii) An instrument of assignment and assumption with respect to each RMUSA Assumed Contract (the "RMUSA Agreement Assignment and Assumption"), duly executed by RMUSA;

(xiii) An Assignment and Assumption Agreement and Lessor and Lessee Estoppel Agreement with respect to each RMUSA Lease substantially in the form attached hereto as Exhibit A (the "RMUSA Lease Assignment");

(xiv) A Trademark License Agreement (the "RMUSA Trademark License Agreement"); and

(xv) $28,144,915.10, (x) by wire transfer of $4,594,222.32 in immediately available funds to the account designated by Company and (y) $23,550,692.78 by transfer of bank accounts to the Company, as set forth in Schedule 4.1(a)(xv).

(b) To Company and Cemex:

(i) The Limited Liability Company Agreement of Ready Mix USA, LLC, dated July 1, 2005 (the "Ready Mix LLC Agreement"), duly executed by RMUSA.

4.2 Deliveries By Cemex. Contemporaneously with the execution and delivery of this Agreement, Cemex shall deliver or cause to be delivered the following:

(a) To Company:

(i) A bill of sale and assignment evidencing the contribution to Company of those items described in paragraph 2 of Schedule 1.2(a), duly executed by Cemex or its Affiliates;

(ii) A limited warranty deed for each parcel of Cemex Land duly executed by Cemex or its Affiliates, evidencing the contribution of the Cemex Land to Company (the "Cemex Warranty Deed");

(iii) A Title Policy for each parcel of Cemex Land;

(iv) Any sales tax and real estate transfer tax returns, notice of sale of assets, inventory resale certificate or like governmental report required or permitted by any Governmental Authority having jurisdiction over the Cemex Real Property;

(v) An affidavit pursuant to the Foreign Investment and Real Property Transfer Act in respect of the transfer of Cemex Land;

(vi) Duly executed and assigned Certificates of Title for all vehicles/rolling stock being contributed to Company as part of the Cemex Assets;

(vii) Resolutions adopted by the directors of Cemex or its Affiliates unanimously authorizing the execution and delivery of this Agreement and the transactions contemplated hereunder and appointing the person(s) authorized to consummate this transaction on behalf of Cemex or its Affiliates (the "Cemex Authorized Person(s)");

(viii) A current Certificate of Good Standing of Cemex or its Affiliates from each state in which a Cemex Business Location is located;

(ix) A certificate executed by an authorized officer of Cemex or its Affiliates as to the incumbency of the Cemex Authorized Person(s);

(x) Possession of the Cemex Assets;

(xi) To the extent assignable, an assignment of the Cemex Permits;

(xii) An instrument of assignment and assumption with respect to each Cemex Assumed Contract (the "Cemex Agreement Assignment and Assumption"), duly executed by Cemex or its Affiliates;

(xiii) An Assignment and Assumption Agreement and Lessor and Lessee Estoppel Agreement with respect to each Cemex Lease substantially in the form attached hereto as Exhibit B (the "Cemex Lease Assignment"); and

(xiv) The Cement Supply Agreement duly executed by Cemex, in its capacity as the Manager of Cemex LLC.

(b) To Company and RMUSA:

(i) The Ready Mix LLC Agreement, duly executed by Cemex.

4.3 Deliveries By Company. Contemporaneously with the execution and delivery of this Agreement, Company shall deliver or cause to be delivered:

(a) To each of RMUSA and Cemex, the Ready Mix LLC Agreement, duly executed by Company;

(b) To Cemex LLC, the Cement Supply Agreement, duly executed by Company;

(c) To RMUSA, the RMUSA Agreement Assignment and Assumption, duly executed by Company;

(d) To Cemex, the Cemex Agreement Assignment and Assumption, duly executed by Company;

(e) To Cemex, a Cemex Lease Assignment with respect to each Cemex Lease, duly executed by Company;

(f) To RMUSA, a RMUSA Lease Assignment with respect to each RMUSA Lease, duly executed by Company; and

(g) To RMUSA, the RMUSA Trademark License Agreement, duly executed by the Company.

4.4 Consents. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement to transfer, sell or otherwise assign any instrument, Contract, license or Permit of the

Cemex Business or the RMUSA Business which would otherwise be a Transferred Asset but which is not permitted to be assigned in connection with a transaction of the type contemplated by this Agreement (collectively, the "Unassigned Contracts"). To the extent permitted under the terms of each Unassigned Contract, the beneficial interest in and to each Unassigned Contract shall in any event pass to Company at the Closing, and each of Cemex and RMUSA, as the case may be, covenants and agrees to cooperate with Company in any lawful and economically reasonable arrangement to provide Company with Cemex's or RMUSA's, as the case may be, entire interest in the benefits under each of the Unassigned Contracts. Cemex or RMUSA, as the case may be, shall exercise or exploit its rights and options under all such Unassigned Contracts referred to in this Section 4.4 only as reasonably directed by Company; provided, that Company shall be responsible for any liability incurred by Cemex or RMUSA, as the case may be, pursuant to such direction and, provided, further, that Company shall not direct Cemex or RMUSA, as the case may be, not to attempt to obtain a Required Contractual Consent for an Unassigned Contract. If Company receives an economic benefit under an Unassigned Contract, Company shall accept the burdens and perform the obligations under such Unassigned Contract as subcontractor of Cemex or RMUSA, as the case may be, to the extent of the benefit received, and to the extent such burdens and obligations would have constituted an Assumed Liability if such Unassigned Contract had been transferred to Company at the Contribution. Furthermore, if the other party(ies) to an Unassigned Contract subsequently Consent to the assignment of such Contract to Company, Company shall thereupon agree to assume and perform all liabilities and the obligations arising thereunder after the date of such Consent, at which time such Unassigned Contract shall be deemed a Transferred Asset, without the payment of further consideration, and the obligations so assumed thereunder shall be deemed Assumed Liabilities.

ARTICLE 5

LIABILITIES

5.1 Limitation on Liabilities of RMUSA to be Assumed by Company. Notwithstanding any provision of this Agreement to the contrary, Company shall not assume or become liable to RMUSA, or any other Person, for any liabilities or obligations of RMUSA or any of its Affiliates whether accrued, absolute, contingent or otherwise, except for those liabilities of RMUSA and its Affiliates described on Schedule 5.1 (the "RMUSA Assumed Liabilities"), which Company hereby assumes and agrees to perform, satisfy and discharge when due.

5.2 Limitation on Liabilities of Cemex to be Assumed by Company. Notwithstanding any provision of this Agreement to the contrary, Company shall not assume or become liable to Cemex, or any other Person, for any liabilities or obligations of Cemex or any of its Affiliates whether accrued, absolute, contingent or otherwise, except for those liabilities of Cemex and its Affiliates described on Schedule 5.2 (the "Cemex Assumed Liabilities") which Company hereby assumes and agrees to perform, satisfy and discharge when due.

ARTICLE 6

CERTAIN POST-CONTRIBUTION MATTERS

6.1 Further Acts.

(a) RMUSA and Cemex shall, respectively, assist Company, and cause their Affiliates to assist, in planning for and accomplishing the orderly transfer of the RMUSA Assets and Cemex Assets to Company as of the Contribution Date and shall take all steps reasonably requested by Company in furtherance thereof. From time to time, at the request of Company, whether at or after the Contribution Date and without further consideration, RMUSA, Cemex and their respective officers and employees will do, execute, acknowledge and deliver to Company, or cause their Affiliates to do, execute, acknowledge and deliver to Company, all further acts, instruments, and assurances, in recordable form, that are reasonably required by Company to effectuate the terms and conditions of this Agreement and the Contribution contemplated hereunder. In addition to the

foregoing, on or before the day which is sixty (60) days following the Contribution Date, Cemex shall cause (i) all of the Cemex Required Contractual Consents to be obtained, (ii) the Cemex Permits to be assigned to the Company, and (iii) all certificates of title for all vehicles/rolling stock being contributed to the Company as part of the Cemex Assets to be duly executed and assigned to the Company. In addition to the foregoing, on or before the day which is sixty (60) days following the Contribution Date, RMUSA shall cause (i) all of the RMUSA Required Contractual Consents to be obtained, (ii) the RMUSA Permits to be assigned to the Company, and (iii) all certificates of title for all vehicles/rolling stock being contributed to the Company as part of the RMUSA Assets to be duly executed and assigned to the Company. The parties covenant and agree that following the Contribution Date they shall take all commercially reasonable actions necessary at their own respective cost to clarify, correct, remove or satisfy any matters of title or survey as to which either party may have an objection that affect any parcel of real property that is contributed or conveyed by either party to Company. From time to time, at the request of RMUSA or Cemex, whether at or after the Contribution Date and without further consideration, Company and its officers and employees will do, execute, acknowledge and deliver to RMUSA or Cemex, as the case may be, all further acts, instruments, and assurances, in recordable form, that are reasonably required by RMUSA or Cemex, as the case may be, to effectuate the terms and conditions of this Agreement and the assumption of the RMUSA Assumed Liabilities or the Cemex Assumed Liabilities, as the case may be, contemplated hereunder.

(b) The agreements of RMUSA and Cemex in (a) above shall include, without limitation, the execution and delivery of deeds, assignments, bills of sale, affidavits, agreements, consents, certificates and other documents or instruments which RMUSA or Cemex, or their Affiliates, as applicable, shall be unable to deliver as of the Contribution Date and RMUSA and Cemex, and their Affiliates, as applicable, shall diligently take whatever steps or actions subsequent to the Contribution Date as may be necessary in order to effectuate delivery of each of the same.

6.2 Continued Access to Records. RMUSA and Cemex shall, respectively, preserve for a period of five (5) years after the Contribution Date their respective records and documents which, in Company's reasonable opinion, relate to the RMUSA Assets and the Cemex Assets, respectively, any of the representations or warranties of RMUSA and Cemex, as applicable, contained herein, or the conduct or operation of the RMUSA Assets and Cemex Assets in the Business by Company subsequent to Contribution and will grant Company such reasonable access to and ability to copy all such records and documents as may be needed by Company.

6.3 Accounts Receivable. In the event that RMUSA receives any payments subsequent to the Contribution Date relating to any RMUSA Accounts Receivable outstanding on or after such date, such payment shall be the property of, and shall be forwarded and remitted to Company as hereinafter provided. After the Contribution Date RMUSA shall and shall cause its Affiliates to pay to Company on a bi-monthly basis all amounts received after the Contribution Date by RMUSA with respect to RMUSA Accounts Receivable.

6.4 Publicity. Unless and only to the extent required to be made pursuant to any applicable Law, regulation or other requirement of any Governmental Authority, or by any listing agreement with a national securities exchange or trading market, none of RMUSA, Cemex or Company shall make any public announcement or issue any press release regarding this Agreement or the consummation of the transactions contemplated hereby without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

6.5 Insurance.

(a) Each of Cemex and Company acknowledges that the RMUSA Retained Policies will not continue to insure the RMUSA Assets or the RMUSA Business after the Contribution Date and that it is incumbent upon Company to obtain substitute policies of insurance that provide insurance coverage for the RMUSA Assets and the RMUSA Business. Each of Cemex and Company hereby further acknowledges that in the event any casualty or loss, including a product

liability or workers' compensation claim, relating to the RMUSA Assets or RMUSA Business occurs prior to or on the Contribution Date, such loss shall be payable solely from the RMUSA Retained Policies. Each of Cemex and Company hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the RMUSA Assets or RMUSA Business occurs after the Contribution Date, such loss shall be payable solely from such substitute policies. Any such substitute policies shall include a waiver of any rights of subrogation that the insurance carriers underwriting such policies may have against RMUSA or RMUSA's Affiliates, or under the RMUSA Retained Policies.

(b) Each of RMUSA and Company acknowledges that the Cemex Retained Policies will not continue to insure the Cemex Assets or the Cemex Business after the Contribution Date and that it is incumbent upon Company to obtain substitute policies of insurance that provide insurance coverage for the Cemex Assets and the Cemex Business. Each of RMUSA and Company hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the Cemex Assets or Cemex Business occurs prior to or on the Contribution Date, such loss shall be payable solely from the Cemex Retained Policies. Each of RMUSA and Company hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the Cemex Assets or Cemex Business occurs after the Contribution Date, such loss shall be payable solely from such substitute policies. Any such substitute policies shall include a waiver of any rights of subrogation that the insurance carriers underwriting such policies may have against Cemex or Cemex 's Affiliates, or under the Cemex Retained Policies.

6.6 Employment Matters. RMUSA shall transfer to Company the RMUSA employees associated with the RMUSA Assets ("RMUSA Transferred Employees"). Cemex shall transfer, or cause the transfer, to Company of the employees of Cemex and its Affiliates associated with the Cemex Assets and the Cemex Business ("Cemex Transferred Employees"). RMUSA shall maintain, or cause to be maintained, employee benefit and compensation plans, programs and arrangements (the "Plans") for the benefit of the Cemex Transferred Employees and the RMUSA Transferred Employees. With respect to each Plan in which a Cemex Transferred Employee participates, for purposes of determining eligibility, vesting and amount of benefits, including severance benefits and paid time off entitlement (but not for pension benefit accrual purposes), RMUSA shall cause service with Cemex and its Affiliates (or predecessor employers to the extent Cemex or its Affiliates provided past service credit) to be treated as service with RMUSA and its Affiliates; provided, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits or to the extent that such service was not recognized under an analogous plan of Cemex or its Affiliates. With respect to any Plan maintained in which Cemex Transferred Employees are eligible to participate, RMUSA shall, and shall cause its Affiliates to, (i) waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such employees to the extent such conditions and exclusions were satisfied or did not apply to such employees under the analogous plan of Cemex or its Affiliates and (ii) provide each Cemex Transferred Employee with credit for any co-payments and deductibles paid prior to the Contribution Date in satisfying any analogous deductible or out-of-pocket requirements to the extent applicable under any such plan. Effective as of the Contribution Date, the Cemex Transferred Employees shall cease to participate (and thus shall no longer be eligible for vesting or benefit accrual under) any employee benefit or compensation plans, programs or arrangements maintained by Cemex or its Affiliates.

6.7 Cemex Environmental Indemnity. Cemex, in addition to its other indemnity obligations otherwise provided in this Agreement, agrees to indemnify and hold harmless Company and its officers, shareholders, members, managers, directors, employees, agents, successors, and assigns (the "Cemex Environmental Indemnitees"), against and in respect of, any and all damages, claims, losses, liabilities, and expenses (including without limitation, reasonable legal, accounting, consulting, engineering and other expenses) that may be incurred by any of the Cemex Environmental Indemnitees, or assessed against any of the Cemex Environmental Indemnitees by any other party or parties (including, without

limitation, a governmental entity) arising out of, in connection with, or relating to the subject matter of: (1) the breach or inaccuracy of any of the representations and warranties set forth in Section 7.7; (2) any Cemex Environmental Condition which exists as of the Contribution Date, even if not discovered until after the Contribution Date, including, without limitation, remediation of such condition and loss of life, injury to persons or property, or damage to natural resources arising from such condition; (3) any violation of an Environmental Law prior to the Contribution Date which relates to the Cemex Real Property or the Cemex Business; or (4) the off-site transportation, storage, disposal, treatment or recycling of Hazardous Materials generated by or on behalf of the Cemex Business on or prior to the Contribution Date, including, without limitation, any claims related to remediation of such Hazardous Materials and loss of life, injury to persons or property, or damage to natural resources arising from such Hazardous Materials. Such damages, claims, losses, liabilities, and expenses may sometimes be referred to herein as "Cemex Environmental Liabilities." This indemnity shall survive the Contribution Date only for a period of five (5) years after the Contribution Date. Any testing or investigation which RMUSA or Company deems reasonably necessary in order to determine whether any environmental indemnity obligations of Cemex exist hereunder may be conducted at any time prior to the termination of this indemnity obligation at the expense of RMUSA.

6.8 RMUSA Environmental Indemnity. RMUSA, in addition to its other indemnity obligations otherwise provided in this Agreement, agrees to indemnify and hold harmless Company and its officers, shareholders, members, managers, directors, employees, agents, successors, and assigns (the "RMUSA Environmental Indemnitees"), against and in respect of, any and all damages, claims, losses, liabilities, and expenses (including without limitation, reasonable legal, accounting, consulting, engineering and other expenses) that may be incurred by any of the RMUSA Environmental Indemnitees, or assessed against any of the RMUSA Environmental Indemnitees by any other party or parties (including, without limitation, a governmental entity) arising out of, in connection with, or relating to the subject matter of: (1) the breach or inaccuracy of any of the representations and warranties set forth in Section 8.7; (2) any RMUSA Environmental Condition which exists as of the Contribution Date, even if not discovered until after the Contribution Date, including, without limitation, remediation of such condition and loss of life, injury to persons or property, or damage to natural resources arising from such condition; (3) any violation of an Environmental Law prior to the Contribution Date which relates to the RMUSA Real Property or the RMUSA Business; or (4) the off-site transportation, storage, disposal, treatment or recycling of Hazardous Materials generated by or on behalf of the RMUSA Business on or prior to the Contribution Date, including, without limitation, any claims related to remediation of such Hazardous Materials and loss of life, injury to persons or property, or damage to natural resources arising from such Hazardous Materials. Such damages, claims, losses, liabilities, and expenses may sometimes be referred to herein as "RMUSA Environmental Liabilities." This indemnity shall survive the Contribution Date only for a period of five (5) years after the Contribution Date. Any testing or investigation which Cemex or Company deems reasonably necessary in order to determine whether any environmental indemnity obligations of RMUSA exist hereunder may be conducted at any time prior to the termination of this indemnity obligation at the expense of Cemex.

6.9 Bulk Transfer Laws. Without admitting applicability of the bulk transfer laws of any jurisdiction, RMUSA, Cemex and Company have agreed to waive compliance by each of RMUSA and Cemex with the laws of any jurisdiction relating to bulk transfers which may be applicable in connection with the transfer of the RMUSA Assets or the Cemex Assets to Company. Each of RMUSA and Cemex shall defend, indemnify and hold harmless Company from and against any liabilities incurred as a result of its noncompliance with any applicable bulk transfer laws.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES BY CEMEX

Cemex hereby represents and warrants to Company that, except as set

forth in the disclosure schedule being delivered by Cemex contemporaneously herewith (the "Cemex Disclosure Schedule"):

7.1 Existence and Authorization for Agreement; Enforceability. Cemex is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite power and authority to own, lease, and operate its properties and carry on and operate its business as and where such business is now being conducted. Each of the Affiliates of Cemex which are contributing Cemex Assets or Cemex Business at the direction of or for the benefit of Cemex is an entity duly organized, validly existing and in good standing under the laws of the State of its organization, and has the requisite power and authority to own, lease, and operate the Cemex Assets and the Cemex Business that it is contributing to Company. Each of the Affiliates of Cemex which are contributing Cemex Assets or Cemex Business to Company has been duly authorized to do so, and has taken all necessary actions to transfer such Cemex Assets or Cemex Business to Company. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein, have been duly authorized by the Board of Directors of Cemex. Cemex has taken all actions necessary to authorize it to enter into and perform fully its obligations under this Agreement and all of the documents or instruments otherwise contemplated herein and to consummate the transactions contemplated herein and therein. Each of this Agreement and the other closing documents delivered pursuant hereto has been duly executed and delivered by Cemex and is the legal, valid and binding obligation of Cemex enforceable in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to the general principles of equity.

7.2 Title to and Sufficiency of Cemex Assets.

(a) Cemex or the Cemex Affiliate that contributes the Cemex Assets, as the case may be, has good and marketable title to the Cemex Assets. Except for (i) the Cemex Assumed Liabilities, and (ii) Permitted Encumbrances, none of the Cemex Assets shall, at the Contribution Date, be subject to any Lien.

(b) The Cemex Assets, in conjunction with the rights, goods and services granted, transferred or to be performed by Cemex and its Affiliates and subsidiaries pursuant to this Agreement, constitute all of the property, real and personal, tangible and intangible, necessary for the conduct of the Cemex Business as it is presently being conducted by Cemex or its Affiliates in all material respects.

7.3 Taxes. Cemex will pay and satisfy, or cause to be paid and satisfied, all property and excise and other tax obligations, penalties and interest, imposed by any governmental entity either (i) in connection with the Cemex Business or the Cemex Assets arising prior to the Contribution Date, and in connection with the transactions contemplated by this Agreement, including, but not limited to, all United States, foreign, state, provincial, county and local income, ad valorem, excise, sales, use, withholding, unemployment, social security or other taxes and assessments of or payable by Cemex and arising prior to the Contribution Date, or (ii) otherwise chargeable against the Cemex Business or the Cemex Assets, and arising prior to Contribution Date. Anything in this Agreement to the contrary notwithstanding, the Company shall pay all recording and filing fees and taxes, sales taxes, gross receipt taxes, tag fees and similar expenses applicable to the transfer of the Cemex Assets from Cemex to the Company, including but not limited to any recording or filing fees or taxes associated with the transfer of the Cemex Real Property and any sales, gross receipt, and tag fees or taxes associated with transferring the titles to any vehicles. All taxes attributable to the activities of the Cemex Business and the ownership and operation of the Cemex Assets prior to the Contribution Date shall be the responsibility of Cemex.

7.4 Litigation. There is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the Knowledge of Cemex, threatened, against or relating to Cemex or any of its Affiliates, or any of their respective directors, officers, shareholders,

employees, or properties in each case, with respect to the Cemex Assets or the Cemex Business which would reasonably be expected to have a material adverse effect on, the Cemex Assets, the Cemex Business or the transactions contemplated by this Agreement.

7.5 Contracts; and Other Agreements.

(a) Section 7.5 of the Cemex Disclosure Schedule sets forth a list of the Material Cemex Contracts primarily relating to the Cemex Business or the Cemex Assets as of the date of this Agreement. Cemex has made available to each of the Company and RMUSA a true and complete copy of each Material Cemex Contract listed on Section 7.5 of the Cemex Disclosure Schedule. For purposes hereof, "Material Cemex Contract" shall mean:

(i) agreements, contracts, licenses, leases of real or personal property, indentures, mortgages, instruments, security interests, purchase and sale orders and other similar arrangements, commitments or understandings in each case, whether written or oral ("Contracts"), for the future acquisition or sale of any assets involving $250,000 individually (or in the aggregate, in the case of any related series of Contracts), other than the acquisition or sale of inventory in the ordinary course of business;

(ii) Contracts calling for future payments to or from Cemex or any of its Affiliates in any one year of more than $250,000 in any one case (or in the aggregate, in the case of any related series of Contracts), or involving the payment or receipt of $1,000,000 or more over the lifetime of such agreements;

(iii) Contracts that contain covenants prohibiting or limiting the right to compete of the Cemex Business or prohibiting or restricting the ability of the owner of the Cemex Business (or any of its Affiliates) to deal with any Person or in any geographical area;

(iv) Contracts that require the payment by or to Cemex or any Affiliate of Cemex of a royalty, override or similar commission or fee of more than $1,000,000 in the aggregate;

(v) Contracts that are collective bargaining agreements;

(vi) guaranties and any outstanding Contracts and instruments relating to the borrowing of money, or any extension of credit, which impose any Lien on any of the Cemex Assets;

(vii) Contracts involving sales agency, manufacturing, consignment, sales representative, distributorship or marketing;

(viii) Contracts for the license to or from Cemex or any Affiliate of Cemex to or from, as the case may be, any third party (including to another Affiliate) of any (x) Cemex Intangible Property or (y) intellectual property rights that are owned by any such third party and, in each case that primarily relate to or are material to the Cemex Business, except for contracts for the license of software that is commercially available "off the shelf";

(ix) Contracts for the construction or acquisition of fixed assets or other capital expenditures requiring the payment by Cemex of more than $1,000,000 in the aggregate;

(x) Contracts that are broker's or finder's agreements;

(xi) Contracts relating to partnerships, joint ventures or other arrangements involving a sharing of profits or expenses;

(xii) Contracts to sell, lease or otherwise dispose of any Cemex Asset, in each case other than in the ordinary course of business;

(xiii) except for collective bargaining agreements (which are listed in subparagraph (v) above), Contracts relating to employment or termination or severance benefits or arrangements;

(xiv) Contracts relating to the leasing of or other arrangement for use of real property or material personal property;

(xv) Contracts that include any obligation to make payments, contingent or otherwise, arising out of the prior acquisition or disposition of a business;

(xvi) Contracts which, upon the consummation of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits, from Company, Cemex or any of their respective Affiliates to any officer, director, consultant or employee thereof; and

(xvii) Contracts entered into outside of the ordinary course of business or which are material to the Cemex Business.

(b) With respect to each Material Cemex Contract, (i) each such Contract is a valid and binding agreement of Cemex or its Affiliates and is in full force and effect in all material respects, (ii) Cemex has no Knowledge of any material default by any third party under any such Contract which default has not been cured or waived and which default by any third party would reasonably be expected to result in a material adverse effect on (i) the Cemex Assets or the business, financial condition or results of operations of the Cemex Business, taken as a whole, or (ii) on the ability of Cemex and its Affiliates to consummate the transactions contemplated hereby or perform any of their obligations hereunder (a "Cemex Material Adverse Effect") and (iii) there is no material default by Cemex or its Affiliates under any such Contract which default has not been cured or waived and which default would reasonably be expected to result in a Cemex Material Adverse Effect.

7.6 Compliance with Laws. The Cemex Business is presently complying in all material respects with all applicable Laws and Judgments, except for such failures to comply which, individually or in the aggregate, would not reasonably be expected to result in a Cemex Material Adverse Effect. The Cemex Business and Cemex and its Affiliates have all Permits necessary for the conduct of the Cemex Business as currently conducted, other than those the absence of which, individually or in the aggregate, would not reasonably be expected to result in a Cemex Material Adverse Effect, and there are no Proceedings pending, or to the Knowledge of Cemex, threatened which may result in the revocation, termination, cancellation or suspension of any such Permit except those that, individually or in the aggregate, would not reasonably be expected to result in a Cemex Material Adverse Effect; it being understood that nothing in this Section 7.6 is intended to address any failure to comply with any Law, Judgment or Permit (including Environmental Laws or environmentally-related Judgments or Permits) that is the subject of any other representation or warranty set forth herein. All of the Cemex Permits are listed in Section 7.6 of the Cemex Disclosure Schedule, together with any information relative to any requirements applicable to the assignability of the same.

7.7 Environmental:

(a) Definitions. For the purpose of this Agreement, the following words and phrases shall have the following meanings:

"Cemex Environmental Condition" shall mean any condition of the Environment with respect to the Cemex Real Property or property located in the vicinity of the Cemex Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the Cemex

Business on the Cemex Real Property, that (i) exists as of the Contribution Date, and (ii) is in violation of applicable Environmental Law as of the Contribution Date or involves concentrations of Hazardous Materials in soils, surface waters, groundwater, land, stream sediments, or surface or subsurface strata that are in excess of applicable remediation standards or guidelines, in effect as of the Contribution Date, that are applicable in the jurisdiction in which the relevant real property is located.

For purposes of this Section 7.7 only, the term "Cemex Real Property" shall mean the Cemex Real Property as referred to in Schedule 1.2(a)-1 and any leased real property upon which a Cemex Business Location is operated.

(b) Environmental Representations, Warranties, and Obligations. With reference to the Cemex Real Property and the Cemex Business, Cemex represents and warrants that, to the Knowledge of Cemex, Cemex and its Affiliates are presently in substantial compliance with all Environmental Laws applicable to the Cemex Real Property and the Cemex Business, and no Cemex Environmental Conditions exist that are material, whether individually or in the aggregate.

7.8 No Violations. The execution, delivery and performance by Cemex of this Agreement and each of the other documents or agreements to which it is or will be a party pursuant hereto, and the consummation by Cemex and its Affiliates of the transactions contemplated by this Agreement and such other documents and agreements, do not and will not (i) violate any provision of the certificate of formation or limited liability company agreement of Cemex or the articles of incorporation, by-laws or similar governing documents of any of its Affiliates or subsidiaries, or (ii) (x) violate any Law, Permit or Judgment applicable to Cemex or any of its Affiliates or subsidiaries, or any of their respective properties or assets, or (y) subject to obtaining the Consents set forth in Section 7.8 of the Cemex Disclosure Schedule (the "Cemex Required Contractual Consents"), violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Cemex or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Cemex or any of its Affiliates is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, will not have and would not be reasonably likely to have a Cemex Material Adverse Effect.

7.9 Consents. No consent is required to be obtained by Cemex (or by any Affiliate) from, and no notice or filing is required to be given by Cemex (or by any Affiliate) to or made by Cemex (or by any Affiliate) with, any Governmental Authority in connection with the execution, delivery and performance by Cemex of this Agreement, other than in all cases where the failure to obtain such Consent or to give or make such notice or filing would not, individually or in the aggregate, reasonably be expected to result in a Cemex Material Adverse Effect.

7.10 Financial Information. True and complete copies of the Cemex Financial Statements are included in the Cemex Disclosure Schedule. The Cemex Financial Statements have been prepared from, are in accordance with and accurately reflect the books and records of the Cemex Business, comply in all material respects with applicable accounting requirements, fairly present, in all material respects, the results of operations of the Cemex Business for the respective periods indicated, and were prepared in accordance with GAAP applied consistently during such periods, except as set forth in the footnotes thereto, and except that the Interim Cemex Financial Statements are subject to normal year-end adjustments and do not contain all of the footnote disclosure required by GAAP.

7.11 Absence of Changes.

(a) Since August 31, 2004, (i) the Cemex Business has been operated in the ordinary course in a manner consistent with past practice and (ii) there has not been a change, event, development or circumstance that has had or would reasonably be expected to have a Cemex Material Adverse Effect, but for purposes of this Section 7.11(a), with respect to clause (i) of the definition of Cemex Material Adverse Effect shall exclude any change or development involving (w) a prospective change arising out of any proposed or adopted legislation, or any other proposal or enactment by any governmental, regulatory or administrative authority, (x) general conditions applicable to the economy of the United States, including changes in interest rates, (y) conditions or effects resulting from the announcement of the existence and terms of this Agreement, or (z) conditions or factors affecting the industry in the United States in which the Cemex Business operates, taken as a whole; provided, with respect to clauses (w) or (x) above, that such change, event, development or circumstance does not affect the Cemex Business to a materially greater extent than other participants in the industry in the United States in which the Cemex Business operates generally.

(b) Without limiting the foregoing, since August 31, 2004, neither Cemex nor any of its Affiliates has with respect to the Cemex Business:

(i) granted or committed to grant any bonus, commission, or other form of incentive compensation or increased or committed to increase the compensation, fees or pension, welfare, fringe or other benefits provided or payable to or in respect of any employees of the Cemex Business, except for customary bonuses and regular salary increases made in the ordinary course of business, consistent with past practices, or granted any severance or termination pay;

(ii) except in the ordinary course, written off any accounts receivable without adequate consideration;

(iii) made any material change in any method of accounting (for book or Tax purposes) or accounting practice;

(iv) purchased or otherwise acquired, or sold, leased, transferred or otherwise disposed of any material properties or material assets of the Cemex Business, except in the ordinary course of business, consistent with past practices;

(v) entered into any leases with respect to the Cemex Real Property;

(vi) terminated or amended any Material Cemex Contract;

(vii) entered into, terminated or amended any Contracts or other agreements with respect to intellectual property rights, except in the ordinary course of business ;

(viii) suffered any material damage or material loss to the assets of the Cemex Business;

(ix) permitted or suffered any material Lien on any Cemex Asset, other than Permitted Encumbrances;

(x) commenced or initiated any lawsuit, action or proceeding with respect to the Cemex Business or Cemex Assets, except in the ordinary course of business;

(xi) incurred any indebtedness, material liability or obligation (whether absolute, accrued, contingent or otherwise) with respect to the Cemex Business, except in the ordinary course of business, consistent with past practices;

(xii) waived, abandoned or otherwise disposed of any material rights in or to any intangible property related to the Cemex

Business; or

(xiii) agreed (whether or not in writing) to do any of the foregoing.

7.12 Transactions with Affiliates. No Affiliate of Cemex is an employee, consultant, competitor, customer, distributor, supplier or vendor of, or is party to any contractual obligations with Cemex relating to the Cemex Business and no officer or director of Cemex is an Affiliate of any competitor, customer, distributor, supplier or vendor of the Cemex Business. None of the Cemex Assets are owned by an Affiliate of Cemex or subject to any license or similar arrangement allowing use thereof by an Affiliate.

7.13 Condition of Cemex Assets. To Cemex's Knowledge, there are no defects in or concerning the buildings, equipment or the tangible personal property occupied, operated or owned by Cemex or its Affiliates as a part of the Cemex Business which, individually or in the aggregate, would reasonably be expected to result in a Cemex Material Adverse Effect. All of the Cemex Assets are in good operating condition and repair, ordinary wear and tear excepted, and are suitable for the uses for which such Cemex Assets were intended. Except as expressly set forth in this Agreement, (i) Cemex expressly disclaims any other representation and warranty of any kind or nature, express or implied, as to the condition, value or quality of the Cemex Assets and (ii) Cemex specifically disclaims any representation or warranty of merchantability, usage or fitness for any particular purpose with respect to any of the Cemex Assets.

7.14 Real Property Matters. (A) Cemex and its Affiliates are not currently in default under any agreement, order, judgment or decree relating to the Cemex Real Property, and no conditions or circumstances exist which, with the giving of notice or passage of time or both, would constitute a default or breach with respect to any such agreement, order, judgment or decree, (B) Cemex and its Affiliates have paid all Taxes due and owing which if not paid could result in a Lien on the Cemex Real Property or impose liability on Company, (C) Neither Cemex nor its Affiliates have received any written notice of any proposed special assessment which would affect the Cemex Real Property, (D) Neither Cemex nor its Affiliates have received any written notice of any claims, causes of action, lawsuits or legal proceedings pending or threatened regarding the ownership, use or possession of the Cemex Real Property, including condemnation or similar proceedings, (E) Neither Cemex nor its Affiliates have received any written notice of any violation of any zoning, subdivision, platting, building, fire or insurance laws, ordinances or regulations (whether related to the Cemex Real Property or the occupancy thereof) to the extent not previously cured, including the failure of Cemex to comply with all covenants, easements and restrictions recorded against the Cemex Real Property, (F) Cemex and its Affiliates have not received any written notice of any intention on the part of the issuing authority to cancel, suspend or modify any licenses or permits relating to the Cemex Real Property, (G) Cemex and its Affiliates are in material compliance with all recorded covenants, easements and restrictions affecting the Cemex Real Property, and (H) each of the Cemex Leases is in full force and effect and has not been modified, amended, added to, or changed in any manner whatsoever except for those amendments attached to a Cemex Lease Assignment.

7.15 Brokers and Finders. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Cemex or any Affiliate of Cemex who might be entitled to any fee or commission from Cemex or any Affiliate of Cemex in connection with the transactions contemplated by this Agreement.

7.16 Labor Matters. With respect to the Cemex Business, since January 1, 2000, there has not occurred or been threatened any material employee strike, work stoppage, slowdown, lockout, picketing or concerted refusal to work overtime at a Cemex Business Location and there are no labor disputes currently subject to any arbitration or administrative proceeding involving employees of Cemex or its Affiliates who are involved in the Cemex Business (excluding routine workers' compensation claims).

7.17 Inventory. The Cemex Inventory, whether finished goods, work in

process or raw materials, consist of a quality and quantity usable and saleable in the ordinary and usual course of the Cemex Business consistent with past practice.

7.18 Employee Benefit Plans; ERISA. None of Cemex or its ERISA Affiliates has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than for payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business), and no fact or event exists which would reasonably be expected to give rise to any such liability that would reasonably be expected to result in a Lien on the Cemex Assets or a liability of the Company. The employee benefit plans, programs and arrangements applicable to the Cemex Transferred Employees have been administered in accordance with their terms and applicable law, including ERISA and the Code, in all material respects.

7.19 No Liabilities. There are no liabilities or obligations, secured or unsecured, known or unknown (whether accrued, absolute, contingent or otherwise) of Cemex or its Affiliates which in any way relate to or encumber the Cemex Assets or the Cemex Business, except for (a) those reflected or reserved on the Cemex Financial Statements, (b) those trade payables and contractual obligations incurred or accrued in the ordinary and normal course of the Cemex Business and consistent with past practice since August 31, 2004, none of which, individually or in the aggregate, is material, and none of which is for breach of warranty or contract or for tort infringement, (c) those under the Cemex Assumed Contracts, (d) those under the Cemex Permits, (e) Environmental Liabilities, and (f) any taxes accruing in the ordinary course of the Cemex Business, none of such taxes being the responsibility or obligation of Company (other than those ad valorem taxes which will be prorated as of the Contribution Date).

ARTICLE 8

REPRESENTATIONS AND WARRANTIES BY RMUSA

RMUSA hereby represents and warrants to Company that, except as set forth in the disclosure schedule being delivered by RMUSA contemporaneously herewith (the "RMUSA Disclosure Schedule"):

8.1 Existence and Authorization for Agreement; Enforceability. RMUSA is a corporation duly organized, validly existing and in good standing under the laws of the State of Alabama, and has the requisite power and authority to own, lease, and operate its properties and carry on and operate the RMUSA Business as and where the RMUSA Business is now being conducted. The execution and delivery of this Agreement, and the consummation of the transactions contemplated herein, have been duly authorized by the Board of Directors of RMUSA. RMUSA has taken all actions necessary to authorize it to enter into and perform fully its obligations under this Agreement and all of the documents or instruments otherwise contemplated herein and to consummate the transactions contemplated herein and therein. Each of this Agreement and the other closing documents delivered pursuant hereto has been duly executed and delivered by RMUSA and is the legal, valid and binding obligation of RMUSA enforceable in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to the general principles of equity.

8.2 Title to and Sufficiency of RMUSA Assets.

(a) RMUSA has good and marketable title to the RMUSA Assets. Except for (i) the RMUSA Assumed Liabilities, and (ii) Permitted Encumbrances, none of the RMUSA Assets shall, at the Contribution Date, be subject to any Lien.

(b) The RMUSA Assets, in conjunction with the rights, goods and services granted, transferred or to be performed by RMUSA and its subsidiaries pursuant to this Agreement and the RMUSA Ancillary Agreements, constitute all the property, real and personal, tangible and intangible, necessary for the conduct of the RMUSA Business as it is presently being

conducted by RMUSA in all material respects.

8.3 Taxes. RMUSA will pay and satisfy, or cause to be paid and satisfied, all property and excise and other tax obligations, penalties and interest, imposed by any governmental entity either (i) in connection with the RMUSA Business or the RMUSA Assets arising prior to the Contribution Date, and in connection with the transactions contemplated by this Agreement, including, but not limited to, all United States, foreign, state, provincial, county and local income, ad valorem, excise, sales, use, withholding, unemployment, social security or other taxes and assessments of or payable by RMUSA and arising prior to the Contribution Date, or (ii) otherwise chargeable against the RMUSA Business or the RMUSA Assets, and arising prior to Contribution Date. Anything in this Agreement to the contrary notwithstanding, the Company shall pay all recording and filing fees and taxes, sales taxes, gross receipt taxes, tag fees and similar expenses applicable to the transfer of the RMUSA Assets from RMUSA to the Company, including but not limited to any recording or filing fees or taxes associated with the transfer of the RMUSA Real Property and any sales, gross receipt, and tag fees or taxes associated with transferring the titles to any vehicles. All taxes attributable to the activities of the RMUSA Business and the ownership and operation of the RMUSA Assets prior to the Contribution Date shall be the responsibility of RMUSA.

8.4 Litigation. There is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the Knowledge of RMUSA, threatened, against or relating to RMUSA or any of its Affiliates, or any of their respective directors, officers, shareholders, employees, or properties in each case, with respect to the RMUSA Assets or the RMUSA Business, which would reasonably be expected to have a material adverse effect on, the RMUSA Assets, the RMUSA Business or the transactions contemplated by this Agreement.

8.5 Contracts; and Other Agreements.

(a) Section 8.5 of the RMUSA Disclosure Schedule sets forth a list of the Material RMUSA Contracts primarily relating to the RMUSA Business or the RMUSA Assets as of the date of this Agreement. RMUSA has made available to each of the Company and Cemex a true and complete copy of each Material RMUSA Contract listed on Section 8.5 of the RMUSA Disclosure Schedule. For purposes hereof, "Material RMUSA Contract" shall mean:

(i) Contracts for the future acquisition or sale of any assets involving $250,000 individually (or in the aggregate, in the case of any related series of Contracts), other than the acquisition or sale of inventory in the ordinary course of business;

(ii) Contracts calling for future payments to or from RMUSA or any of its Affiliates in any one year of more than $250,000 in any one case (or in the aggregate, in the case of any related series of Contracts), or involving the payment or receipt of $1,000,000 or more over the lifetime of such agreements;

(iii) Contracts that contain covenants prohibiting or limiting the right to compete of the RMUSA Business or prohibiting or restricting the ability of the owner of the RMUSA Business (or any of its Affiliates) to deal with any Person or in any geographical area;

(iv) Contracts that require the payment by or to RMUSA or any Affiliate of RMUSA of a royalty, override or similar commission or fee of more than $1,000,000 in the aggregate;

(v) Contracts that are collective bargaining agreements;

(vi) guaranties and any outstanding Contracts and instruments relating to the borrowing of money, or any extension of credit, which impose any Lien on any of the RMUSA Assets;

(vii) Contracts involving sales agency, manufacturing, consignment, sales representative, distributorship or marketing;

(viii) Contracts for the license to or from RMUSA or any Affiliate of RMUSA to or from, as the case may be, any third party (including to another Affiliate) of any (x) RMUSA Intangible Property or (y) intellectual property rights that are owned by any such third party and, in each case that primarily relate to or are material to the RMUSA Business, except for contracts for the license of software that is commercially available "off the shelf";

(ix) Contracts for the construction or acquisition of fixed assets or other capital expenditures requiring the payment by RMUSA of more than $1,000,000 in the aggregate;

(x) Contracts that are broker's or finder's agreements;

(xi) Contracts relating to partnerships, joint ventures or other arrangements involving a sharing of profits or expenses;

(xii) Contracts to sell, lease or otherwise dispose of any RMUSA Asset, in each case other than in the ordinary course of business;

(xiii) except for collective bargaining agreements (which are listed in subparagraph (v) above), Contracts relating to employment or termination or severance benefits or arrangements;

(xiv) Contracts relating to the leasing of or other arrangement for use of real property or material personal property;

(xv) Contracts that include any obligation to make payments, contingent or otherwise, arising out of the prior acquisition or disposition of a business;

(xvi) Contracts which, upon the consummation of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits, from Company, RMUSA or any of their respective Affiliates to any officer, director, consultant or employee thereof; and

(xvii) Contracts entered into outside of the ordinary course of business or which are material to the RMUSA Business.

(b) With respect to each Material RMUSA Contract, (i) each such Contract is a valid and binding agreement of RMUSA and is in full force and effect in all material respects, (ii) RMUSA has no Knowledge of any material default by any third party under any such Contract which default has not been cured or waived and which default by any third party would reasonably be expected to result in a material adverse effect on (i) the RMUSA Assets or the business, financial condition or results of operations of the RMUSA Business, taken as a whole, or (ii) on the ability of RMUSA and its Affiliates to consummate the transactions contemplated hereby or perform any of their obligations hereunder (a "RMUSA Material Adverse Effect") and (iii) there is no material default by RMUSA under any such Contract which default has not been cured or waived and which default would reasonably be expected to result in a RMUSA Material Adverse Effect.

8.6 Compliance with Laws. The RMUSA Business is presently complying in all material respects with all applicable Laws and Judgments, except for such failures to comply which, individually or in the aggregate, would not reasonably be expected to result in a RMUSA Material Adverse Effect. The RMUSA Business or RMUSA has all Permits necessary for the conduct of the RMUSA Business as

currently conducted, other than those the absence of which, individually or in the aggregate, would not reasonably be expected to result in a RMUSA Material Adverse Effect, and there are no Proceedings pending, or to the knowledge of RMUSA, threatened which may result in the revocation, termination, cancellation or suspension of any such Permit except those that, individually or in the aggregate, would not reasonably be expected to result in a RMUSA Material Adverse Effect; it being understood that nothing in this Section 8.6 is intended to address any failure to comply with any Law, Judgment or Permit (including Environmental Laws or environmentally-related Judgments or Permits) that is the subject of any other representation or warranty set forth herein. All of the RMUSA Permits are listed in Section 8.6 of the RMUSA Disclosure Schedule, together with any information relative to any requirements applicable to the assignability of the same.

8.7 Environmental:

(a) Definitions. For the purpose of this Agreement, the following words and phrases shall have the following meanings:

"RMUSA Environmental Condition" shall mean any condition of the Environment with respect to the RMUSA Real Property or property located in the vicinity of the RMUSA Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the RMUSA Business on the RMUSA Real Property, that (i) exists as of the Contribution Date, and (ii) is in violation of applicable Environmental Law as of the Contribution Date or involves concentrations of Hazardous Materials in soils, surface waters, groundwater, land, stream sediments, or surface or subsurface strata that are in excess of applicable remediation standards or guidelines, in effect as of the Contribution Date, that are applicable in the jurisdiction in which the relevant real property is located.

For purposes of this Section 8.7 only, the term "RMUSA Real Property" shall mean the RMUSA Real Property as referred to in Schedule 1.1(a)-1 and any leased real property upon which the RMUSA Business Locations are operated.

(b) Environmental Representations, Warranties, and Obligations. With reference to the RMUSA Real Property and the RMUSA Business, RMUSA represents and warrants that, to the Knowledge of RMUSA, RMUSA is presently in substantial compliance with all Environmental Laws applicable to the RMUSA Real Property and the RMUSA Business, and no RMUSA Environmental Conditions exist that are material, whether individually or in the aggregate.

8.8 No Violations. The execution, delivery and performance by RMUSA of this Agreement and each of the other documents or agreements to which it is or will be a party pursuant hereto, and the consummation by RMUSA of the transactions contemplated by this Agreement and such other documents and agreements, do not and will not (i) violate any provision of the articles of incorporation or bylaws of RMUSA or the articles of incorporation, by-laws or similar governing documents of any of its subsidiaries, or (ii) (x) violate any Law, Permit or Judgment applicable to RMUSA or any of its subsidiaries, or any of their respective properties or assets, or (y) subject to obtaining the Consents set forth in Section 8.8 of the RMUSA Disclosure Schedule (the "RMUSA Required Contractual Consents"), violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of RMUSA or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which RMUSA or any of its Affiliates is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, will not have and would not be reasonably likely to have a RMUSA Material Adverse Effect.

8.9 Consents. No consent is required to be obtained by RMUSA (or by any

Affiliate) from, and no notice or filing is required to be given by RMUSA (or by any Affiliate) to or made by RMUSA (or by any Affiliate) with, any Governmental Authority in connection with the execution, delivery and performance by RMUSA of this Agreement and each of the RMUSA Ancillary Agreements to which it is a party, other than in all cases where the failure to obtain such Consent or to give or make such notice or filing would not, individually or in the aggregate, reasonably be expected to result in a RMUSA Material Adverse Effect.

8.10 Financial Information. True and complete copies of the RMUSA Financial Statements are included in the RMUSA Disclosure Schedule. The RMUSA Financial Statements have been prepared from, are in accordance with and accurately reflect the books and records of the RMUSA Business, comply in all material respects with applicable accounting requirements, fairly present, in all material respects, the results of operations of the RMUSA Business for the respective periods indicated, and were prepared in accordance with GAAP applied consistently during such periods, except as set forth in the footnotes thereto, and except that the Interim RMUSA Financial Statements are subject to normal year-end adjustments and do not contain all of the footnote disclosure required by GAAP.

8.11 Absence of Changes.

(a) Since August 31, 2004, (i) the RMUSA Business has been operated in the ordinary course in a manner consistent with past practice and (ii) there has not been a change, event, development or circumstance that has had or would reasonably be expected to have a RMUSA Material Adverse Effect, but for purposes of this Section 8.11(a), with respect to clause (i) of the definition of RMUSA Material Adverse Effect shall exclude any change or development involving (w) a prospective change arising out of any proposed or adopted legislation, or any other proposal or enactment by any governmental, regulatory or administrative authority, (x) general conditions applicable to the economy of the United States, including changes in interest rates, (y) conditions or effects resulting from the announcement of the existence and terms of this Agreement, or (z) conditions or factors affecting the industry in the United States in which the RMUSA Business operates, taken as a whole; provided, with respect to clauses (w) or (x) above, that such change, event, development or circumstance does not affect the RMUSA Business to a materially greater extent than other participants in the industry in the United States in which the RMUSA Business operates generally.

(b) Without limiting the foregoing, since August 31, 2004, neither RMUSA nor any of its Affiliates has with respect to the RMUSA Business:

(i) granted or committed to grant any bonus, commission, or other form of incentive compensation or increased or committed to increase the compensation, fees or pension, welfare, fringe or other benefits provided or payable to or in respect of any employees of the RMUSA Business, except for customary bonuses and regular salary increases made in the ordinary course of business, consistent with past practices, or granted any severance or termination pay;

(ii) except in the ordinary course, written off any accounts receivable without adequate consideration;

(iii) made any material change in any method of accounting (for book or Tax purposes) or accounting practice;

(iv) purchased or otherwise acquired, or sold, leased, transferred or otherwise disposed of any material properties or material assets of the RMUSA Business, except in the ordinary course of business, consistent with past practices;

(v) entered into any leases with respect to the RMUSA Real Property;

(vi) terminated or amended any Material RMUSA Contract;

(vii) entered into, terminated or amended any Contracts or other agreements with respect to intellectual property rights, except in the ordinary course of business;

(viii) suffered any material damage or material loss to the assets of the RMUSA Business;

(ix) permitted or suffered any material Lien on any RMUSA Asset, other than Permitted Encumbrances;

(x) commenced or initiated any lawsuit, action or proceeding with respect to the RMUSA Business or RMUSA Assets, except in the ordinary course of business;

(xi) incurred any indebtedness, material liability or obligation (whether absolute, accrued, contingent or otherwise) with respect to the RMUSA Business, except in the ordinary course of business, consistent with past practices;

(xii) waived, abandoned or otherwise disposed of any material rights in or to any intangible property related to the RMUSA Business; or

(xiii) agreed (whether or not in writing) to do any of the foregoing.

8.12 Transactions with Affiliates. No Affiliate of RMUSA is an employee, consultant, competitor, customer, distributor, supplier or vendor of, or is party to any contractual obligations with RMUSA relating to the RMUSA Business and no officer or director of RMUSA is an Affiliate of any competitor, customer, distributor, supplier or vendor of the RMUSA Business. None of the RMUSA Assets are owned by an Affiliate of RMUSA or subject to any license or similar arrangement allowing use thereof by an Affiliate.

8.13 Condition of RMUSA Assets. To RMUSA's Knowledge, there are no defects in or concerning the buildings, equipment or the tangible personal property occupied, operated or owned by RMUSA as a part of the RMUSA Business which, individually or in the aggregate, would reasonably be expected to result in a RMUSA Material Adverse Effect. All of the RMUSA Assets are in good operating condition and repair, ordinary wear and tear excepted, and are suitable for the uses for which such RMUSA Assets were intended. Except as expressly set forth in this Agreement, (i) RMUSA expressly disclaims any other representation and warranty of any kind or nature, express or implied, as to the condition, value or quality of the RMUSA Assets and (ii) RMUSA specifically disclaims any representation or warranty of merchantability, usage or fitness for any particular purpose with respect to any of the RMUSA Assets.

8.14 Real Property Matters. (A) RMUSA is not currently in default under any agreement, order, judgment or decree relating to the RMUSA Real Property, and no conditions or circumstances exist which, with the giving of notice or passage of time or both, would constitute a default or breach with respect to any such agreement, order, judgment or decree, (B) RMUSA has paid all Taxes due and owing which if not paid could result in a Lien on the RMUSA Real Property or impose liability on Company, (C) RMUSA has not received any written notice of any proposed special assessment which would affect the RMUSA Real Property, (D) RMUSA has not received any written notice of any claims, causes of action, lawsuits or legal proceedings pending or threatened regarding the ownership, use or possession of the RMUSA Real Property, including condemnation or similar proceedings, (E) RMUSA has not received any written notice of any violation of any zoning, subdivision, platting, building, fire or insurance laws, ordinances or regulations (whether related to the RMUSA Real Property or the occupancy thereof) to the extent not previously cured, including the failure of RMUSA to comply with all covenants, easements and restrictions recorded against the RMUSA Real Property, (F) RMUSA has not received any written notice of any intention on the part of the issuing authority to cancel, suspend or modify any licenses or permits relating to the RMUSA Real Property, (G) RMUSA is in material compliance with all recorded covenants, easements and restrictions affecting the RMUSA Real

Property, and (H) each of the RMUSA Leases is in full force and effect and has not been modified, amended, added to, or changed in any manner whatsoever except for those amendments attached to a RMUSA Lease Assignment.

8.15 Brokers and Finders. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of RMUSA or any Affiliate of RMUSA who might be entitled to any fee or commission from RMUSA or any Affiliate of RMUSA in connection with the transactions contemplated by this Agreement.

8.16 Labor Matters. Except as set forth on Section 8.16 of the RMUSA Disclosure Schedule, with respect to the RMUSA Business, since January 1, 2000, there has not occurred or been threatened any material employee strike, work stoppage, slowdown, lockout, picketing or concerted refusal to work overtime at RMUSA Business Locations and there are no labor disputes currently subject to any arbitration or administrative proceeding involving employees of RMUSA who are involved in the RMUSA Business (excluding routine workers' compensation claims).

8.17 Accounts Receivable. All RMUSA Accounts Receivable represent bona fide sales actually made in the ordinary course of business and the accounts receivable reflected in the adjustments pursuant to Section 2.3 are owed to RMUSA, are not more than one hundred twenty (120) days past due and are not subject to offset, counterclaim or other defense.

8.18 Inventory. The RMUSA Inventory, whether finished goods, work in process or raw materials, consist of a quality and quantity usable and saleable in the ordinary and usual course of the RMUSA Business consistent with past practice.

8.19 Employee Benefit Plans; ERISA. None of RMUSA or its ERISA Affiliates has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than for payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business), and no fact or event exists which would reasonably be expected to give rise to any such liability that would reasonably be expected to result in a Lien on the RMUSA Assets or a liability of the Company. The employee benefit plans, programs and arrangements applicable to the RMUSA Transferred Employees have been administered in accordance with their terms and applicable law, including ERISA and the Code, in all material respects.

8.20 Aggregates Reserves. The RMUSA Assets include contractual rights and commitments to at least 40,000,000 tons of permitted aggregates reserves.

8.21 No Liabilities. There are no liabilities or obligations, secured or unsecured, known or unknown (whether accrued, absolute, contingent or otherwise) of RMUSA which in any way relate to or encumber the RMUSA Assets or the RMUSA Business, except for (a) those reflected or reserved on the RMUSA Financial Statements, (b) those trade payables and contractual obligations incurred or accrued in the ordinary and normal course of the RMUSA Business and consistent with past practice since August 31, 2004, none of which, individually or in the aggregate, is material, and none of which is for breach of warranty or contract or for tort infringement, (c) those under the RMUSA Assumed Contracts, (d) those under the RMUSA Permits, (e) Environmental Liabilities, and (f) any taxes accruing in the ordinary course of the RMUSA Business, none of such taxes being the responsibility or obligation of Company (other than those ad valorem taxes which will be prorated as of the Contribution Date).

8.22 Representations and Warranties with Respect to the Membership Interests and the Partnerships.

(a) RMUSA is the lawful owner of the Membership Interests. RMUSA has the full legal right, power and authority to sell, transfer, convey and assign the Membership Interests to the Company pursuant to this Agreement. There are no outstanding options, warrants, rights (preemptive or otherwise), calls, convertible instruments, agreements, arrangements or commitments requiring restrictions or otherwise providing for the issuance, sale, transfer, disposition or acquisition of the Membership Interests, subject to the terms and

conditions of each of the Operating Agreements of the respective Partnerships. As of the date of this Agreement, the capitalization of each of the Partnerships is, and the membership interests in each Partnership are owned, as set forth on Section 8.21(a) of the RMUSA Disclosure Schedule. All the outstanding membership interests of each of the Partnerships are duly authorized and validly issued and, to the knowledge of RMUSA, all such membership interests in the Partnerships are free and clear of all Liens.

(b) RMUSA has, and by execution and delivery of this Agreement, shall transfer to the Company, good, absolute and marketable title to, and unrestricted possession of, the Membership Interest, free and clear of any Liens and any accrued, absolute, contingent or other liabilities of any nature, including, without limitation, liabilities for any taxes, subject to the terms and conditions of each of the Operating Agreements of the respective Partnerships.

(c) Except for leases set forth on Section 8.22(c) of the RMUSA Disclosure Schedule, each of the Partnerships hold free and clear title to their respective assets.

(d) There is no action, litigation, suit, claim, proceeding or governmental inquiry or investigation pending, or to RMUSA's Knowledge, threatened against RMUSA that relates to the Membership Interests, and to RMUSA's Knowledge, there are no circumstances that could reasonably be expected to result in such an action, litigation, suit, claim, proceeding, inquiry or investigation

(e) The transfer of the Membership Interests will not require any consent or approval, or any filing with, any governmental entity, landlord, owner or other person, other than those consents, approvals and filings which have been or will be obtained or made prior to the Contribution Date.

ARTICLE 9

INDEMNIFICATION

9.1 Indemnity By Cemex. Subject to the provisions of this Article 9, Cemex agrees to pay and to indemnify fully, hold harmless and defend each Company Indemnified Party from and against any and all claims or Damages arising out of or relating to:

(a) any inaccuracy or breach of any representation or warranty of Cemex contained in this Agreement;

(b) any breach of any covenant or agreement of Cemex contained in this Agreement;

(c) the liabilities and obligations of Cemex or any of its Affiliates arising out of the operation or ownership of the Cemex Assets or the Cemex Business on or prior to the Contribution Date, except obligations or liabilities assumed by the Company pursuant to this Agreement; or

(d) all obligations or liabilities that arise, whether before, on or after, the Contribution Date, out of, or in connection with, the Retained Cemex Assets;

provided that Cemex shall have an obligation to indemnify any Company Indemnified Party for Damages pursuant to this Section 9.1 only to the extent that such Damages are in excess of (i) any amounts recovered by any Company Indemnified Party pursuant to any contract to which any Company Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Company Indemnified Party, Cemex shall be subrogated to all rights of the Company Indemnified Party against any third party in respect of the losses to which such payment relates, and such Company Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation

rights. Nothing in this Section 9.1 shall require a Company Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 9.

9.2 Indemnity By RMUSA. Subject to the provisions of this Article 9, RMUSA agrees to pay and to indemnify fully, hold harmless and defend each Company Indemnified Party from and against any and all claims or Damages arising out of or relating to:

(a) any inaccuracy or breach of any representation or warranty of RMUSA contained in this Agreement;

(b) any breach of any covenant or agreement of RMUSA contained in this Agreement;

(c) the liabilities and obligations of RMUSA or any of its Affiliates arising out of the operation or ownership of the RMUSA Assets or the RMUSA Business on or prior to the Contribution Date, except obligations or liabilities assumed by the Company pursuant to this Agreement; or

(d) all obligations or liabilities that arise, whether before, on or after, the Contribution Date, out of, or in connection with, the Retained RMUSA Assets;

provided that RMUSA shall have an obligation to indemnify any Company Indemnified Party for Damages pursuant to this Section 9.2 only to the extent that such Damages are in excess of (i) any amounts recovered by any Company Indemnified Party pursuant to any contract to which any Company Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Company Indemnified Party, RMUSA shall be subrogated to all rights of the Company Indemnified Party against any third party in respect of the losses to which such payment relates, and such Company Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 9.2 shall require a Company Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 9.

9.3 Indemnity By Company. Subject to the provisions of this Article 9, Company agrees to pay and to indemnify fully, hold harmless and defend

(a) each Cemex Indemnified Party from and against any and all claims or Damages arising out of or relating to:

(i) any breach of any covenant or agreement of Company contained in this Agreement; or

(ii) the Cemex Assumed Liabilities; and

(b) each RMUSA Indemnified Party from and against any and all claims or Damages arising out of or relating to:

(i) any breach of any covenant or agreement of Company contained in this Agreement; or

(ii) the RMUSA Assumed Liabilities;

provided that Company shall have an obligation to indemnify any Contributor Indemnified Party for Damages pursuant to this Section 9.3 only to the extent that such Damages are in excess of (i) any amounts recovered by any Contributor Indemnified Party pursuant to any contract to which any Contributor Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Contributor Indemnified Party, Company shall be subrogated to all rights of the Contributor Indemnified Party against any third party in respect of the losses to which such payment relates, and such Contributor Indemnified Party will execute upon

request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 9.3 shall require a Contributor Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 9.

9.4 Exclusive Remedy. Except as provided in Section 10.12, the right to indemnification provided for in this Article 9 shall be the exclusive remedy of all Company Indemnified Parties with respect to the transactions contemplated under this Agreement.

9.5 Indemnification Procedures. The party or parties making a claim for indemnification under Section 9.1, 9.2 or 9.3 shall be, for the purposes of this Agreement, referred to as the "Indemnified Party" and the party or parties against whom such claims are asserted under this Article 9 shall be, for the purposes of this Agreement, referred to as the "Indemnifying Party." All claims by any Indemnified Party under this Article 9 shall be asserted and resolved as follows:

(a) In the event that (i) any claim, demand or Proceeding is asserted or instituted by any Person other than the parties to this Agreement or their Affiliates which could give rise to Damages for which an Indemnifying Party could be liable to an Indemnified Party under this Agreement (such claim, demand or Proceeding, a "Third Party Claim") or (ii) any Indemnified Party under this Agreement shall have a claim to be indemnified by any Indemnifying Party under this Agreement which does not involve a Third Party Claim (such claim, a "Direct Claim"), the Indemnified Party shall with reasonable promptness send to the Indemnifying Party a written notice specifying the nature of such claim, demand or Proceeding and the amount or estimated amount thereof if known (which amount or estimated amount shall not be conclusive of the final amount, if any, of such claim, demand or Proceeding) (a "Claim Notice").

(b) In the event of a Third Party Claim, the Indemnifying Party shall be entitled to appoint counsel of the Indemnifying Party's choice at the expense of the Indemnifying Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in connection with such claim, demand or Proceeding (in which case the Indemnifying Party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by any Indemnified Party except as set forth below); provided that such counsel is reasonably acceptable to the Indemnified Party. Notwithstanding an Indemnifying Party's election to appoint counsel to represent an Indemnified Party in connection with a Third Party Claim, an Indemnified Party shall have the right to employ separate counsel, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest or (ii) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any claim, demand or Proceeding which the Indemnifying Party defends, or, if appropriate and related to the claim, demand or Proceeding in question, in making any counterclaim against the person asserting the Third Party Claim, or any cross-complaint against any person. No Third Party Claim may be settled or compromised (i) by the Indemnified Party without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed or (ii) by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. In the event any Indemnified Party settles or compromises or consents to the entry of any Judgment with respect to any Third Party Claim without the prior written consent of the Indemnifying Party, each Indemnified Party shall be deemed to have waived all rights against the Indemnifying Party for indemnification under this Article 9 with respect to such Third Party Claim.

(c) In the event of a Direct Claim the Indemnifying Party shall notify the Indemnified Party within thirty (30) days Business Days of receipt of a Claim Notice whether or not the Indemnifying Party disputes such claim.

(d) From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its representatives all reasonable access to the books, records and properties of such Indemnified Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access shall be granted during normal business hours and shall be granted under conditions, which will not unreasonably interfere with the business and operations of such Indemnified Party. The Indemnifying Party will not, and shall require that its representatives do not, use (except in connection with such Claim Notice) or disclose to any third person other than the Indemnifying Party's representatives (except as may be required by applicable Law) any information obtained pursuant to this Section 9.5(d).

9.6 Monetary and Payment Limitations.

(a) Neither Cemex nor RMUSA shall have any obligation to indemnify a Company Indemnified Party pursuant to Sections 9.1(a) or 9.2(a), respectively, unless the aggregate amount of Damages suffered by all Company Indemnified Parties in respect of such claims exceeds $1,000,000, in which case the Company Indemnified Parties shall be entitled to recover all Damages including the $1,000,000.

(b) Notwithstanding any provision of this Agreement to the contrary, the aggregate liability of Cemex or RMUSA for Damages in respect of all claims for indemnification pursuant to Sections 9.1(a) or 9.2(a), respectively, shall in no event exceed the Cemex Value or RMUSA Value, respectively. NO PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR SIMILAR DAMAGES, EXCEPT TO THE EXTENT ASSERTED BY, AWARDED, PAID OR PAYABLE TO ANY THIRD PARTY.

(c) The parties mutually agree that payment to an Indemnified Party by an Indemnifying Party for Damages shall be paid solely from the required EBITDA distributions to be paid to the Indemnifying Party pursuant to Section 6.1 of the Cemex LLC Agreement and Section 6.1 of the Ready Mix LLC Agreement. In the event of Damages, compensation for which is owed to the Indemnified Party by the Indemnifying Party, the parties mutually agree that the Indemnifying Party shall waive all rights and title it has to, and shall instruct the Manager of Company and the Manager of Cemex LLC to make to the Indemnified Party, distributions due the Indemnifying Party from Cemex LLC under Section 6.1 of the Cemex LLC Agreement or Company under Section 6.1 of the Ready Mix LLC Agreement until such time as the Indemnified Party has recouped the amount of Damages incurred by the Indemnified Party. The provisions and limitations set forth in this Section 9.6(c) will not apply to any indemnification liability of the Company pursuant to Section 9.3.

(d) Notwithstanding the foregoing, the Indemnified Party shall not be limited to recovery of Damages pursuant to clause (c) above with respect to Damages arising out of or relating to any fraud by RMUSA or Cemex in connection with this Agreement, the discussions and negotiations leading up to this Agreement or the transaction contemplated herein, and each of RMUSA and Cemex shall be and remain liable to the other for any Damages arising out of any such claim or fraud.

9.7 Survival. Except for the representations and warranties in Sections 7.2(a) and 8.2(a), which shall survive without limit, the representations and warranties of Cemex and RMUSA contained in this Agreement shall survive the Contribution for the applicable period set forth in this Section 9.7, and any and all claims and causes of action for indemnification under this Article 9 arising out of the inaccuracy or breach of any representation or warranty of Cemex or RMUSA must be made prior to the termination of the applicable survival period set forth in this Section 9.7. All of the representations and warranties of Cemex and RMUSA contained in this Agreement and any and all claims and causes of action for indemnification under this Article 9 with respect thereto shall terminate on the second anniversary of the date of this Agreement; provided that the representations and warranties in Sections 7.3, 7.6, 7.19, 8.3, 8.6 and 8.19 shall survive until the expiration of the applicable statute of limitations; provided further that the representations and warranties in Sections 7.7 and 8.7 shall survive until the fifth anniversary of the date of this Agreement and the

representations and warranties in Section 8.20 shall survive until the twentieth anniversary of the date of this Agreement; it being understood that in the event notice of any claim for indemnification under Section 9.1(a) or Section 9.2(a) shall have been given within the applicable survival period, the representations and warranties that are the subject of such indemnification claim shall survive until such time as such claim is finally resolved.

9.8 Binding Nature. The indemnity obligations imposed under this Article 9 shall be binding upon the parties hereto and their respective successors and assigns. Wherever possible, such indemnity obligations shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of these indemnity obligations shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of the said indemnity obligations.

ARTICLE 10

MISCELLANEOUS

10.1 Reliance Upon Representations and Warranties. The parties mutually agree that notwithstanding any right of any party to investigate the affairs of any other party and notwithstanding any Knowledge of any facts determined or determinable by such party pursuant to such investigation or right of investigation, each party has the right to fully rely upon the respective representations and warranties of each other party contained in this Agreement.

10.2 Amendments. No change, modification or amendment to this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto.

10.3 Notices. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or mailed by first class registered mail, return receipt requested, addressed to the parties at the addressees set forth below (or at such other address as any party may specify by notice to all other parties given as aforesaid).

If to RMUSA:

Ready Mix USA, Inc.
P.O. Box 020152
Tuscaloosa, Alabama 35402
Attn: Scott M. Phelps

With a copy, which shall not constitute notice, to:

Phelps, Jenkins, Gibson & Fowler, L.L.P.
P.O. Box 020848
Tuscaloosa, Alabama 35402-0848
Attn: Sam M. Phelps

If to Cemex:

CEMEX Southeast Holdings LLC
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Jesus Gonzalez Herrera

With copies, which shall not constitute notice, to:

Cemex, Inc.
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Leslie White

Skadden, Arps, Slate, Meagher & Flom LLP

1600 Smith, Suite 4400
Houston, TX 77024
Attn: Frank Ed Bayouth II

If to Company:

Ready Mix USA, LLC
2570 Ruffner Road
Birmingham, Alabama 35210
Attn: Marc Bryant Tyson

10.4 Payment of Fees and Expenses. Except as otherwise provided in this Agreement, Cemex and RMUSA shall pay all fees and expenses of such respective party's respective counsel, accountants and all other expenses incurred by such party incident to the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby.

10.5 Binding Effect. This Agreement shall be binding and conclusive upon and inure to the benefit of the respective parties hereto and their successors and assigns.

10.6 Waiver. Failure of any party hereto to insist upon the strict performance of any of the covenants or conditions of this Agreement or to exercise any right or option conferred herein in one or more instances shall not be construed as a waiver or relinquishment of any such covenant, or condition, right or option, but the same shall remain in full force and effect. The committing by either party of any act or thing which it is not obligated to do hereunder shall not be deemed to impose an obligation upon it to do any such act or thing in the future or in any way change or alter any provision of this Agreement.

10.7 Counterparts. This Agreement may be executed by original or facsimile signatures in several counterparts that together shall constitute but one and the same agreement, binding on both the parties notwithstanding that both parties have not signed the same counterpart.

10.8 Construction.

(a) This Agreement shall be construed in its entirety according to its plain meaning and shall not be construed against the party who provided or drafted it.

(b) Any reference to an Article, Section, Schedule or Annex is a reference to an Article or Section of, or a Schedule or an Annex to, this Agreement.

(c) Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(d) The words "include", "includes" and "including" are not limiting, and shall be deemed to be followed by the phrase "without limitation".

(e) The terms "dollars" and "$" mean United States dollars.

(f) The phrases "the date of this Agreement", "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 1, 2005.

(g) The conjunction "or" shall be understood in its inclusive sense (and/or).

10.9 Captions. The titles of the Articles, Sections, Schedules and Annexes of this Agreement have been assigned thereto for convenience only and shall not be construed as limiting, defining or affecting the substantive terms of this Agreement.

10.10 Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Georgia, without giving effect to its principles

or rules of conflict of laws.

10.11 Consent to Jurisdiction. All disputes, litigation, proceedings or other legal actions by any party to this Agreement in connection with or relating to this Agreement or any matters described or contemplated in this Agreement shall be instituted in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the courts of the State of Georgia, and of the United States sitting in the State of Georgia, in connection with any such dispute, litigation, action or proceeding arising out of or relating to this Agreement. Each party to this Agreement may receive the service of any process or summons in connection with any such dispute, litigation, action or proceeding brought in any such court by a mailed copy of such process or summons sent to it at its address set forth, and in the manner provided, in Section 10.3. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding under this Agreement brought in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia, and any claim that any proceeding under this Agreement brought in any such court has been brought in an inconvenient forum.

10.12 Specific Performance. The parties to this Agreement agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with the terms of this Agreement and that the parties shall be entitled to specific performance of the terms of this Agreement in addition to any other remedy at Law or equity.

10.13 Translation. Should this Agreement be translated into any language other than English, the English version shall control and prevail on any question of interpretation or otherwise.

10.14 Assignment. This Agreement shall be binding upon the respective successors and permitted assigns of the parties hereto. This Agreement shall not be assignable or otherwise transferable by any of Cemex, RMUSA or Company without the prior written consent of the other parties and any attempt to so assign or transfer this Agreement without such consent shall be void and of no effect.

10.15 Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matters hereof and thereto.

10.16 Rights of Creditors and Third Parties under this Agreement. This Agreement is entered into among the Company, RMUSA and Cemex for the exclusive benefit of the Company, RMUSA and Cemex, and their successors and permitted assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and RMUSA or Cemex with respect to any Contribution, or otherwise.

10.17 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meaning, the terms "controlled," "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, for purposes of this Agreement, Company shall not be deemed to be an Affiliate of Cemex or RMUSA or any of their respective Affiliates.

"Aggregate Cemex Contribution" has the meaning set forth in Section 2.3(c)(v).

"Aggregate RMUSA Contribution" has the meaning set forth in Section 2.3(c)(v).

"Agreement" has the meaning set forth in the Introduction.

"Assumed Liability" means a Cemex Assumed Liability or an RMUSA Assumed Liability, as the context requires.

"Business" has the meaning set forth in Section 1.2.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to close.

"Cement Supply Agreement" means the cement supply agreement to be entered into concurrently with the execution of this Agreement, by and between the Company and Cemex LLC.

"Cemex" has the meaning set forth in the Introduction.

"Cemex Accounts Receivable" has the meaning set forth in Schedule 1.2(b)7.

"Cemex Agreement Assignment and Assumption" has the meaning set forth in Section 4.2(a)(xii).

"Cemex Assets" has the meaning set forth in Section 1.2.

"Cemex Assumed Contracts" has the meaning set forth in Schedule 1.2(a)8.

"Cemex Assumed Liabilities" has the meaning set forth in Section 5.2.

"Cemex Authorized Person(s)" has the meaning set forth in Section 4.2(a)(vii).

"Cemex Boundaries" means the states of Alabama, Georgia and Mississippi, the Cemex Florida Panhandle (as defined herein) and the Cemex Limited Tennessee Area (as defined herein).

"Cemex Business" has the meaning set forth in Section 1.2.

"Cemex Business Locations" has the meaning set forth in Section 1.2.

"Cemex Contribution Agreement" means the Asset and Capital Contribution Agreement of Cemex Southeast LLC, dated July 1, 2005.

"Cemex Disclosure Schedule" has the meaning set forth in Article 7.

"Cemex Environmental Condition" has the meaning set forth in Section 7.7(a).

"Cemex Environmental Indemnitees" has the meaning set forth in Section 6.7.

"Cemex Environmental Liabilities" has the meaning set forth in Section 6.7.

"Cemex Financial Statements" means the statement of income for the Cemex Assets for the twelve months ended December 31, 2004.

"Cemex Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf and Franklin. The Cemex Florida Panhandle shall exclude the City of Tallahassee, Florida.

"Cemex Indemnified Party" means Cemex, Cemex's Affiliates, directors, officers, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"Cemex Intangible Property" means intellectual property owned by Cemex or an Affiliate of Cemex.

"Cemex Intellectual Property License Agreement" means the Intellectual Property License Agreement dated as of the date hereof by and between Cemex Trademarks Worldwide Ltd. and the Company.

"Cemex Intracompany Receivables" has the meaning set forth in Schedule 1.2(b)5.

"Cemex Inventory" has the meaning set forth in Schedule 1.2(a)3.

"Cemex Land" has the meaning set forth in Schedule 1.2(a)1.

"Cemex Leases" has the meaning set forth in Schedule 1.2(a)8.

"Cemex Lease Assignment" has the meaning set forth in Section 4.2(a)(xiii).

"Cemex Limited Tennessee Area" means the Metropolitan Statistical Areas of Chattanooga and Memphis, Tennessee.

"Cemex LLC" means Cemex Southeast LLC, a Delaware limited liability company.

"Cemex LLC Agreement" means the Limited Liability Company Agreement of Cemex Southeast LLC, dated July 1, 2005.

"Cemex Material Adverse Effect" has the meaning set forth in Section 7.5(b).

"Cemex Permits" has the meaning set forth in Schedule 1.2(a)9.

"Cemex Prepaids" has the meaning set forth in Section 2.3(b).

"Cemex Real Property" has the meaning set forth in Schedule 1.2(a)1.

"Cemex Required Contractual Consents" has the meaning set forth in Section 7.8.

"Cemex Retained Names" has the meaning set forth in Schedule 1.2(b)4.

"Cemex Retained Policies" has the meaning set forth in Schedule 1.2(b)3.

"Cemex Transferred Employees" has the meaning set forth in Section 6.6.

"Cemex Value" has the meaning set forth in Section 2.1(b).

"Cemex Warranty Deed" has the meaning set forth in Section 4.2(a)(ii).

"Cemex Working Capital Statement" has the meaning set forth in Section 2.3(c)(i).

"Claim Notice" has the meaning set forth in Section 9.5(a).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" has the meaning set forth in the Introduction.

"Company Indemnified Party" means Company, Company's Affiliates, directors, managers, officers, members, shareholders, attorneys, accountants,

agents and employees, and their respective heirs, successors and assigns.

"Consent" means any consent, waiver, approval, authorization, exemption, registration or declaration.

"Contracts" has the meaning set forth in Section 7.5(a)(i).

"Contribution" has the meaning set forth in the Recitals.

"Contribution Date" has the meaning set forth in Section 3.1.

"Contributor Indemnified Party" means any Cemex Indemnified Party or any RMUSA Indemnified Party.

"Damages" means liabilities, damages, penalties, Judgments, assessments, losses, costs and expenses in any case, whether arising under strict liability or otherwise (including reasonable attorneys' fees) including lost profits, lost benefits, loss of or diminution in enterprise value and loss of goodwill, but excluding consequential, incidental, special, punitive or similar damages, except to the extent such consequential, incidental, special, punitive or similar damages are asserted by, awarded, paid or payable to any third party.

"Direct Claim" has the meaning set forth in Section 9.5(a).

"Environment" shall mean soil, surface waters, groundwater, land, stream sediments, surface or subsurface strata, ambient air, indoor air or indoor air quality, interior and/or exterior, including, without limitation, any material or substance used in the physical structure, of any building or improvement and any environmental medium.

"Environmental Law" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq., as amended ("RCRA"); the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq. (original act know as "CERCLA" or "Superfund," the Amendments are known as "SARA"); the HSWA amendments to RCRA regulating Underground Storage Tanks ("USTS"), 42 U.S.C. " 6991-6991(i); the Clean Air Act of 1963 as amended in 1970 and 1977, 42 U.S.C. ' 7401, et seq. ("Clean Air Act"); the Federal Water Pollution Control Act of 1976, as subsequently amended by the Clean Water Act of 1977 and 1987, 33 U.S.C. " 1251, et seq. ("Clean Water Act"), and the Toxic Substances Control Act of 1976, 15 U.S.C. " 2501 ("TSCA"), and all other federal, state and local laws, regulations, rules or ordinances implementing or otherwise dealing with the subject matter of the preceding federal statutes or otherwise relating to the protection of human health or the Environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any entity that is a member of a controlled group for purposes of Section 4001(a)(14) of ERISA.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"Governmental Authority" means (i) any domestic or foreign national, state or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, court, department, bureau or entity, or (ii) any arbitrator with authority to legally bind a party or any of its Affiliates.

"Hazardous Material" shall mean any pollutant, toxic substance including asbestos and asbestos-containing materials, hazardous waste, hazardous material or hazardous substance as defined in or controlled by the Environmental Law.

"Impartial Accounting Firm" has the meaning set forth in Section

2.3(c)(iv).

"Indemnified Party" has the meaning set forth in Section 9.5.

"Indemnifying Party" has the meaning set forth in Section 9.5.

"Injunction" means any order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order.

"Interim Cemex Financial Statements" means the statement of income for the RMUSA Assets for the nine months ended September 30, 2004.

"Interim RMUSA Financial Statements" means the statement of income for the RMUSA Assets for the eight months ended August 31, 2004.

"Judgments" means any judgments, injunctions, orders, writs, rulings or awards of any court or other judicial authority or any governmental, administrative or regulatory authority of competent jurisdiction.

"Knowledge" shall mean, with respect to the Cemex, the actual knowledge of the Jesus Gonzalez Herrera, Leslie White, Andy Miller, Steve Wise, Luis Oropeza, and Frank Craddock, and with respect to RMUSA, the actual knowledge of Marc Bryant Tyson, Scott Phelps, Steve Shaw, Bill Roy, Bill Holden, Bobby Lindsay and James Lewis.

"Laws" means any federal, state, local or foreign law, statute, ordinance, rule, regulation, order or decree.

"Liens" means all liens (statutory or otherwise), mortgages, pledges, charges, security interests, sureties, options, easements, covenants, restrictions or other encumbrances whatsoever.

"Material Cemex Contract" has the meaning set forth in Section 7.5(a).

"Material RMUSA Contract" has the meaning set forth in Section 8.5(a).

"Membership Interests" has the meaning set forth in Section 1.1.

"Partnerships" has the meaning set forth in Section 1.1.

"Permits" means all permits, authorizations, approvals, registrations, licenses, certificates, variances and similar rights granted by or obtained from any federal, state, local or foreign governmental, administrative or regulatory authority.

"Permitted Encumbrances" means (a) mechanics', carriers', warehousemens' workmens' and other similar Liens arising (I) with respect to the Cemex Assets, in the ordinary course of the Cemex Business and (II) with respect to the RMUSA Assets, in the ordinary course of the RMUSA Business, and which would not, individually or in the aggregate, reasonably be expected to have a Cemex Material Adverse Effect or a RMUSA Material Adverse Effect, respectively, (b) Liens for taxes, assessments and other governmental charges not yet due and payable or that may subsequently be paid without penalty or that are being contested in good faith by appropriate proceedings, and (c) with respect to the Real Property, encumbrances to fee simple, leasehold or easement title for: (I) Real Property taxes or other property taxes, assessments, governmental charges or levies not yet due; (II) easements, rights-of-way, licenses, restrictions, reservations of mineral rights (with surface rights being waived) or similar encumbrances that do not materially impair the marketability, use or operation of such Real Property by the Company; and (III) rights of tenants in possession of any such Real Property pursuant to tenant leases to be assigned to the Company.

"Person" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or other entity or organization.

"Proceeding" means any action, suit, demand, claim, legal or administrative proceeding or any arbitration or other alternative dispute

resolution proceeding, hearing or investigation.

"Ready Mix LLC Agreement" has the meaning set forth in Section 4.1(b)(i).

"Required Contractual Consent" means a Cemex Required Contractual Consent or a RMUSA Required Contractual Consent.

"Retained Cemex Assets" has the meaning set forth in Section 1.2.

"Retained RMUSA Assets" has the meaning set forth in Section 1.1.

"RMUSA" has the meaning set forth in the Introduction.

"RMUSA Accounts Payable" has the meaning set forth in Section 2.2.

"RMUSA Accounts Receivable" has the meaning set forth in Schedule 1.1(a)5.

"RMUSA Agreement Assignment and Assumption" has the meaning set forth in Section 4.1(a)(xii).

"RMUSA Ancillary Agreements" means the RMUSA Trademark License Agreement.

"RMUSA Assets" has the meaning set forth in Section 1.1.

"RMUSA Assumed Contracts" has the meaning set forth in Schedule 1.1(a)8.

"RMUSA Assumed Liabilities" has the meaning set forth in Section 5.1.

"RMUSA Authorized Person(s)" has the meaning set forth in Section 4.1(a)(vii).

"RMUSA Boundaries" means the states of Alabama, Arkansas, Georgia, excluding the Metropolitan Statistical Area of Brunswick, Georgia, Mississippi and Tennessee and the RMUSA Florida Panhandle (as defined herein).

"RMUSA Business" has the meaning set forth in Section 1.1.

"RMUSA Business Locations" has the meaning set forth in Section 1.1.

"RMUSA Disclosure Schedule" has the meaning set forth in Article 8.

"RMUSA Environmental Condition" has the meaning set forth in Section 8.7(a).

"RMUSA Environmental Indemnitees" has the meaning set forth in Section 6.8.

"RMUSA Environmental Liabilities" has the meaning set forth in Section 6.8.

"RMUSA Financial Statements" means the statement of income for the RMUSA Asset for the twelve months ended December 31, 2004.

"RMUSA Florida Panhandle" means the following counties in the State of Florida: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Jackson, Bay, Calhoun, Gulf, Franklin, Liberty, Gadsden, Leon, Wakulla, Jefferson, Madison and Taylor.

"RMUSA Indemnified Party" means RMUSA, RMUSA's Affiliates, directors, officers, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"RMUSA Intangible Property" means intellectual property owned by RMUSA or any Affiliate of RMUSA.

"RMUSA Intracompany Receivables" has the meaning set forth in Schedule 1.1(b)5.

"RMUSA Inventory" has the meaning set forth in Schedule 1.1(a)3.

"RMUSA Land" has the meaning set forth in Schedule 1.1(a)1.

"RMUSA Leases" has the meaning set forth in Schedule 1.1(a)8.

"RMUSA Lease Assignment" has the meaning set forth in Section 4.1(a)(xiii).

"RMUSA Material Adverse Effect" has the meaning set forth in Section 8.5(b).

"RMUSA Permits" has the meaning set forth in Schedule 1.1(a)9.

"RMUSA Prepaids" has the meaning set forth in Section 2.3(a).

"RMUSA Real Property" has the meaning set forth in Schedule 1.1(a)1.

"RMUSA Required Contractual Consents" has the meaning set forth in Section 8.8.

"RMUSA Retained Names" has the meaning set forth in Schedule 1.1(b)4.

"RMUSA Retained Policies" has the meaning set forth in Schedule 1.1(b)3.

"RMUSA Trademark License Agreement" has the meaning set forth in Section 4.1(a)(xiv).

"RMUSA Transferred Employees" has the meaning set forth in Section 6.6.

"RMUSA Value" has the meaning set forth in Section 2.1(a).

"RMUSA Warranty Deed" has the meaning set forth in Section 4.1(a)(ii).

"RMUSA Working Capital Statement" has the meaning set forth in Section 2.3(c)(i).

"Third Party Claim" has the meaning set forth in Section 9.5(a).

"Title Company" shall mean either of First American Title Insurance Company or Fidelity National Title Insurance Company.

"Title Policy" shall mean an ALTA owner's policy of title insurance in a form acceptable to (i) Cemex, with respect to any such policy issued for RMUSA Real Property and (ii) RMUSA, with respect to a policy issued for Cemex Real Property (or, with respect to any parcel of RMUSA Real Property or Cemex Real Property that is in a State which does not permit the issuance of such ALTA policy, such form as shall be permitted in such State and acceptable to Cemex or RMUSA, respectively) issued by the Title Company with respect to such Real Property and insuring the Company's indefeasible fee simple ownership of such Real Property as of the date hereof, subject only to the standard exceptions and exclusions from coverage and the (i) RMUSA's Permitted Encumbrances, with respect to any such policy issued for RMUSA Real Property and (ii) Cemex's Permitted Encumbrances, with respect to any policy issued for Cemex Real Property.

"Transferred Asset" means a Cemex Asset or an RMUSA Asset, as the context requires.

"Unassigned Contracts" has the meaning set forth in Section 4.4.

"WARN" has the meaning set forth in paragraph 6 of Schedule 5.1.

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IN WITNESS WHEREOF, this Agreement executed on the day and year first above written.

READY MIX USA, INC.

/s/ Marc Bryant Tyson

Marc Bryant Tyson
President

CEMEX SOUTHEAST HOLDINGS LLC

/s/ Gilberto Perez

Gilberto Perez
President

READY MIX USA, LLC
By: Ready Mix USA, Inc.
Its Manager

/s/ Marc Bryant Tyson

Marc Bryant Tyson
Its President

LIST OF SCHEDULES

1.1(a)	RMUSA Assets
1.1(a)-1	RMUSA Land
1.1(b)	RMUSA Retained Assets
1.1(b)-4	RMUSA Retained Names
1.2(a)	Cemex Assets
1.2(a)-1	Cemex Land
1.2(b)	Cemex Retained Assets
1.2(b)-6	Cemex Retained Contracts
1.2(b)-8	Cemex Other Retained Assets
5.1	RMUSA Assumed Liabilitie
5.2	Cemex Assumed Liabilities

LIST OF EXHIBITS

A	Form of Cemex Lease Assignment
B	Form of RMUSA Lease Assignment

Schedule 1.1(a)

RMUSA Assets

1. Real Property. Subject to the RMUSA Permitted Encumbrances, the real property owned, or in the case of (vi) below, leased, by RMUSA or any of its Affiliates and consisting of: (i) the real property described on Schedule 1.1(a)-1 (the "RMUSA Land"), (ii) all buildings, structures and improvements located on the RMUSA Land, to the extent owned by RMUSA or any of its Affiliates, (iii) all fixtures, machinery, apparatus or equipment affixed to the Cemex Land, including all of the electrical, heating, plumbing, air conditioning, air compression and all other similar systems located on the RMUSA Land, to the extent owned by RMUSA or any of its Affiliates and to the extent that such items constitute fixtures, (iv) all right, title and interest of RMUSA or any of its Affiliates, reversionary or otherwise, in and to all easements, if any, in or upon the RMUSA Land and all other rights and appurtenances belonging or in any way pertaining to the RMUSA Land (including RMUSA's and its Affiliates' right, title and interest in and to any mineral rights or water rights relating to the RMUSA Land), (v) all right, title and interest of RMUSA or any of its Affiliates in, to or under all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining the RMUSA Land and (vi) the RMUSA Leases (collectively, the "RMUSA Real Property");

2. Personal Property. Except as described on Schedule 1.1(b), the tangible personal property that is either located on the RMUSA Real Property or used or intended for use primarily in, or which is being utilized or operated by RMUSA primarily in the RMUSA Business as presently conducted, including all off road, non-titled rolling stock, material handling equipment, wheel loaders, track dozers, scrapers, water trucks, haul trucks, conveyor system, aggregate processing equipment/crushers and machinery, cement manufacturing equipment including rotary kilns, storage silos, installed control systems, installed electric motors, conveyors, rail engine, cement and raw material storage and handling equipment, weigh scales, office furniture, business machines, cement/aggregate testing and laboratory equipment, tools and fixtures;

3. Inventory. Except as described on Schedule 1.1(b), all inventory, including all inventories of products, work in process, finished goods, raw materials, supplies, parts, finished cement, clinker, construction aggregate, coal and fuel, lubricants, machinery and equipment repair parts and components, including those tools, fuel, repair parts, components and other items, and including the supplies of coal, clay, construction aggregate, fly and bottom ash and other raw materials and repair parts (collectively, "RMUSA Inventory");

4. Prepaid Items. All of RMUSA's and its Affiliates' rights and interests relating to prepaid expenses, advance payments, deposits and prepaid items, including prepaid interest and deposits with lessors, suppliers or utilities, which relate primarily to the RMUSA Business;

5. Accounts Receivable. Except as described on Schedule 1.1(b), RMUSA's and its Affiliates' accounts receivable arising out of the conduct of the RMUSA Business and outstanding as of the Contribution Date, including any payments received by RMUSA or any of its Affiliates with respect thereto on or after the Contribution Date, and unpaid interest accrued on any accounts receivable and any security or collateral relating thereto (collectively, "RMUSA Accounts Receivable");

6. Books, Records and Written Materials. Except as described on Schedule 1.1(b), all of RMUSA's and its Affiliates' books and records, whether in hard copy or in electronic format (e.g. computer files), including all production data, equipment maintenance data, accounting records, (but specifically excluding those files related to the Retained RMUSA

Litigation), and any inventory records, sales and sales promotional data and materials, advertising materials, sales training materials, educational support program materials, cost and pricing information, business plans, quality control records and manuals, blueprints, research and development files, records and laboratory books, patent disclosures, correspondence, and any other records and data, in each case (i) used primarily in or necessary for the conduct of the RMUSA Business or (ii) that are located on the RMUSA Real Property or are within the possession or control of those persons employed by RMUSA to work primarily for the Business, and all books and records relating to Taxes (other than income Taxes) with respect to the RMUSA Business; provided that nothing in this paragraph 6 shall require RMUSA to deliver to Company or otherwise provide Company access to any electronic records that cannot be separated from information relating to the RMUSA Retained Assets or RMUSA's other businesses;

7. Catalogs and Advertising Materials. RMUSA's and its Affiliates' promotional and advertising materials relating primarily to or necessary for the conduct of the RMUSA Business as presently conducted, including all catalogs, brochures, plans, customer lists, supplier lists, manuals, handbooks, equipment and parts lists, and dealer and distributor lists;

8. Assumed Contracts. Except as described on Schedule 1.1(b) and subject to Section 4.4, all rights and benefits of RMUSA and its Affiliates in, to or under all Contracts relating primarily to the RMUSA Business, to which RMUSA or any of its Affiliates is a party or by which any of the RMUSA Assets are bound, including (i) all rights of RMUSA and its Affiliates in all purchase and sales orders relating principally to the Business, (ii) all rights of RMUSA and its Affiliates as lessee under all leases of personal property relating primarily to the RMUSA Business, (iii) all Contracts with suppliers for any products, raw materials, supplies, equipment or parts heretofore sold, or to be sold, by RMUSA and its Affiliates used primarily in the RMUSA Business as presently conducted, and (iv) all rights of RMUSA and its Affiliates either as lessee or lessor under all leases affecting the RMUSA Real Property (the "RMUSA Leases"), (all of the foregoing being collectively, the "RMUSA Assumed Contracts");

9. Permits and Approvals. All licenses, permits, approvals, variances, emission allowances, authorizations, waivers or consents used primarily in or necessary for the conduct of the RMUSA Business as presently conducted or ownership or operation of the RMUSA Real Property as currently operated and issued to RMUSA or any of its Affiliates by any Governmental Authority, to the extent transferable (collectively, "RMUSA Permits");

10. Claims. Except as described on Schedule 1.1(b), all rights, privileges, claims, demands, causes of action, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims (to the extent transferable), offsets and other claims relating to the RMUSA Assets or the RMUSA Business, but not to the extent that they relate to the Retained RMUSA Assets or the Retained RMUSA Liabilities; and

11. Goodwill. Any and all goodwill associated principally with the RMUSA Business.

12. Membership Interests. The Membership Interests owned by RMUSA in each of Reynolds Ready Mix, L.L.C., River City Industries, L.L.C., and RCI Marine, L.L.C.

Schedule 1.1(a)-1

RMUSA Land

See attached schedule.

Schedule 1.1(b)

RMUSA Retained Assets

1. Cash. All cash, bank balances, money market accounts, moneys in possession of banks and other depositories, term or term deposits and similar cash equivalents and cash items of, owned or held by or for the account of RMUSA;

2. Corporate and Other Records. The corporate books and records, including stock certificates, treasury stock, stock transfer records, corporate seals and minute books of RMUSA (i) which are not used in or necessary for the conduct of the RMUSA Business and (ii) which are not located on the RMUSA Real Property or are not within the possession or control of those persons employed to work principally for the RMUSA Business, (iii) employee files for employees other than the RMUSA Transferred Employees, (iv) RMUSA's Tax Returns and any tax supporting information related thereto, and (v) any and all records related to pending or completed litigation and claims;

3. Insurance. Any and all policies of insurance, whether or not covering the RMUSA Assets or the RMUSA Business, that are or have been maintained or managed through RMUSA or any of its Affiliates, including general liability, property, casualty, product liability and workers' compensation insurance (the "RMUSA Retained Policies"), including any and all amounts recovered by RMUSA under such RMUSA Retained Policies;

4. Intellectual Property. All intellectual property of RMUSA and its Affiliates, whether or not used primarily in or necessary for the conduct of the RMUSA Business, including RMUSA's and its Affiliates' patents, trade secrets, copyrights, trademarks, trade names, logos, slogans, internet domain names, licenses and software, including any and all rights (including any common law trademark rights) to the names Ready Mix USA, Inc. and Ready Mix USA (such names, collectively, the "RMUSA Retained Names") and including those items listed on Schedule 1.1(b)-4; and

5. Intracompany Receivables. All outstanding amounts, including accounts receivable, owing to the RMUSA Business from other businesses of RMUSA or RMUSA 's Affiliates (the "RMUSA Intracompany Receivables").

Schedule 1.1(b)-4

RMUSA Retained Names

1. Ready Mix USA, Inc.

2. Ready Mix USA

3. Those names and marks registered on:

    a. Certificate of Trademark Registration No. 2,694,510;

    b. Certificate of Trademark Registration No. 2,616,672; and

    c. Certificate of Trademark Registration No. 2,634,087.

Schedule 1.2(a)

Cemex Assets

1. Real Property. Subject to the Cemex's Permitted Encumbrances, the real property owned, or in the case of (vi) below, leased, by Cemex, Inc. or any of its Affiliates and consisting of: (i) the real property described on Schedule 1.2(a)-1 (the "Cemex Land"), (ii) all buildings, structures and improvements located on the Cemex Land, to the extent owned by Cemex, Inc. or any of its Affiliates, (iii) all fixtures, machinery, apparatus or equipment affixed to the Cemex Land, including all of the electrical, heating, plumbing, air conditioning, air compression and all other similar systems located on the Cemex Land, to the extent owned by Cemex, Inc. or any of its Affiliates and to the extent that such items constitute fixtures, (iv) all right, title and interest of Cemex, Inc. or any of its Affiliates, reversionary or otherwise, in and to all easements, if any, in or upon the Cemex Land and all other rights and appurtenances belonging or in any way pertaining to the Cemex Land (including Cemex, Inc.'s and its Affiliates' right, title and interest in and to any mineral rights or water rights relating to the Cemex Land), (v) all right, title and interest of Cemex, Inc. or any of its Affiliates in, to or under all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining the Cemex Land and (vi) the Cemex Leases (collectively, the "Cemex Real Property");

2. Personal Property. Except as described on Schedule 1.2(b), the tangible personal property that is either located on the Cemex Real Property or used or intended for use primarily in, or which is being utilized or operated by Cemex, Inc. primarily in the Cemex Business as presently conducted, including all off road, non-titled rolling stock, material handling equipment, wheel loaders, track dozers, scrapers, water trucks, haul trucks, conveyor system, aggregate processing equipment/crushers and machinery, cement manufacturing equipment including rotary kilns, storage silos, installed control systems, installed electric motors, conveyors, rail engine, cement and raw material storage and handling equipment, weigh scales, office furniture, business machines, cement/aggregate testing and laboratory equipment, tools and fixtures;

3. Inventory. Except as described on Schedule 1.2(b), all inventory, including all inventories of products, work in process, finished goods, raw materials, supplies, parts, finished cement, clinker, construction aggregate, coal and fuel, lubricants, machinery and equipment repair parts and components, including those tools, fuel, repair parts, components and other items, and including the supplies of coal, clay, construction aggregate, fly and bottom ash and other raw materials and repair parts (collectively, "Cemex Inventory");

4. Prepaid Items. All of Cemex, Inc.'s and its Affiliates' rights and interests relating to prepaid expenses, advance payments, deposits and prepaid items, including prepaid interest and deposits with lessors, suppliers or utilities, which relate primarily to the Cemex Business;

5. Reserved.

6. Books, Records and Written Materials. Except as described on Schedule 1.2(b), all of Cemex, Inc.'s and its Affiliates' books and records, whether in hard copy or in electronic format (e.g. computer files), including all production data, equipment maintenance data, accounting records, (but specifically excluding those files related to the Retained Cemex Litigation) any inventory records, sales and sales promotional data and materials, advertising materials, sales training materials, educational support program materials, cost and pricing information, business plans, quality control records and manuals, blueprints, research and development files, records and laboratory

books, patent disclosures, correspondence, and any other records and data, in each case (i) used primarily in or necessary for the conduct of the Cemex Business or (ii) that are located on the Cemex Real Property or are within the possession or control of those persons employed by Cemex, Inc. to work primarily for the Business, and all books and records relating to Taxes (other than income Taxes) with respect to the Cemex Business; provided that nothing in this paragraph 6 shall require Cemex, Inc. to deliver to Company or otherwise provide Company access to any electronic records that cannot be separated from information relating to the Cemex Retained Assets or Cemex, Inc.'s other businesses;

7. Catalogs and Advertising Materials. Cemex, Inc.'s and its Affiliates' promotional and advertising materials relating primarily to or necessary for the conduct of the Cemex Business as presently conducted, including all catalogs, brochures, plans, customer lists, supplier lists, manuals, handbooks, equipment and parts lists, and dealer and distributor lists;

8. Assumed Contracts. Except as described on Schedule 1.2(b), and subject to Section 4.4, all rights and benefits of Cemex, Inc. and its Affiliates in, to or under all Contracts relating primarily to the Cemex Business, to which Cemex, Inc. or any of its Affiliates is a party or by which any of the Cemex Assets are bound, including (i) all rights of Cemex, Inc. and its Affiliates in all purchase and sales orders relating principally to the Business, (ii) all rights of Cemex, Inc. and its Affiliates as lessee under all leases of personal property relating primarily to the Cemex Business, (iii) all Contracts with suppliers for any products, raw materials, supplies, equipment or parts heretofore sold, or to be sold, by Cemex, Inc. and its Affiliates used primarily in the Cemex Business as presently conducted, and (iv) all rights of Cemex, Inc. and its Affiliates either as lessee or lessor under all leases affecting the Cemex Real Property (the "Cemex Leases"), (all of the foregoing being collectively, the "Cemex Assumed Contracts");

9. Permits and Approvals. All licenses, permits, approvals, variances, emission allowances, authorizations, waivers or consents used primarily in or necessary for the conduct of the Cemex Business as presently conducted or ownership or operation of the Cemex Real Property as currently operated and issued to Cemex, Inc. or any of its Affiliates by any Governmental Authority, to the extent transferable (collectively, "Cemex Permits");

10. Claims. All rights, privileges, claims, demands, causes of action, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims (to the extent transferable), offsets and other claims relating to the Cemex Assets or the Cemex Business, but not to the extent that they relate to the Retained Cemex Assets or the Retained Cemex Liabilities; and

11. Goodwill. Any and all goodwill associated principally with the Cemex Business.

Schedule 1.2(a)-1

Cemex Land

City	State	County	Street Address
Port St. Joe	Fl	Gulf	Hwy 71 South
Mossey Head	Fl	Walton	647 East Bay Loop

Panama City	FL	Bay	1810 MLK
Panama City	FL	Bay	12324 Panama City Beach
Tallahassee	FL	Leon	901 Mosley Street
Navarre	FL	Santa Rosa	279 Ola Broxson Road
Pensacola	FL	Escambia	100 E. Olive Road
Destin	FL	Okaloosa	820 Beach Drive
Crestview	FL	Okaloosa	4566 Old Antioch Road
Ft. Walton Beach	FL	Okaloosa	216 Race Track Road
Tifton	GA	Tift	130 East 9th Street
Americus	GA	Sumter	881 Spring Street
LaGrange	GA	Troup	Cemex to provide
Fort Valley	GA	Peach	5102 Anthoine Street
Warner Robbins	GA	Houston	105 Plantation Road
Montezuma	GA	Macon	161 Airport Road
Fitzgerald	GA	Ben Hill	131 Appomattox Road
Perry	GA	Houston	106 Industrial Drive
Cordele	GA	Crisp	155 Market Avenue
Waycross	GA	Pierce	6219 Bowen Road
Ashburn	GA	Turner	Highway 159

Schedule 1.2(b)

Cemex Retained Assets

1. Cash. All cash, bank balances, money market accounts, moneys in possession of banks and other depositories, term or term deposits and similar cash equivalents and cash items of, owned or held by or for the account of Cemex, Inc.;

2. Corporate and Other Records. The corporate books and records, including stock certificates, treasury stock, stock transfer records, corporate seals and minute books of Cemex, Inc. (i) which are not used in or necessary for the conduct of the Cemex Business and (ii) which are not located on the Cemex Real Property or are not within the possession or control of those persons employed to work principally for the Cemex Business, (iii) employee files for employees other than the Cemex Transferred Employees, (iv) Cemex, Inc.'s Tax Returns and any tax supporting information related thereto, and (v) any and all records related to pending or completed litigation and claims;

3. Insurance. Any and all policies of insurance, whether or not covering the Cemex Assets or the Cemex Business, that are or have been maintained or managed through Cemex, Inc. or any of its Affiliates, including general liability, property, casualty, product liability and workers' compensation insurance (the "Cemex Retained Policies"),

including any and all amounts recovered by Cemex, Inc. under such Cemex Retained Policies;

4. Intellectual Property. All intellectual property of Cemex, Inc. and its Affiliates, whether or not used primarily in or necessary for the conduct of the Cemex Business, including Cemex, Inc.'s and its Affiliates' patents, trade secrets, copyrights, trademarks, trade names, logos, slogans, internet domain names, licenses and software, and any goodwill related to the foregoing including any and all rights (including any common law trademark rights) to the names Cemex and Cemex, Inc. (such names, collectively, the "Cemex Retained Names");

5. Intracompany Receivables. All outstanding amounts, including accounts receivable, owing to the Cemex Business from other businesses of Cemex, Inc. or Cemex, Inc. 's Affiliates (the "Cemex Intracompany Receivables");

6. Contracts. All rights and benefits of Cemex, Inc. and its Affiliates in, to or under the contracts listed on Schedule 1.2(b)-6;

7. Accounts Receivable. Cemex, Inc.'s and its Affiliates' accounts receivable arising out of the conduct of the Cemex Business and outstanding as of the Contribution Date, including any payments received by Cemex, Inc. or any of its Affiliates with respect thereto on or after the Contribution Date, and unpaid interest accrued on any accounts receivable and any security or collateral relating thereto (collectively, "Cemex Accounts Receivable");

8. Others. Items set forth on Schedule 1.2(b)-8.

Schedule 1.2(b)-6

Retained Contracts

1. Master Lease Agreement, dated as of March 9, 2000, between Banc One Leasing Corporation, as Lessor, and Southdown, Inc., as Lessee.

2. Master Lease Agreement 07709-00400, dated as of April 16, 2004, among Bank of America Leasing & Capital, LLC, as Lessor, and Cemex, Inc., Cemex Cement, Inc., Cemex Cement Texas, L.P., Cemex Construction Materials, L.P., Pacific Coast Cement Corporation, Cemex California Cement LLP, Cemex Central Plains Cement, LLC, and Kosmos Cement Company, as Lessees.

3. Equipment Lease, dated as of May 17, 2002, between First Union Commercial Corporation, as Lessor, and Cemex, Inc., as Lessee.

4. Master Lease Agreement, dated as of August 1, 1997, between General Electric Capital Corporation, as Lessor, and Sunbelt Asphalt & Materials, Inc., as Lessee.

5. Master Lease Agreement, dated as of July 25, 2003, between Lasalle National Leasing Corporation, as Lessor, and Cemex, Inc., as Lessee.

6. Lease Agreement, dated as of June, 2004, among RBS Lombard, Inc., as Lessor, and Cemex, Inc., Cemex Cement, Inc., Cemex Cement of Texas, L.P., Cemex Construction Materials, L.P., Cemex Pacific Coast Cement Corporation, Cemex California Cement LLC, Cemex Central Plains Cement LLC, and Kosmos Cement Company, as Lessees.

Schedule 1.2(b)-8

Other Retained Assets

1. All Allied Assets as defined in the Ready Mix LLC Agreement.

Schedule 4.1(a)(xv)

CASH CONTRIBUTED TO READY MIX LLC

BANK ACCOUNTS BEING CONTRIBUTED		
REGIONS BANK	$	18,077,515.80
UNION PLANTERS BANK	$	104,743.53
SECURITY BANK	$	676,869.73
GULF STATE CUMMUNITY BANK	$	79,263.22
PEOPLES BANK & TRUST	$	11,581.30
CHARTER BANK	$	2,393.12
THE CITIZENS BANK	$	6,199.72
TROY BANK & TRUST	$	54,067.91
FIRST PEOPLES BANK	$	12,824.77
REGIONS BANK (REYNOLDS READY MIX, L.L.C. 50.1%) (1)	$	4,170,706.26
REGIONS BANK (RIVER CITY INDUSTRIES 50%) (2)	$	354,527.42
TOTAL ACCOUNTS BEING CONTRIBUTED	$	23,550,692.78
CASH CONTRIBUTION (BY WIRE TRANSFER)		
READY MIX USA, LLC	$	4,594,222.32
ACCOUNT#: 0509060999, REGIONS BANK, ROUTING #: 062005690		
TOTAL CASH CONTRIBUTION BY RMUSA TO READY MIX LLC	$	28,144,915.10

(1) REYNOLDS READY MIX, L.L.C. TOTAL CASH BALANCE IS $8,324,763.00.

ACCOUNT NUMBERS: 2501028471, 2501028701, 0603039634, 0603039645, 0603039568, 0603039557 & (2904378741)

(2) RIVER CITY INDUSTRIES TOTAL CASH BALANCE IS $709,054.84

ACCOUNT NUMBERS: 1906500581 & (1906500383)

Schedule 5.1

RMUSA Assumed Liabilities

1. Assumed Contracts. Subject to Section 4.4, all liabilities and obligations of RMUSA arising after the Contribution under the RMUSA Assumed Contracts. RMUSA and Cemex hereby agree that RMUSA shall assign to Company, and Company shall assume from RMUSA, all of RMUSA's rights and obligations under that certain Memorandum of Agreement with Greene Group, Inc. for a Gift to Crimson Tide Foundation, whereby RMUSA has pledged to make an annual gift of $1,000,000 to the University of Alabama beginning in 2005 and ending in 2015. For the avoidance of doubt, Company shall not assume any liabilities or obligations arising out of any breach of or default under such RMUSA Assumed Contracts by RMUSA that occurred prior to the Contribution;

2. Real Property. Except as set forth in Section 2.2 and 6.8, all liabilities and obligations relating to, or occurring or existing in connection with, or arising out of, the ownership and use of the RMUSA Real Property, arising after the Contribution;

3. Product Liability. Claims for product warranty, product liability, refunds, returns, personal injury and property damage, and all other liabilities and obligations, relating to products sold or services provided by Company after the Contribution;

4. Post Closing Liabilities. Any liability, claim or obligation which is based on events or conditions occurring or arising out of the RMUSA Business as operated by Company after the Contribution or the ownership, possession, use or sale of the RMUSA Assets by Company after the Contribution (but, in each case, only to the extent such liability, claim or obligation is based on events or conditions that occur or arise for the first time after the Contribution);

5. Taxes (excluding transfer and income Taxes). All liabilities and obligations related to Taxes (excluding transfer and income Taxes) to the extent due and payable after the Contribution;

6. Accounts Payable. The RMUSA Accounts Payable;

7. WARN. Any liabilities or obligations of RMUSA arising under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss.ss. 2101 2109 ("WARN") to the RMUSA Business Employees arising out of a "plant closing" or "mass layoff" (as those terms are defined under WARN) occurring as of or after the Contribution; and

8. Environmental Liabilities. (a) The RMUSA Environmental Liabilities (except to the extent that such liabilities are subject to indemnification pursuant to Section 6.8); and (b) any damages, claims, losses, liabilities and expenses that may be incurred as a result of the presence of Hazardous Materials at the RMUSA Real Property or property located in the vicinity of the RMUSA Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the RMUSA Business or RMUSA Real Property, that exists as of the Contribution Date but is not otherwise a RMUSA Environmental Condition as defined in Section 8.7(a).

Schedule 5.2

Cemex Assumed Liabilities

1. Assumed Contracts. Subject to Section 4.4, all liabilities and obligations of Cemex, Inc. arising after the Contribution under the Cemex Assumed Contracts and any and all obligations by Cemex, Inc. or any of its Affiliates to guarantee or support obligations of the Company or any of its Subsidiaries under any of the Assumed Contracts. For the avoidance of doubt, Company shall not assume any liabilities or obligations arising out of any breach of or default under such Cemex Assumed Contracts by Cemex, Inc. that occurred prior to the Contribution;

2. Real Property. Except as set forth in Section 2.2 and 6.7, all liabilities and obligations relating to, or occurring or existing in connection with, or arising out of, the ownership and use of the Cemex Real Property, arising after the Contribution;

3. Product Liability. Claims for product warranty, product liability, refunds, returns, personal injury and property damage, and all other liabilities and obligations, relating to products sold or services provided by Company after the Contribution;

4. Post Closing Liabilities. Any liability, claim or obligation which is based on events or conditions occurring or arising out of the Cemex Business as operated by Company after the Contribution or the ownership, possession, use or sale of the Cemex Assets by Company after the Contribution (but, in each case, only to the extent such liability,

claim or obligation is based on events or conditions that occur or arise for the first time after the Contribution);

5. Taxes (excluding transfer and income Taxes). All liabilities and obligations related to Taxes (excluding transfer and income Taxes) to the extent due and payable after the Contribution;

6. WARN. Any liabilities or obligations of Cemex arising under WARN to the Cemex Business Employees arising out of a "plant closing" or "mass layoff" (as those terms are defined under WARN) occurring as of or after the Contribution.

7. Environmental Liabilities. (a) The Cemex Environmental Liabilities (except to the extent that such liabilities are subject to indemnification pursuant to Section 6.7); and (b) any damages, claims, losses, liabilities and expenses that may be incurred as a result of the presence of Hazardous Materials at the Cemex Real Property or property located in the vicinity of the Cemex Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the Cemex Business or Cemex Real Property, that exists as of the Contribution Date but is not otherwise a Cemex Environmental Condition as defined in Section 7.7(a).

Exhibit A

Form of Cemex Lease Assignment

See attached.

Exhibit B

Form of RMUSA Lease Assignment

See attached.

Exhibit 4.21

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

READY MIX USA, LLC

AND

RMC MID-ATLANTIC, LLC,

Dated: September 1, 2005

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into this 1st day of September, 2005, by and between READY MIX USA, LLC, a Delaware limited liability company ("Buyer") and RMC MID-ATLANTIC, LLC, a South Carolina limited liability company ("Seller").

R E C I T A L S:

WHEREAS, Seller desires to sell, and Buyer desires to purchase, certain of the assets of Seller, for the consideration and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the agreements and undertakings contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller, intending to be legally bound, hereby agree as follows:

ARTICLE 1.

DEFINITIONS

1.1 General Definitions. For purposes of this Agreement, the words and phrases defined in Section 10.18 shall have the meanings specified therein.

ARTICLE 2.

PURCHASE OF ASSETS

2.1 Sale and Purchase of Assets. At the Closing, Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase and acquire from Seller, those assets described on Schedule 2.1(a) which are currently owned by Seller and used or intended for use primarily in, or which are being utilized or operated by Seller or any of its Affiliates primarily in its ready mix concrete, concrete block, and building materials business locations located in the State of Georgia (the "Seller Assets") and the business associated with the Seller Assets (the "Seller Business"). The locations listed on Schedule 2.1(a)-1 are referred to sometimes herein as the "Seller Business Locations." Notwithstanding the foregoing, the assets, properties and rights described on Schedule 2.1(b) shall not be transferred, conveyed, assigned or delivered to Buyer under this Agreement (the "Retained

Seller Assets"). For the avoidance of doubt, Buyer hereby acknowledges that (a) CEMEX, Inc., a Louisiana corporation and Affiliate of Seller, owns and operates businesses in Brunswick, Georgia and (b) such businesses and the associated assets are Retained Seller Assets.

2.2 Prorations.

Seller and Buyer each acknowledge and agree that Seller shall be responsible for the expenses relating to the Seller Assets (except to the extent such amount is reflected in the Seller Working Capital Statement) up to and through the Closing Date, and Buyer shall be responsible for the expenses relating to the Seller Assets after the Closing Date (for example, ad valorem taxes and utilities) and that such expenses relating to the Seller Assets up to and through the Closing Date shall be paid by Seller at or before the Closing Date. To the extent that a period of time for the assessment of any of the expenses (for example, property taxes) shall be due both before and after the Closing Date, the same shall be prorated as of the Closing Date. Seller and Buyer acknowledge and agree that one or more of such prorations may occur or be reconciled subsequent to the Closing Date.

2.3 Payment of Purchase Price; Allocation; Adjustments.

(a) The purchase price for the Seller Assets to be paid by wire transfer of immediately available funds at the Closing shall be One Hundred Twenty-Four Million Five Hundred Sixty Thousand Dollars ($124,560,000) (the "Closing Purchase Price"), plus the assumption of the Assumed Liabilities in accordance with Section 2.4. The Closing Purchase Price includes an estimated purchase price for the Closing Working Capital in the amount of Thirty-Three Million Dollars ($33,000,000), which amount is subject to adjustment to be made following the Closing Date pursuant to Section 2.3(b) and Section 2.3(c) below.

(b) Following the Closing, in accordance with Section 2.3(c) below, the Closing Purchase Price shall be (i) increased by the amount by which (A) the value of the inventory of sand, gravel, cement, admixtures, fuel, other raw material and finished goods on hand constituting Seller Inventory, which shall all be valued at book value as of the Effective Time (the "Materials Inventory Value"); plus (B) the value of the inventory of tools, parts and related items constituting Seller Inventory, which shall all be valued at book value as of the Effective Time (the "Parts Inventory Value"); plus (C) the aggregate amount of the Seller Accounts Receivable, valued at face value as of the Effective Time (the sum of Clauses (A), (B) and (C) is hereafter referred to as the "Closing Working Capital"), exceeds Thirty-Three Million Dollars ($33,000,000) or (ii) decreased by the amount by which the Closing Working Capital is less than Thirty-Three Million Dollars ($33,000,000). For the purpose of calculating the Seller Accounts Receivable: (i) accounts receivable that are less than sixty (60) days past due will be valued at face value as of the Effective Time; (ii) accounts receivable that are more than sixty (60) days and less than ninety (90) days past due will be valued at ninety percent (90%) of face value as of the Effective Time; and (iii) accounts receivable that are more than ninety (90) days past due will be valued at seventy-five percent (75%) of face value as of the Effective Time.

(c) (i) Within thirty (30) days after the Closing Date, Seller shall deliver to the Buyer a working capital statement reflecting the current assets assigned by Seller pursuant to this Agreement as of the Effective Time, with each item valued as contemplated in Section 2.2 and 2.3(b) as the case may be (the "Seller Working Capital Statement") along with a statement of the amount by which the Closing Working Capital exceeds or is less than Thirty-Three Million Dollars ($33,000,000) (the "Working Capital Adjustment Amount") and the amount of the final purchase price (the "Purchase Price").

(ii) Upon receipt of the Seller Working Capital Statement, Buyer and its independent certified public accountants shall have the right during the succeeding 30-day period to review and audit the accounts represented by the line items set forth on the Seller Working Capital Statement and to examine and review all records and work

papers and other supporting documents used to prepare such statement. Seller shall give Buyer full access at all reasonable times to the working papers relating to the Seller Working Capital Statement, including any descriptions of the methodology, procedures, internal audits and analysis undertaken in connection with the preparation of the Seller Working Capital Statement. Buyer shall notify Seller in writing, on or before the last day of the 30-day period, of any good faith objections to the Seller Working Capital Statement or the Working Capital Adjustment Amount, setting forth a detailed explanation of the objections and the dollar amount of each such objection. If Buyer does not deliver such notice within such 30-day period, the Seller Working Capital Statement, the Working Capital Adjustment Amount and the Purchase Price shall be deemed to have been irrevocably accepted by Buyer.

(iii) If Buyer in good faith objects to line items set forth on the Seller Working Capital Statement or the Working Capital Adjustment Amount, the parties shall attempt to resolve any such objections within thirty (30) days of receipt by the corresponding party of any such objections. If the parties are unable to resolve the matter within such 30-day period, they shall jointly appoint an impartial nationally recognized independent certified public accounting firm (the "Impartial Accounting Firm") mutually acceptable to the parties (or, if they cannot agree on a mutually acceptable firm, they shall cause their respective accounting firms to select such firm) within five (5) days after the end of such 30-day period to resolve any such remaining matters. Any such resolution shall be conclusive and binding on the parties and the fees of the Impartial Accounting Firm shall be borne as the Impartial Accounting Firm shall determine after considering the positions asserted by the parties in light of its final decision. The parties shall fully cooperate with the Impartial Accounting Firm. The Impartial Accounting Firm shall be instructed to reach its conclusion regarding the dispute within thirty (30) days of its appointment to settle the dispute.

(iv) Adjustments to the values contemplated in paragraph (b) of this Section 2.3 shall be made pursuant to the Seller Working Capital Statement, within thirty (30) days after their acceptance by the parties or the resolution of all disputes in connection therewith, pursuant to the provisions of this Section 2.3(c). In the event the Closing Working Capital exceeds Thirty-Three Million Dollars ($33,000,000), Buyer shall pay to Seller the amount of such excess by wire transfer of immediately available funds. In the event the Closing Working Capital is less than Thirty-Three Million Dollars ($33,000,000), Seller shall pay to Buyer the amount of such shortfall by wire transfer of immediately available funds.

(d) Payments to Seller or Buyer pursuant to this Section 2.3 shall be made to the respective accounts set forth on Schedule 2.3(d) not later than ten (10) days following the date the Seller Working Capital Statement becomes final.

(e)(i) Within sixty (60) days after the Closing Date, the Buyer shall deliver to the Seller a draft of schedule (the "Allocation Schedule") allocating the Purchase Price and the amount of Assumed Liabilities (including, for purposes of this section, any other consideration paid by Buyer), among the Seller Assets.

(ii) Upon receipt of the Allocation Schedule, Seller and its independent certified public accountants shall have the right during the succeeding thirty (30) day period to review the Allocation Schedule and to examine and review all records and work papers and other supporting documents used to prepare such schedule. Buyer shall give Seller full access at all reasonable times to the working papers relating to the Allocation Schedule, including any descriptions of the methodology, procedures, internal audits and analysis undertaken in connection with the preparation of the Allocation Schedule. Seller shall notify Buyer in writing, on or before the last day of the thirty

(30) day period, of any good faith objections to the Allocation Schedule, setting forth a detailed explanation of the objections and the dollar amount of each such objection. If Seller does not deliver such notice within such thirty (30) day period, the Allocation Schedule shall be deemed to have been irrevocably accepted by Seller.

(iii) If Seller in good faith objects to line items set forth on the Allocation Schedule, the parties shall attempt to resolve any such objections within thirty (30) days of receipt by the corresponding party of any such objections. If the parties are unable to resolve the matter within such thirty (30) day period, they shall jointly appoint an Impartial Accounting Firm mutually acceptable to the parties (or, if they cannot agree on a mutually acceptable firm, they shall cause their respective accounting firms to select such firm) within five (5) days after the end of such thirty (30) day period to resolve any such remaining matters. Any such resolution shall be conclusive and binding on the parties and the fees of the Impartial Accounting Firm shall be borne as the Impartial Accounting Firm shall determine after considering the positions asserted by the parties in light of its final decision. The parties shall fully cooperate with the Impartial Accounting Firm. The Impartial Accounting Firm shall be instructed to reach its conclusion regarding the dispute within thirty (30) days of its appointment to settle the dispute.

(iv) Seller and Buyer each agrees to file IRS Form 8594, and all federal, state, local and foreign tax returns, in a manner consistent with the Allocation Schedule.

2.4 Limitation on Liabilities of Seller to be Assumed by Buyer.

Notwithstanding any provision of this Agreement to the contrary, Buyer shall not assume or become liable to Seller, or any other Person, for any liabilities or obligations of Seller or any of its Affiliates whether accrued, absolute, contingent or otherwise, except for those liabilities of Seller and its Affiliates described on Schedule 2.4 (the "Assumed Liabilities"), which Buyer hereby assumes and agrees to perform, satisfy and discharge when due.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES BY SELLER

Seller hereby represents and warrants to Buyer that, except as set forth in the disclosure schedule being delivered by Seller contemporaneously herewith (the "Seller Disclosure Schedule"):

3.1 Existence and Authorization for Agreement; Enforceability.

Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of South Carolina, and has the requisite power and authority to own, lease, and operate its properties and carry on and operate its business as and where such business is now being conducted. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the managers of Seller. Seller has taken all actions necessary to authorize it to enter into and perform fully its obligations under this Agreement and all of the documents or instruments otherwise contemplated herein and to consummate the transactions contemplated herein and therein. Each of this Agreement and the other closing documents delivered pursuant hereto has been or at the Closing will be duly executed and delivered by Seller and is or at the Closing will be the legal, valid and binding obligation of Seller enforceable in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to the general principles of equity.

3.2 Title to and Sufficiency of Seller Assets.

(a) Seller has good and marketable title to the Seller Assets. Except for (i) the Assumed Liabilities and (ii) Permitted Encumbrances, none of the Seller Assets shall, at the Closing Date, be subject to any Lien.

(b) The Seller Assets, in conjunction with the rights, goods and services granted, transferred or to be performed by Seller pursuant to this Agreement, constitute all the property, real and personal, tangible and intangible, necessary for the conduct of the Seller Business as it is presently being conducted by Seller in all material respects.

3.3 Taxes.

Seller will pay and satisfy, or cause to be paid and satisfied, all property and excise and other tax obligations, penalties and interest, imposed by any governmental entity either (i) in connection with the Seller Business or the Seller Assets arising prior to and through the Closing Date, and in connection with the transactions contemplated by this Agreement, including all United States, foreign, state, provincial, county and local income, ad valorem, excise, sales, use, withholding, unemployment, social security or other taxes and assessments of or payable by Seller and arising prior to and through the Closing Date, or (ii) otherwise chargeable against the Seller Business or the Seller Assets, and arising prior to and through the Closing Date. Anything in this Agreement to the contrary notwithstanding, Buyer shall pay all recording and filing fees and taxes, sales taxes, gross receipt taxes, tag fees and similar expenses applicable to the transfer of the Seller Assets from Seller to Buyer, including any recording or filing fees or taxes associated with the transfer of the Seller Real Property and any sales, gross receipt, and tag fees or taxes associated with transferring the titles to any vehicles. All taxes attributable to the activities of the Seller Business and the ownership and operation of the Seller Assets prior to and through the Closing Date shall be the responsibility of Seller.

3.4 Litigation.

There is no claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the Knowledge of Seller, threatened, against or relating to Seller or any of its Affiliates, or any of their respective members, managers, directors, officers, shareholders, employees, or properties, in each case, with respect to the Seller Assets or the Seller Business, which would reasonably be expected to have a material adverse effect on (a) the Seller Assets or the business, financial condition or results of operations of the Seller Business, taken as a whole, or (b) the ability of Seller to consummate the transactions contemplated hereby or perform any of its obligations hereunder (a "Seller Material Adverse Effect").

3.5 Contracts; and Other Agreements.

(a) Section 3.5 of the Seller Disclosure Schedule sets forth a list of the Material Seller Contracts primarily relating to the Seller Business or the Seller Assets as of the date of this Agreement. Seller has made available to Buyer a true and complete copy of each Material Seller Contract listed on Schedule 3.5 of the Seller Disclosure Schedule. For purposes hereof, "Material Seller Contract" shall mean:

(i) agreements, contracts, licenses, leases of real or personal property, indentures, mortgages, instruments, security interests, purchase and sale orders and other similar arrangements, commitments or understandings in each case, whether written or oral ("Contracts"), for the future acquisition or sale of any assets involving $250,000 individually (or in the aggregate, in the case of any related series of Contracts), other than the acquisition or sale of inventory in the ordinary course of business;

(ii) Contracts calling for future payments to or from Seller or any of its Affiliates in any one year of more than $250,000 in any one case (or in the aggregate, in the case of any related series of Contracts), or involving the payment or receipt of $1,000,000 or more over the lifetime of such agreements;

(iii) Contracts that contain covenants prohibiting or

limiting the right to compete of Seller or any Affiliate or prohibiting or restricting the ability of the owner of the Seller Business (or any of its Affiliates) to deal with any Person or in any geographical area;

(iv) Contracts that require the payment by or to Seller or any Affiliate of a royalty, override or similar commission or fee of more than $1,000,000 in the aggregate;

(v) Contracts that are collective bargaining agreements;

(vi) guaranties and any outstanding Contracts and instruments relating to the borrowing of money, or any extension of credit, which impose any Lien on any of the Seller Assets;

(vii) Contracts involving sales agency, manufacturing, consignment, sales representative, distributorship or marketing;

(viii) Contracts for the license to or from Seller or any Affiliate of Seller to or from, as the case may be, any third party (including to another Affiliate) of any (x) Seller Intangible Property or (y) intellectual property rights that are owned by any such third party and, in each case that primarily relate to or are material to the Seller Business, except for contracts for the license of software that is commercially available "off the shelf";

(ix) Contracts for the construction or acquisition of fixed assets or other capital expenditures requiring the payment by Seller of more than $1,000,000 in the aggregate;

(x) Contracts that are broker's or finder's agreements;

(xi) Contracts relating to partnerships, joint ventures or other arrangements involving a sharing of profits or expenses;

(xii) Contracts to sell, lease or otherwise dispose of any Seller Asset, in each case other than in the ordinary course of business;

(xiii) except for collective bargaining agreements (which are listed in subparagraph (v) above), Contracts relating to employment or termination or severance benefits or arrangements;

(xiv) Contracts relating to the leasing of or other arrangement for use of real property or material personal property;

(xv) Contracts that include any obligation to make payments, contingent or otherwise, arising out of the prior acquisition or disposition of a business;

(xvi) Contracts which, upon the consummation of the transactions contemplated by this Agreement, will (either alone or upon the occurrence of any additional acts or events) result in any payment or benefits (whether of severance pay or otherwise) becoming due, or the acceleration or vesting of any rights to any payment or benefits, from Buyer, Seller or any of their respective Affiliates to any officer, director, consultant or employee thereof; and

(xvii) Contracts entered into outside of the ordinary course of business or which are material to the Seller Business.

(b) With respect to each Material Seller Contract, (i) each such Contract is a valid and binding agreement of Seller or its Affiliates and is in full force and effect in all material respects, (ii) Seller has no Knowledge of any material default by any third party under any such Contract which default has not been cured or waived and which default by any third party would reasonably be expected to result in a Seller Material Adverse Effect and (iii) there is no material default by Seller or its Affiliates under any such

Contract which default has not been cured or waived and which default would reasonably be expected to result in a Seller Material Adverse Effect.

3.6 Compliance with Laws.

The Seller Business is presently complying in all material respects with all applicable Laws and Judgments, except for such failures to comply which, individually or in the aggregate, would not reasonably be expected to result in a Seller Material Adverse Effect. Seller and its Affiliates have all Permits necessary for the conduct of the Seller Business as currently conducted, other than those the absence of which, individually or in the aggregate, would not reasonably be expected to result in a Seller Material Adverse Effect, and there are no Proceedings pending, or to the Knowledge of Seller, threatened which may result in the revocation, termination, cancellation or suspension of any such Permit except those that, individually or in the aggregate, would not reasonably be expected to result in a Seller Material Adverse Effect; it being understood that nothing in this Section 3.6 is intended to address any failure to comply with any Law, Judgment or Permit (including Environmental Laws or environmentally-related Judgments or Permits) that is the subject of any other representation or warranty set forth herein. All of the Seller Permits are listed in Schedule 3.6 of the Seller Disclosure Schedule, together with any information relative to any requirements applicable to the assignability of the same.

3.7 Environmental.

(a) Definitions. For the purpose of this Agreement, the following words and phrases shall have the following meanings:

"Seller Environmental Condition" shall mean any condition of the Environment with respect to the Seller Real Property or property located in the vicinity of the Seller Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the Seller Business on the Seller Real Property, that (i) exists as of the Closing Date, and (ii) is in violation of applicable Environmental Law as of the Closing Date or involves concentrations of Hazardous Materials in soils, surface waters, groundwater, land, stream sediments, or surface or subsurface strata that are in excess of applicable remediation standards or guidelines, in effect as of the Closing Date, that are applicable in the jurisdiction in which the relevant real property is located.

For purposes of this Section 3.7 only, the term "Seller Real Property" shall mean the Seller Real Property as referred to in paragraph 1 of Schedule 2.1(a) and the leased real property upon which a Seller Business Location is operated.

(b) Environmental Representations, Warranties, and Obligations. With reference to the Seller Real Property and the Seller Business, Seller represents and warrants that, to the Knowledge of Seller, Seller and its Affiliates are presently in substantial compliance with all Environmental Laws applicable to the Seller Real Property and the Seller Business, and no Seller Environmental Conditions exist that are material, whether individually or in the aggregate.

3.8 No Violations.

The execution, delivery and performance by Seller of this Agreement and each of the other documents or agreements to which it is or will be a party pursuant hereto, and the consummation by Seller and its Affiliates of the transactions contemplated by this Agreement and such other documents and agreements, do not and will not (i) violate any provision of the certificate of formation or limited liability company agreement of Seller or the articles of incorporation, by-laws or similar governing documents of any of its Affiliates or subsidiaries, or (ii) (x) violate any Law, Permit or Judgment applicable to Seller or any of its Affiliates or subsidiaries, or any of their respective properties or assets, or (y) subject to obtaining the Consents set forth in Schedule 3.8 of the Seller Disclosure Schedule (the "Seller Required Contractual Consents"), violate, conflict with, result in a breach of any

provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Seller or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Seller or any of its Affiliates is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, will not have and would not be reasonably likely to have a Seller Material Adverse Effect.

3.9 Consents.

No consent is required to be obtained by Seller (or by any Affiliate) from, and no notice or filing is required to be given by Seller (or by any Affiliate) to or made by Seller (or by any Affiliate) with, any Governmental Authority in connection with the execution, delivery and performance by Seller of this Agreement, other than in all cases where the failure to obtain such Consent or to give or make such notice or filing would not, individually or in the aggregate, reasonably be expected to result in a Seller Material Adverse Effect.

3.10 Financial Information.

True and complete copies of the Seller Financial Statements are included in the Seller Disclosure Schedule. The Seller Financial Statements have been prepared from, are in accordance with and accurately reflect the books and records of the Seller Business, comply in all material respects with applicable accounting requirements, fairly present, in all material respects, the results of operations of the Seller Business for the respective periods indicated, and were prepared in accordance with GAAP applied consistently during such periods, except as set forth in the footnotes thereto.

3.11 Absence of Changes.

(a) Since December 31, 2004, (i) the Seller Business has been operated in the ordinary course in a manner consistent with past practice and (ii) there has not been a change, event, development or circumstance that has had or would reasonably be expected to have a Seller Material Adverse Effect, but for purposes of this Section 3.11(a), with respect to clause (a) of the definition of Seller Material Adverse Effect shall exclude any change or development involving (w) a prospective change arising out of any proposed or adopted legislation, or any other proposal or enactment by any governmental, regulatory or administrative authority, (x) general conditions applicable to the economy of the United States, including changes in interest rates, (y) conditions or effects resulting from the announcement of the existence and terms of this Agreement, or (z) conditions or factors affecting the industry in the United States in which the Seller Business operates, taken as a whole; provided, with respect to clauses (w) or (x) above, that such change, event, development or circumstance does not affect the Seller Business to a materially greater extent than other participants in the industry in the United States in which the Seller Business operates generally.

(b) Without limiting the foregoing, since December 31, 2004, neither Seller nor any of its Affiliates has with respect to the Seller Business:

(i) granted or committed to grant any bonus, commission, or other form of incentive compensation or increased or committed to increase the compensation, fees or pension, welfare, fringe or other benefits provided or payable to or in respect of any employees of the Seller Business, except for customary bonuses and regular salary increases made in the ordinary course of business, consistent with past practices, or granted any severance or termination pay;

(ii) except in the ordinary course, written off any accounts

receivable without adequate consideration;

(iii) made any material change in any method of accounting (for book or Tax purposes) or accounting practice;

(iv) purchased or otherwise acquired, or sold, leased, transferred or otherwise disposed of any material properties or material assets of the Seller Business, except in the ordinary course of business, consistent with past practices;

(v) entered into any leases with respect to the Seller Real Property;

(vi) terminated or amended any Material Seller Contract;

(vii) entered into, terminated or amended any Contracts or other agreements with respect to intellectual property rights, except in the ordinary course of business;

(viii) suffered any material Damage to the assets of the Seller Business;

(ix) permitted or suffered any material Lien on any of the Seller Assets, other than Permitted Encumbrances;

(x) commenced or initiated any lawsuit, action or proceeding with respect to the Seller Business or Seller Assets, except in the ordinary course of business;

(xi) incurred any indebtedness, material liability or obligation (whether absolute, accrued, contingent or otherwise) with respect to the Seller Business, except in the ordinary course of business, consistent with past practices;

(xii) waived, abandoned or otherwise disposed of any material rights in or to any intangible property related to the Seller Business; or

(xiii) agreed (whether or not in writing) to do any of the foregoing.

3.12 Transactions with Affiliates.

No Affiliate of Seller is an employee, consultant, competitor, customer, distributor, supplier or vendor of, or is party to any contractual obligations with Seller relating to the Seller Business and no officer or director of Seller is an Affiliate of any competitor, customer, distributor, supplier or vendor of the Seller Business. None of the Seller Assets are owned by an Affiliate of Seller or subject to any license or similar arrangement allowing use thereof by an Affiliate.

3.13 Condition of Seller Assets.

To Seller's Knowledge, there are no defects in or concerning the buildings, equipment or the tangible personal property occupied, operated or owned by Seller or its Affiliates as a part of the Seller Business which, individually or in the aggregate, would reasonably be expected to result in a Seller Material Adverse Effect. All of the Seller Assets are in good operating condition and repair, ordinary wear and tear excepted, and are suitable for the uses for which such Seller Assets were intended. Except as expressly set forth in this Agreement, (i) Seller expressly disclaims any other representation and warrant of any kind or nature, express or implied, as to the condition, value or quality of the Seller Assets and (ii) Seller specifically disclaims any representation or warranty of merchantability, usage or fitness for any particular purpose with respect to any of the Seller Assets.

3.14 Real Property Matters.

(a) Seller and its Affiliates are not currently in default under any agreement, order, judgment or decree relating to the Seller Real Property, and no conditions or circumstances exist which, with the giving of notice or passage of time or both, would constitute a default or breach with respect to any such agreement, order, judgment or decree, (b) Seller and its Affiliates have paid all Taxes due and owing which if not paid could result in a Lien on the Seller Real Property or impose liability on Buyer, (c) to Seller's Knowledge, there is no proposed special assessment which would affect the Seller Real Property, (d) to Seller's Knowledge, there are no claims, causes of action, lawsuits or legal proceedings pending or threatened regarding the ownership, use or possession of the Seller Real Property, including condemnation or similar proceedings, (e) to Seller's Knowledge, there is no violation of any zoning, subdivision, platting, building, fire or insurance laws, ordinances or regulations (whether related to the Seller Real Property or the occupancy thereof) to the extent not previously cured, including the failure of Seller to comply with all covenants, easements and restrictions recorded against the Seller Real Property, (f) Seller has no Knowledge of any intention on the part of the issuing authority to cancel, suspend or modify any licenses or permits relating to the Seller Real Property, (g) Seller and its Affiliates are in material compliance with all recorded covenants, easements and restrictions affecting the Seller Real Property, and (h) each of the Seller Leases is in full force and effect and has not been modified, amended, added to, or changed in any manner whatsoever except for those amendments attached to a Seller Lease Assignment.

3.15 Brokers and Finders.

There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Seller or any Affiliate of Seller who might be entitled to any fee or commission from Seller or any Affiliate of Seller in connection with the transactions contemplated by this Agreement.

3.16 Labor Matters.

With respect to the Seller Business, since January 1, 2000, there has not occurred or been threatened, and Seller does not have Knowledge of, any material employee strike, work stoppage, slowdown, lockout, picketing or concerted refusal to work overtime at a Seller Business Location and there are no, and Seller does not have Knowledge of, labor disputes currently subject to any arbitration or administrative proceeding involving employees of Seller or its Affiliates who are involved in the Seller Business (excluding routine workers' compensation claims).

3.17 Accounts Receivable.

All Seller Accounts Receivable represent bona fide sales actually made in the ordinary course of business and the accounts receivable reflected in the adjustments pursuant to Section 2.3 are owed to Seller or its Affiliates and are not subject to offset, counterclaim or other defense.

3.18 Inventory.

The Seller Inventory, whether finished goods, work in process or raw materials, consist of a quality and quantity usable and saleable in the ordinary and usual course of the Seller Business consistent with past practice.

3.19 Employee Benefit Plans; ERISA.

None of Seller or its ERISA Affiliates has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than for payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business), and no fact or event exists which would reasonably be expected to give rise to any such liability that would reasonably be expected to result in a Lien on the Seller Assets or a liability of the Buyer.

3.20 No Liabilities.

There are no liabilities or obligations, secured or unsecured, known or unknown (whether accrued, absolute, contingent or otherwise) of Seller or its Affiliates which in any way relate to or encumber the Seller Assets or the Seller Business, except for (a) those reflected or reserved on the Seller Financial Statements, (b) those trade payables and contractual obligations incurred or accrued in the ordinary and normal course of the Seller Business since December 31, 2004 and consistent with past practice, none of which, individually or in the aggregate, is material, and none of which is for breach of warranty or contract or for tort infringement, (c) those under the Seller Assumed Contracts, (d) those under the Seller Permits, (e) Liabilities relating to Environmental Laws, and (f) any taxes accruing in the ordinary course of the Seller Business, none of such taxes being the responsibility or obligation of Buyer (other than those ad valorem taxes which will be prorated as of the Closing Date).

ARTICLE 4.

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller that, except as set forth in the disclosure schedule being delivered by Buyer contemporaneously herewith (the "Buyer Disclosure Schedule"):

4.1 Existence of Authorization for Agreement; Enforceability.

Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite power and authority to own, lease, and operate its properties and carry on and operate its business as and where such business is now being conducted. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by the Board. Buyer has taken all actions necessary to authorize it to enter into and perform fully its obligations under this Agreement and all of the documents or instruments otherwise contemplated herein and to consummate the transactions contemplated herein and therein. Each of this Agreement and the other closing documents delivered pursuant hereto has been or at the Closing will be duly executed and delivered by Buyer and is or at the Closing will be the legal, valid and binding obligation of Buyer enforceable in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to the general principles of equity.

4.2 No Violations.

The execution, delivery and performance by Buyer of this Agreement and each of the other documents or agreements to which it is or will be a party pursuant hereto, and the consummation by Buyer and its Affiliates of the transactions contemplated by this Agreement and such other documents and agreements, do not and will not (i) violate any provision of the certificate of formation or limited liability company agreement of Buyer or the articles of incorporation, by-laws or similar governing documents of any of its Affiliates or subsidiaries, or (ii) (x) violate any Law, Permit or Judgment applicable to Buyer or any of its Affiliates or subsidiaries, or any of their respective properties or assets, or (y) subject to obtaining the Consents set forth in Schedule 4.2 of the Buyer Disclosure Schedule (the "Buyer Required Contractual Consents"), violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Buyer or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Buyer or any of its Affiliates is a party, or by which they or any of their respective properties or assets may be bound or affected, except (in the case of clause (y) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, will not have and would not be reasonably likely to have a material adverse effect on (a) Buyer or the business, financial condition or results of operations of the

Buyer's business, taken as a whole, or (b) the ability of Buyer to consummate the transactions contemplated hereby or perform any of its obligations hereunder (a "Buyer Material Adverse Effect").

4.3 Consents.

No consent is required to be obtained by Buyer (or by any Affiliate) from, and no notice or filing is required to be given by Buyer (or by any Affiliate) to or made by Buyer (or by any Affiliate) with, any Governmental Authority in connection with the execution, delivery and performance by Buyer of this Agreement, other than in all cases where the failure to obtain such Consent or to give or make such notice or filing would not, individually or in the aggregate, reasonably be expected to result in a Buyer Material Adverse Effect.

4.4 Brokers and Finders.

There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Buyer who might be entitled to any fee or commission from Buyer in connection with the transactions contemplated by this Agreement.

ARTICLE 5.
THE CLOSING

5.1 Generally.

(a) The Closing. The deliveries and payments contemplated by this Agreement (the "Closing") shall be made at the offices of Bradley Arant Rose & White LLP, One Federal Place, 1819 5th Avenue North, Birmingham, Alabama 35203.

(b) Closing Date; Effective Time. For purposes of this Agreement, the term "Closing Date" shall mean the date on which the Closing shall occur. The Closing shall occur simultaneously with the execution and delivery of this Agreement. The parties to this Agreement hereby agree that the Closing shall be effective at 12:01 a.m. (Central Time) on the date hereof (the "Effective Time").

5.2 [Omitted.]

5.3 [Omitted.]

5.4 [Omitted.]

5.5 Deliveries by Seller.

Seller shall deliver or cause to be delivered to Buyer at the Closing the following:

(a) A bill of sale and assignment evidencing the sale, transfer, conveyance, assignment and delivery to Buyer of those items described in paragraph 2 of Schedule 2.1(a), free and clear of all Liens (other than Permitted Encumbrances), duly executed by Seller (the "Seller Bill of Sale");

(b) A limited warranty deed for each parcel of Seller Land duly executed by Seller, evidencing the sale, transfer, conveyance, assignment and delivery of the Seller Land to Buyer (the "Seller Warranty Deed");

(c) A Title Policy for each parcel of Seller Land;

(d) Any sales tax and real estate transfer tax returns, notice of sale of assets, inventory resale certificate or like governmental report required or permitted by any Governmental Authority having jurisdiction over the Seller Real Property;

(e) An affidavit pursuant to the Foreign Investment and Real Property Transfer Act in respect of the transfer of Seller Land;

(f) [Omitted;]

(g) Resolutions adopted by the managers of Seller unanimously authorizing the execution and delivery of this Agreement and the transactions contemplated hereunder and appointing the person(s) authorized to consummate this transaction on behalf of Seller (the "Seller Authorized Person(s)");

(h) A current Certificate of Good Standing of Seller from the state of its formation and each state in which a Seller Business Location is located;

(i) A certificate executed by an authorized officer of Seller as to the incumbency of the Seller Authorized Person(s);

(j) [Omitted;]

(k) Possession of the Seller Assets;

(l) An instrument of assignment and assumption with respect to each Seller Assumed Contract, substantially in the form attached hereto as Exhibit 5.5(l) (the "Seller Assignment and Assumption Agreement"), duly executed by Seller;

(m) An Amendment No. 1 to that certain Limited Liability Company Agreement of Buyer, dated July 1, 2005 (the "Ready Mix LLC Agreement"), substantially in the form attached hereto as Exhibit 5.5(m) (the "Ready Mix LLC Amendment"), duly executed by CEMEX Southeast Holdings LLC, a Delaware limited liability company and an Affiliate of Seller ("CEMEX Holdings LLC"); and

(n) An Amendment No. 1 to that certain Limited Liability Company Agreement of CEMEX LLC, dated July 1, 2005 (the "CEMEX LLC Agreement"), substantially in the form attached hereto as Exhibit 5.5(n) (the "CEMEX LLC Amendment"), duly executed by CEMEX Holdings LLC.

5.6 Deliveries by Buyer.

Buyer shall pay and deliver or cause to be paid and delivered to Seller at the Closing the following:

(a) One Hundred Twenty-Four Million Five Hundred Sixty Thousand Dollars ($124,560,000), by wire transfer in immediately available funds to Seller's account designated in Schedule 2.3(d);

(b) The Seller Assignment and Assumption Agreement with respect to each Seller Assumed Contract, duly executed by Buyer;

(c) A certificate executed by the Manager of Buyer, dated the Closing Date, certifying as to the resolutions adopted by its Board with respect to the transactions contemplated by this Agreement;

(d) [Omitted;]

(e) The Ready Mix LLC Amendment, duly executed by Buyer and Ready Mix USA, Inc., an Alabama corporation and an Affiliate of Buyer ("RMUSA");

(f) The CEMEX LLC Amendment, duly executed by RMUSA; and

(g) The Seller Bill of Sale, duly executed by RMUSA.

ARTICLE 6.
AGREEMENTS

6.1 [Omitted]

6.2 [Omitted]

6.3 Further Acts.

(a) Seller shall assist Buyer in planning and accomplishing the

orderly transfer of the Seller Assets to Buyer as of the Closing Date and shall take all steps reasonably requested by Buyer in furtherance thereof. From time to time, at the request of Buyer, whether at or after the Closing Date and without further consideration, Seller and its officers and employees will do, execute, acknowledge and deliver to Buyer all further acts, instruments, and assurances, in recordable form, that are reasonably required by Buyer to effectuate the terms and conditions of this Agreement and the transactions contemplated under this Agreement. In addition to the foregoing, on or before the day which is sixty (60) days following the Closing, Seller shall cause (i) all of the Seller Required Contractual Consents to be obtained, (ii) the Seller Permits to be assigned to Buyer, (iii) all certificates of title for all vehicles/rolling stock being transferred to Buyer as part of the Seller Assets to be duly executed and assigned to Buyer, and (iv) an Assignment and Assumption Agreement and Lessor and Lessee Estoppel Agreement with respect to each Seller Lease, substantially in the form attached hereto as Exhibit 6.3(a) ("Seller Lease Assignment"), to be duly executed and delivered to Buyer. Seller covenants and agrees that following the Closing Seller shall take all commercially reasonable actions necessary at its own cost to clarify, correct, remove or satisfy any matters of title or survey which exist as of the Closing as to which Buyer may have an objection that affect any parcel of real property that is conveyed by Seller to Buyer. From time to time, at the request of Seller, whether at or after the Closing and without further consideration, Buyer and its officers and employees will do, execute, acknowledge and deliver to Seller all further acts, instruments, and assurances, in recordable form, that are reasonably required by Seller to effectuate the terms and conditions of this Agreement and the assumption of the Assumed Liabilities contemplated hereunder.

(b) The agreements of Seller in (a) above shall include, without limitation, the execution and delivery of deeds, assignments, bills of sale, affidavits, agreements, consents, certificates and other documents or instruments which Seller shall be unable to deliver as of the Closing and Seller shall diligently take whatever steps or actions subsequent to the Closing as may be necessary in order to effectuate delivery of each of the same.

(c) Immediately after the Closing, Seller shall take all actions reasonably necessary or appropriate to remove all Retained Seller Assets from the Seller Business Locations and retain Seller's possession and title to all Retained Seller Assets. Buyer hereby grants to Seller reasonable access to the Seller Business Locations to take such actions.

6.4 Consents.

Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement to transfer, sell or otherwise assign any instrument, Contract, license or Permit of the Seller Business which would otherwise be a Seller Asset but which is not permitted to be assigned in connection with a transaction of the type contemplated by this Agreement (collectively, the "Unassigned Contracts"). To the extent permitted under the terms of each Unassigned Contract, the beneficial interest in and to each Unassigned Contract shall in any event pass to Buyer at the Closing, and Seller covenants and agrees to cooperate with Buyer in any lawful and economically reasonable arrangement to provide Buyer with Seller's entire interest in the benefits under each of the Unassigned Contracts. Seller shall exercise or exploit its rights and options under all such Unassigned Contracts referred to in this Section 6.4 only as reasonably directed by Buyer; provided, that Buyer shall be responsible for any liability incurred by Seller pursuant to such direction and, provided, further, that Buyer shall not direct Seller not to attempt to obtain a Seller Required Contractual Consent for an Unassigned Contract. If Buyer receives an economic benefit under an Unassigned Contract, Buyer shall accept the burdens and perform the obligations under such Unassigned Contract as subcontractor of Seller to the extent of the benefit received, and to the extent such burdens and obligations would have constituted an Assumed Liability if such Unassigned Contract had been transferred to Buyer at the Closing. Furthermore, if the other party(ies) to an Unassigned Contract subsequently consent to the assignment of such Contract to Buyer, Buyer shall thereupon agree to assume and perform all liabilities and obligations arising

thereunder after the date of such consent, at which time such Unassigned Contract shall be deemed a Seller Asset, without the payment of further consideration, and the obligations so assumed thereunder shall be deemed Assumed Liabilities.

6.5 Mail.

From and after the Closing Date, (i) Buyer may open all mail and other communications received by Buyer at the Seller Business Locations addressed to Seller or any of its Affiliates, and may act with respect to such communications in such manner as Buyer may elect if such communications relate to the Seller Assets, the Assumed Liabilities or the Seller Business Locations and the Seller Business (other than payments to which Seller is entitled) or if such communications do not so relate, Buyer will forward the same promptly to Seller, and (ii) Seller may open all mail and other communications received by it with respect to the Seller Business Locations and the Seller Business, and if such communications relate to the Seller Assets, the Assumed Liabilities or the Seller Business Locations and the Seller Business (including payments to which Buyer is entitled), Seller will promptly forward the same to Buyer. Buyer shall hold, and shall cause its Affiliates, and its and their respective agents, employees or representatives to hold in strict confidence all documents and information that are not related to the Seller Assets or the Seller Business.

6.6 Post-Closing Assistance.

From time to time after the Closing and until the fifth (5th) anniversary of the Closing Date, to the extent permitted by Applicable Law, Seller shall cause its appropriate employees and representatives (i) to provide Buyer with information and data (including work papers) reasonably requested by Buyer which is necessary or useful to Buyer in connection with its current or former operation of the Seller Business, including personnel and employee benefit records, or to prepare all accounting and related reports and all tax returns with respect to the Seller Business, and (ii) to provide Buyer with assistance as may be reasonably requested by Buyer in connection with its current or former operation of the Seller Business or any third party claims or litigation (including any audit or other examination by any taxing authority or any judicial or administrative proceedings relating to any party's liability for taxes) with respect to the Seller Business.

6.7 Confidentiality; Public Announcements.

Seller and Buyer agree that the terms and conditions of the transactions contemplated in this Agreement are to remain confidential, except that a party and its affiliates may disclose the terms and provisions of this Agreement (i) to the extent that such party or any of its Affiliates is required by Applicable Law or by the rules of any securities exchange or trading market to make public disclosure or (ii) in any legal proceeding, including any audit, to the extent necessary to enforce any rights under this Agreement, in either case, the disclosing party shall provide the other parties with prior notice of such disclosure and the content thereof. Any other public announcement concerning the transactions contemplated by this Agreement, excepting disclosure in accordance with the provisions of the preceding sentence, shall be jointly planned and coordinated between Seller and Buyer. Each party shall provide the other parties with the reasonable opportunity to review any press release concerning the transactions contemplated by this Agreement prior to dissemination of such press release.

6.8 Certain Tax Matters.

Seller shall prepare and file all returns and reports for its federal, state and local taxes that are due on or after the Closing Date for the Business through the Effective Time, including all final employment, security and sales tax returns. Each of Seller and Buyer shall promptly forward to the other parties all written notifications and other written communications from any Governmental Authority received by Seller or Buyer, as the case may be, relating to any liability for taxes for any taxable period for which the other parties are obligated under this Agreement.

6.9 Accounts Receivable.

In the event that Seller receives any payments subsequent to the Closing Date relating to any Seller Accounts Receivable outstanding on or after such date, such payment shall be the property of, and shall be forwarded and remitted to Buyer as hereinafter provided. After the Closing Date, Seller shall and shall cause its Affiliates to pay to Buyer on a bi-monthly basis all amounts received after the Closing Date by Seller with respect to Seller Accounts Receivable.

6.10 Discontinuance of Use of Seller Retained Names.

To the extent any of the Seller Retained Names appear on any plants, buildings, signs, equipment or other structures that constitute Seller Assets, Buyer shall, by January 1, 2006, remove or obliterate, or cause to be removed or obliterated, the Seller Retained Names from such plants, buildings, signs, equipment or other structures. Seller shall use its commercially reasonable efforts to remove, or cause to be removed, from the Seller Real Property on or prior to Closing all stationery, business forms, packaging, containers and other similar personal property on which any of the Seller Retained Names appear; provided, however, to the extent any such items are inadvertently left on the Seller Real Property, Buyer shall not use any such items without first removing or obliterating, or causing to be removed or obliterated, the Seller Retained Names from such items. For the avoidance of doubt, except as set forth in the first sentence of this Section 6.10, Buyer shall have no rights to, and shall not use in any manner, the Seller Retained Names on or after the Closing.

6.11 Transition Services.

Seller shall provide to Buyer the transition services set forth on Schedule 6.11, pursuant to the terms and subject to the limitations set forth therein.

6.12 Like-Kind Exchange.

(a) Seller may, with respect to some or all of the Seller Assets, elect to effect a simultaneous or non-simultaneous tax-deferred exchange pursuant to Section 1031 of the Code and the regulations thereunder. Buyer expressly agrees to use reasonable efforts to cooperate with Seller, upon Seller's reasonable request and at Seller's expense, in connection with any such exchange, including by executing any and all documents, including escrow instructions or agreements and consenting to Seller's assignment of its rights hereunder to an exchange entity, which are reasonably necessary to carry out such an exchange. Any and all representations, obligations, agreements, warranties and covenants made by Seller to Buyer in connection with this Agreement shall remain in full force and effect and continue to inure to the benefit of Buyer, notwithstanding any assignment of this Agreement to a third party in connection with such Section 1031 exchange. Nothing in this Section 6.12 shall in any manner relieve Seller from any of its obligations under this Agreement, and Seller shall remain primarily liable to Buyer pursuant to the terms of this Agreement.

(b) Buyer's obligation to cooperate in a Section 1031 exchange is conditioned upon each of the following: (i) Buyer shall not be required to incur any additional costs, expenses or liabilities (including professional fees and transfer taxes) as a result of, or in connection with, any action taken by Buyer under Section 6.12(a) or such Section 1031 exchange, and Seller shall indemnify and hold Buyer harmless from any cost, expense or liability incurred by Buyer in connection with any action taken by Buyer under Section 6.12(a) or such Section 1031 exchange, (ii) the Closing shall not be delayed as a result of such Section 1031 exchange and (iii) all acknowledgments, releases, representations, warranties, covenants and agreements made by Seller (as set forth in this Agreement) shall remain in full force and effect in favor of Buyer as if such Section 1031 exchange had not been made.

(c) Buyer shall not be in default under this Agreement and shall not be liable for any damages, losses, costs or expenses incurred by Seller if (i)

any intermediary or exchange entity fails to take any steps to (A) locate, identify, or negotiate for the acquisition of property, (B) prepare and execute documents, or (C) arrange for financing necessary to effect the transactions contemplated by this Section 6.12, (ii) any property designated as such by Seller fails to qualify as "like-kind" property for purposes of Code Section 1031, or (iii) the transactions described herein otherwise fail, for any reason, to afford Seller the benefits of Section 1031 of the Code.

(d) Seller shall be solely responsible for all of the tax incidences of the transactions contemplated by this Section 6.12, including compliance with any temporal requirements hereunder or under Code Section 1031 or the Regulations thereunder.

6.13 Insurance

Buyer acknowledges that the Seller Retained Policies will not continue to insure the Seller Assets or the Seller Business after the Closing Date and that it is incumbent upon Buyer to obtain substitute policies of insurance that provide insurance coverage for the Seller Assets and the Seller Business. Buyer hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the Seller Assets or Seller Business occurs prior to or on the Closing Date, such loss shall be payable solely from the Seller Retained Policies. Buyer hereby further acknowledges that in the event any casualty or loss, including a product liability or workers' compensation claim, relating to the Seller Assets or Seller Business occurs after the Closing Date, such loss shall be payable solely from such substitute policies. Any such substitute policies shall include a waiver of any rights of subrogation that the insurance carriers underwriting such policies may have against Seller or Seller's Affiliates, or under the Seller Retained Policies.

6.14 Office Space

The parties hereby agree and acknowledge that certain employees of Seller will remain in the premises located at 1979 Lakeside Parkway Suite 800, Tucker, Georgia for a period not to exceed 60 days following the Closing Date and that Seller shall have no obligation to make any payment to Buyer in respect of rent, utilities, office services or otherwise related to the office space used by such employees during such 60-day period.

ARTICLE 7.
EMPLOYEE MATTERS

Seller shall transfer, or cause the transfer, to Buyer of the employees of Seller associated with the Seller Assets and the Seller Business ("Seller Transferred Employees"). Buyer shall maintain, or cause to be maintained, employee benefit and compensation plans, programs and arrangements (the "Plans") for the benefit of the Seller Transferred Employees. With respect to each Plan in which a Seller Transferred Employee participates, for purposes of determining eligibility, vesting and amount of benefits, including severance benefits and paid time off entitlement (but not for pension benefit accrual purposes), Buyer shall cause service with Seller (or predecessor employers to the extent Seller provided past service credit) to be treated as service with Buyer and its Affiliates; provided, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits or to the extent that such service was not recognized under an analogous plan of Seller. With respect to any Plan maintained in which Seller Transferred Employees are eligible to participate, Buyer shall, and shall cause its Affiliates to, (i) waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such employees to the extent such conditions and exclusions were satisfied or did not apply to such employees under the analogous plan of Seller and (ii) provide each Seller Transferred Employee with credit for any co-payments and deductibles paid prior to the Closing Date in satisfying any analogous deductible or out-of-pocket requirements to the extent applicable under any such plan. Effective as of the Closing Date, the Seller Transferred Employees shall cease to participate (and thus shall no longer be eligible for vesting or benefit accrual under) any employee benefit or compensation plans, programs or

arrangements maintained by Seller.

ARTICLE 8.
INDEMNIFICATION

8.1 Environmental Indemnity.

Seller, in addition to its other indemnity obligations otherwise provided in this Article 8, agrees to indemnify and hold harmless Buyer and its officers, shareholders, members, managers, directors, employees, agents, successors, and assigns (the "Seller Environmental Indemnitees"), against and in respect of, any and all Damages and/or claims that may be incurred by any of the Seller Environmental Indemnitees, or assessed against any of the Seller Environmental Indemnitees by any other party or parties (including a governmental entity) arising out of, in connection with, or relating to the subject matter of: (a) the breach or inaccuracy of any of the representations and warranties set forth in Section 3.7; (b) any Seller Environmental Condition which exists as of the Closing Date, even if not discovered until after the Closing Date, including remediation of such condition and loss of life, injury to Persons or property, or Damage to natural resources arising from such condition; (c) any violation of an Environmental Law prior to the Closing Date that relates to the Seller Real Property or the Seller Business; or (d) the off-site transportation, storage, disposal, treatment or recycling of Hazardous Materials generated by or on behalf of the Seller Business on or prior to the Closing Date, including any claims related to remediation of such Hazardous Materials and loss of life, injury to Persons or property, or Damage to natural resources arising from such Hazardous Materials. Such Damages or claims may sometimes be referred to herein as "Seller Environmental Liabilities." This indemnity shall survive the Closing Date only for a period of five (5) years after the Closing Date. Any testing or investigation that Buyer deems reasonably necessary in order to determine whether any environmental indemnity obligations of Seller exist hereunder may be conducted at any time prior to the termination of this indemnity obligation at the expense of Buyer.

8.2 Indemnity By Seller.

Subject to the provisions of this Article 8, Seller agrees to pay and to indemnify fully, hold harmless and defend each Buyer Indemnified Party from and against any and all claims or Damages arising out of or relating to:

(a) any inaccuracy or breach of any representation or warranty of Seller contained in this Agreement;

(b) any breach of any covenant or agreement of Seller contained in this Agreement;

(c) the liabilities and obligations of Seller or any of its Affiliates arising out of the operation or ownership of the Seller Assets or the Seller Business on or prior to the Closing Date, except Assumed Liabilities; and

(d) all obligations or liabilities that arise, whether before, on or after, the Closing Date, out of, or in connection with, the Retained Seller Assets;

provided that Seller shall have an obligation to indemnify any Buyer Indemnified Party for Damages pursuant to this Section 8.2 only to the extent that such Damages are in excess of (i) any amounts recovered by any Buyer Indemnified Party pursuant to any contract to which any Buyer Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Buyer Indemnified Party, Seller shall be subrogated to all rights of the Buyer Indemnified Party against any third party in respect of the losses to which such payment relates, and such Buyer Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 8.2 shall require a Buyer Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 8.

8.3 Indemnity by Buyer.

Subject to the provisions of this Article 8, Buyer agrees to pay and to indemnify fully, hold harmless and defend each Seller Indemnified Party from and against any and all claims or Damages arising out of or relating to:

(a) any inaccuracy or breach of any representation or warranty of Buyer contained in this Agreement;

(b) any breach of any covenant or agreement of Buyer contained in this Agreement; and

(c) any and all Assumed Liability;

provided that Buyer shall have an obligation to indemnify any Seller Indemnified Party for Damages pursuant to this Section 8.3 only to the extent that such Damages are in excess of (i) any amounts recovered by any Seller Indemnified Party pursuant to any contract to which any Seller Indemnified Party is a party and (ii) any insurance proceeds received with respect thereto (exclusive of amounts recovered which are subject to retrospective payments or premiums); provided, further, that upon making any payment to any Seller Indemnified Party, Buyer shall be subrogated to all rights of the Seller Indemnified Party against any third party in respect of the losses to which such payment relates, and such Seller Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. Nothing in this Section 8.3 shall require a Seller Indemnified Party to seek to recover Damages from any third party before making a claim for indemnification pursuant to Article 8.

8.4 Exclusive Remedy.

Except as provided in Section 10.12, the right to indemnification provided for in Sections 8.2 and 8.3 shall be the exclusive remedy of all Indemnified Parties with respect to the transactions contemplated under this Agreement.

8.5 Indemnification Procedures.

The party or parties making a claim for indemnification under Section 8.1, 8.2 or 8.3 shall be, for the purposes of this Agreement, referred to as the "Indemnified Party" and the party or parties against whom such claims are asserted under this Article 8 shall be, for the purposes of this Agreement, referred to as the "Indemnifying Party." All claims by any Indemnified Party under this Article 8 shall be asserted and resolved as follows:

(a) In the event that (i) any claim, demand or Proceeding is asserted or instituted by any Person other than the parties to this Agreement or their Affiliates which could give rise to Damages for which an Indemnifying Party could be liable to an Indemnified Party under this Agreement (such claim, demand or Proceeding, a "Third Party Claim") or (ii) any Indemnified Party under this Agreement shall have a claim to be indemnified by any Indemnifying Party under this Agreement which does not involve a Third Party Claim (such claim, a "Direct Claim"), the Indemnified Party shall with reasonable promptness send to the Indemnifying Party a written notice specifying the nature of such claim, demand or Proceeding and the amount or estimated amount thereof if known (which amount or estimated amount shall not be conclusive of the final amount, if any, of such claim, demand or Proceeding) (a "Claim Notice").

(b) In the event of a Third Party Claim, the Indemnifying Party shall be entitled to appoint counsel of the Indemnifying Party's choice at the expense of the Indemnifying Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in connection with such claim, demand or Proceeding (in which case the Indemnifying Party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by any Indemnified Party except as set forth below); provided that such counsel is reasonably acceptable to the Indemnified Party. Notwithstanding

an Indemnifying Party's election to appoint counsel to represent an Indemnified Party in connection with a Third Party Claim, an Indemnified Party shall have the right to employ separate counsel, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest or (ii) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any claim, demand or Proceeding which the Indemnifying Party defends, or, if appropriate and related to the claim, demand or Proceeding in question, in making any counterclaim against the Person asserting the Third Party Claim, or any cross-complaint against any Person. No Third Party Claim may be settled or compromised (i) by the Indemnified Party without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed or (ii) by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. In the event any Indemnified Party settles or compromises or consents to the entry of any Judgment with respect to any Third Party Claim without the prior written consent of the Indemnifying Party, each Indemnified Party shall be deemed to have waived all rights against the Indemnifying Party for indemnification under this Article 8 with respect to such Third Party Claim.

(c) In the event of a Direct Claim the Indemnifying Party shall notify the Indemnified Party within thirty (30) days of receipt of a Claim Notice whether or not the Indemnifying Party disputes such claim.

(d) From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its representatives all reasonable access to the books, records and properties of such Indemnified Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access shall be granted during normal business hours and shall be granted under conditions, which will not unreasonably interfere with the business and operations of such Indemnified Party. The Indemnifying Party will not, and shall require that its representatives do not, use (except in connection with such Claim Notice) or disclose to any third person other than the Indemnifying Party's representatives (except as may be required by applicable Law) any information obtained pursuant to this Section 8.5(d).

8.6 Monetary and Payment Limitations.

(a) Neither Seller nor Buyer shall have any obligation to indemnify a Buyer Indemnified Party or Seller Indemnified Party pursuant to Sections 8.2(a) or 8.3(a), respectively, unless the aggregate amount of Damages suffered by all Buyer Indemnified Parties or Seller Indemnified Parties, as the case may be, in respect of such claims exceeds $1,000,000, in which case the Buyer Indemnified Parties or Seller Indemnified Parties, as the case may be, shall be entitled to recover all Damages including the $1,000,000. For purposes of determining when and whether the $1,000,000 threshold for indemnification set forth in this paragraph (a) has been met, the calculation of Damages suffered by an Indemnified Party in respect of claims pursuant to Sections 8.2(a) or 8.3(a), as the case may be, shall be deemed to include the aggregate amount of Damages suffered by all Buyer Indemnified Parties or Seller Indemnified Parties, as the case may be, and for which claims for indemnification have been made by such Indemnified Parties pursuant to Section 9.1(a) or Section 9.2(a), as the case may be, of the Asset and Capital Contribution Agreement dated July 1, 2005, by and among Ready Mix USA, Inc., CEMEX Holdings LLC and Ready Mix USA, LLC (the "Ready Mix LLC Contribution Agreement"). For the avoidance of doubt, and by way of example, in the event that an Indemnified Party suffers Damages (i) in the amount of $500,000 for which such Indemnified Party would be indemnified under Section 9.1(a) or Section 9.2(a) of the Ready Mix LLC Contribution Agreement, as the case may be, but for the limitation provided in Section 9.6(a) of the Ready Mix LLC Contribution Agreement, and (ii) in the amount of $500,000 for which such Indemnified Party would be indemnified under Section 8.2(a) or Section 8.3(a) of this Agreement, as the case may be, but for the limitation provided in this paragraph (a), then the Indemnified Party shall be entitled to

recover the full $1,000,000 in Damages from the Indemnifying Party.

(b) Notwithstanding any provision of this Agreement to the contrary, the aggregate liability of Seller or Buyer for Damages in respect of all claims for indemnification pursuant to Section 8.2(a) or 8.3(a), respectively, shall in no event exceed the Purchase Price. NO PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR SIMILAR DAMAGES, EXCEPT TO THE EXTENT ASSERTED BY, AWARDED, PAID OR PAYABLE TO ANY THIRD PARTY.

(c) The parties mutually agree that payment to a Buyer Indemnified Party by Seller for Damages shall be paid solely from the required EBITDA distributions to be paid to Cemex Holdings LLC or any of its Affiliates pursuant to Section 6.1 of the Ready Mix LLC Agreement and Section 6.1 of the Cemex LLC Agreement, as the case may be, and subject to the terms of Section 21 of the Ready Mix LLC Agreement, as amended by the Ready Mix Amendment, and Section 21 of the Cemex LLC Agreement, as amended by the Cemex LLC Amendment.

(d) Notwithstanding the foregoing, the Indemnified Party shall not be limited to recovery of Damages pursuant to clause (c) above with respect to Damages arising out of or relating to any fraud by Seller or Buyer in connection with this Agreement, the discussions and negotiations leading up to this Agreement or the transaction contemplated herein, and each of Seller and Buyer shall be and remain liable to the other for any Damages arising out of any such claim or fraud.

8.7 Survival.

Except for the representations and warranties in Section 3.2(a), which shall survive without limit, the representations and warranties of Seller contained in this Agreement shall survive the Closing Date for the applicable period set forth in this Section 8.7, and any and all claims and causes of action for indemnification under this Article 8 arising out of the inaccuracy or breach of any representation or warranty of Seller must be made prior to the termination of the applicable survival period set forth in this Section 8.7. All of the representations and warranties of Seller contained in this Agreement and any and all claims and causes of action for indemnification under this Article 8 with respect thereto shall terminate on the second anniversary of the date of this Agreement; provided that the representations and warranties in Sections 3.3, 3.6, and 3.19 shall survive until the expiration of the applicable statute of limitations; provided further that the representations and warranties in Sections 3.7 shall survive until the fifth anniversary of the date of this Agreement; it being understood that in the event notice of any claim for indemnification under Section 8.2(a) shall have been given within the applicable survival period, the representations and warranties that are the subject of such indemnification claim shall survive until such time as such claim is finally resolved.

8.8 Binding Nature.

The indemnity obligations imposed under this Article 8 shall be binding upon the parties hereto and their respective successors and assigns. Wherever possible, such indemnity obligations shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of these indemnity obligations shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of the said indemnity obligations.

ARTICLE 9.
[Omitted]

ARTICLE 10.
GENERAL PROVISIONS

10.1 Reliance on Representations and Warranties.

The parties mutually agree that notwithstanding any right of any party to investigate the affairs of any other party and notwithstanding any Knowledge

of any facts determined or determinable by such party pursuant to such investigation or right of investigation, each party has the right to fully rely upon the respective representations and warranties of each other party contained in this Agreement.

10.2 Amendments.

No change, modification or amendment to this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto.

10.3 Notices.

Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or mailed by first class registered mail, return receipt requested, addressed to the parties at the addressees set forth below (or at such other address as any party may specify by notice to all other parties given as aforesaid).

If to Buyer:

Ready Mix USA, LLC
2570 Ruffner Road
Birmingham, Alabama 35210
Attn: Marc Bryant Tyson

With a copy, which shall not constitute notice, to:

Ready Mix USA, Inc.
1300 McFarland Boulevard N.E.
Tuscaloosa, Alabama 35406
Attn: Scott M. Phelps

If to Seller:

RMC Mid-Atlantic, LLC
c/o CEMEX, Inc.
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Jesus Gonzalez Herrera

With copies, which shall not constitute notice, to:

CEMEX, Inc.
840 Gessner, Suite 1400
Houston, TX 77024
Attn: Leslie White

Skadden, Arps, Slate, Meagher & Flom LLP
1600 Smith, Suite 4400
Houston, TX 77002
Attn: Frank Ed Bayouth II

10.4 Expenses.

Except as otherwise expressly provided in this Agreement, each party to this Agreement will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel, and accountants.

10.5 Binding Effect.

This Agreement shall be binding and conclusive upon and inure to the benefit of the respective parties hereto and their successors and assigns.

10.6 Waiver.

Failure of any party hereto to insist upon the strict performance of any of the covenants or conditions of this Agreement or to exercise any right or option conferred herein in one or more instances shall not be construed as a waiver or relinquishment of any such covenant, or condition, right or option, but the same shall remain in full force and effect. The committing by either party of any act or thing which it is not obligated to do hereunder shall not be deemed to impose an obligation upon it to do any such act or thing in the future or in any way change or alter any provision of this Agreement.

10.7 Counterparts.

This Agreement may be executed by original or facsimile signatures in several counterparts that together shall constitute but one and the same agreement, binding on both the parties notwithstanding that both parties have not signed the same counterpart.

10.8 Construction.

(a) This Agreement shall be construed in its entirety according to its plain meaning and shall not be construed against the party who provided or drafted it. Any reference to an Article, Section, Schedule or Annex is a reference to an Article or Section of, or a Schedule or an Annex to, this Agreement.

(b) Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(c) The words "include", "includes" and "including" are not limiting, and shall be deemed to be followed by the phrase "without limitation".

(d) The terms "dollars" and "$" mean United States dollars.

(e) The phrases "the date of this Agreement", "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to September 1, 2005.

(f) The conjunction "or" shall be understood in its inclusive sense (and/or).

(g) The word "day" shall be understood to be equal to a calendar day unless otherwise specified.

10.9 Captions.

The titles of the Articles, Sections, Schedules and Annexes of this Agreement have been assigned thereto for convenience only and shall not be construed as limiting, defining or affecting the substantive terms of this Agreement.

10.10 Applicable Law.

This Agreement shall be construed in accordance with the laws of the State of Georgia, without giving effect to its principles or rules of conflict of laws.

10.11 Consent to Jurisdiction.

All disputes, litigation, proceedings or other legal actions by any party to this Agreement in connection with or relating to this Agreement or any matters described or contemplated in this Agreement shall be instituted in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the courts of the State of Georgia, and of the United States, in either case, sitting in Atlanta, Georgia, in connection with any such dispute, litigation, action or proceeding arising out of or relating to this Agreement. Each party to this Agreement may receive the service of any process or summons in connection with any such dispute, litigation, action or proceeding brought in any such court by

a mailed copy of such process or summons sent to it at its address set forth, and in the manner provided, in Section 10.3. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding under this Agreement brought in the courts of the State of Georgia, or of the United States in the State of Georgia, in either case, sitting in Atlanta, Georgia, and any claim that any proceeding under this Agreement brought in any such court has been brought in an inconvenient forum.

10.12 Specific Performance.

The parties to this Agreement agree that irreparable Damage would occur in the event that any provision of this Agreement was not performed in accordance with the terms of this Agreement and that the parties shall be entitled to specific performance of the terms of this Agreement in addition to any other remedy at Law or equity.

10.13 Translation.

Should this Agreement be translated into any language other than English, the English version shall control and prevail on any question of interpretation or otherwise.

10.14 Assignment.

This Agreement shall be binding upon the respective successors and permitted assigns of the parties hereto. This Agreement shall not be assignable or otherwise transferable by any of Seller or Buyer without the prior written consent of the other parties and any attempt to so assign or transfer this Agreement without such consent shall be void and of no effect.

10.15 Entire Agreement.

This Agreement (including the Schedules and Exhibits hereto) and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement of the parties and supersedes any and all prior agreements, arrangements and understandings relating to the subject matters hereof and thereto.

10.16 Rights of Creditors and Third Parties under this Agreement.

This Agreement is entered into between Seller and Buyer for the exclusive benefit of Seller and Buyer, and their successors and permitted assigns. This Agreement is expressly not intended for the benefit of any creditor of Seller or Buyer or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement.

10.17 Severability.

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.18 Definitions.

"Allocation Schedule" has the meaning set forth in Section 2.3(e).

"Affiliate" of, or Person "affiliated" with a specified Person, means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meaning, the terms "controlled," "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the Preamble and includes any amendments or other modifications and supplements to this Agreement, and all exhibits, schedules and other attachments to it, as executed and delivered by the parties thereto.

"Applicable Law" means all applicable provisions of any constitution, statute, law, ordinance, code, rule, regulation, decision, order, decree, judgment, release, license, permit, stipulation or other official pronouncement enacted or issued by any Governmental Authority or arbitrator or arbitration panel.

"Assumed Liabilities" has the meaning set forth in Section 2.4.

"Board" means the Board of Managers of Ready Mix USA, LLC, a Delaware limited liability company.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to close.

"Buyer" has the meaning set forth in the Preamble.

"Buyer Disclosure Schedule" has the meaning set forth in Article 4.

"Buyer Indemnified Party" means Buyer, Buyer's Affiliates, managers, directors, officers, members, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"Buyer Material Adverse Effect" has the meaning set forth in Section 4.2.

"Buyer Required Contractual Consents" has the meaning set forth in Section 4.2.

"Consent" means any consent, waiver, approval, authorization, exemption, registration or declaration.

"CEMEX Holdings LLC" has the meaning set forth in Section 5.5(m).

"CEMEX LLC" means CEMEX Southeast LLC, a Delaware limited liability company.

"CEMEX LLC Agreement" has the meaning set forth in Section 5.5(n).

"CEMEX LLC Amendment" has the meaning set forth in Section 5.5(n).

"Claim Notice" has the meaning set forth in Section 8.5(a).

"Closing" has the meaning set forth in Section 5.1(a).

"Closing Date" has the meaning set forth in Section 5.1(b).

"Closing Working Capital" has the meaning set forth in Section 2.3(b).

"Closing Purchase Price" has the meaning set forth in Section 2.3(a).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Contracts" has the meaning set forth in Section 3.5(a)(i).

"Damages" means liabilities, damages, penalties, Judgments, assessments, losses, costs and expenses in any case, whether arising under strict liability or otherwise (including reasonable attorneys' fees) including lost profits, lost benefits, loss of or diminution in enterprise value and loss of goodwill, but excluding consequential, incidental, special, punitive or similar damages, except to the extent such consequential, incidental, special,

punitive or similar damages are asserted by, awarded, paid or payable to any third party.

"Direct Claim" has the meaning set forth in Section 8.5(a).

"Effective Time" has the meaning set forth in Section 5.1(b).

"Environmental Law" means the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq., as amended ("RCRA"); the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq. (original act know as "CERCLA" or "Superfund," the Amendments are known as "SARA"); the HSWA amendments to RCRA regulating Underground Storage Tanks ("USTS"), 42 U.S.C. " 6991-6991(i); the Clean Air Act of 1963 as amended in 1970 and 1977, 42 U.S.C. ' 7401, et seq. ("Clean Air Act"); the Federal Water Pollution Control Act of 1976, as subsequently amended by the Clean Water Act of 1977 and 1987, 33 U.S.C. " 1251, et seq. ("Clean Water Act"), and the Toxic Substances Control Act of 1976, 15 U.S.C. " 2501 ("TSCA"), and all other federal, state and local laws, regulations, rules or ordinances implementing or otherwise dealing with the subject matter of the preceding federal statutes or otherwise relating to the protection of human health or the Environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any entity that is a member of a controlled group for purposes of Section 4001(a)(14) of ERISA.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"Governmental Authority" means (i) any domestic or foreign national, state or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, court, department, bureau or entity, or (ii) any arbitrator with authority to legally bind a party or any of its Affiliates.

"Hazardous Material" shall mean any pollutant, toxic substance including asbestos and asbestos-containing materials, hazardous waste, hazardous material or hazardous substance as defined in or controlled by the Environmental Law.

"Impartial Accounting Firm" has the meaning set forth in Section 2.3(c)(iii).

"Indemnified Party" has the meaning set forth in Section 8.5.

"Indemnifying Party" has the meaning set forth in Section 8.5.

"Judgments" means any judgments, injunctions, orders, writs, rulings or awards of any court or other judicial authority or any governmental, administrative or regulatory authority of competent jurisdiction.

"Knowledge" shall mean, with respect to the Buyer, the actual knowledge of Jesus Gonzalez Herrera, Leslie White, Andy Miller, Steve Wise, Luis Oropeza, Chris Crouch, and Frank Craddock, and with respect to the Seller, the actual knowledge of Marc Bryant Tyson, Scott M. Phelps, Bill Roy and Bill Holden.

"Laws" means any federal, state, local or foreign law, statute, ordinance, rule, regulation, order or decree.

"Lien" means all liens (statutory or otherwise), mortgages, pledges, charges, security interests, sureties, options, easements, covenants, restrictions or other encumbrances whatsoever.

"Material Seller Contract" has the meaning set forth in Section 3.5(a).

"Materials Inventory Value" has the meaning set forth in Section 2.3(b).

"Parts Inventory Value" has the meaning set forth in Section 2.3(b).

"Permits" means all permits, authorizations, approvals, registrations, licenses, certificates, variances and similar rights granted by or obtained from any federal, state, local or foreign governmental, administrative or regulatory authority.

"Permitted Encumbrances" means (a) mechanics', carriers', warehousemens', workmens' and other similar Liens arising with respect to the Seller Assets, in the ordinary course of the Seller Business which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (b) Liens for taxes, assessments and other governmental charges not yet due and payable or that may subsequently be paid without penalty or that are being contested in good faith by appropriate proceedings, and (c) with respect to the Seller Real Property, encumbrances to fee simple, leasehold or easement title for: (i) Seller Real Property taxes or other property taxes, assessments, governmental charges or levies not yet due; (ii) easements, rights-of-way, licenses, restrictions, reservations of mineral rights (with surface rights being waived) or similar encumbrances that do not materially impair the marketability, use or operation of such Seller Real Property by Buyer; and (iii) rights of tenants in possession of any such Seller Real Property pursuant to tenant leases to be assigned to the Buyer.

"Person" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or other entity or organization.

"Plans" has the meaning set forth in Article 7.

"Proceeding" means any action, suit, demand, claim, legal or administrative proceeding or any arbitration or other alternative dispute resolution proceeding, hearing or investigation.

"Purchase Price" has the meaning set forth in Section 2.3(c)(i).

"Ready Mix LLC Agreement" has the meaning set forth in Section 5.5(m).

"Ready Mix LLC Amendment" has the meaning set forth in Section 5.5(m).

"Ready Mix LLC Contribution Agreement" has the meaning set forth in Section 8.6(a).

"Retained Seller Assets" has the meaning set forth in Section 2.1.

"RMUSA" has the meaning set forth in Section 5.6(e).

"Seller" has the meaning set forth in the Preamble.

"Seller Accounts Receivable" has the meaning set forth in Schedule 2.1(a)(5).

"Seller Assignment and Assumption Agreement" has the meaning set forth in Section 5.5(l).

"Seller Assets" has the meaning set forth in Section 2.1.

"Seller Assumed Contracts" has the meaning set forth in Schedule 2.1(a)(8).

"Seller Authorized Person" has the meaning set forth in Section 5.5(g).

"Seller Bill of Sale" has the meaning set forth in Section 5.5(a).

"Seller Business" has the meaning set forth in Section 2.1.

"Seller Business Locations" has the meaning set forth in Section 2.1.

"Seller Disclosure Schedule" has the meaning set forth in Article 3.

"Seller Environmental Condition" has the meaning set forth in Section 3.7(a).

"Seller Environmental Indemnitees" has the meaning set forth in Section 8.1.

"Seller Environmental Liabilities" has the meaning set forth in Section 8.1.

"Seller Financial Statements" means the statement of income for the Seller Assets for the twelve months ended December 31, 2004.

"Seller Indemnified Party" means Seller, Seller's Affiliates, directors, managers, officers, members, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns.

"Seller Intangible Property" means intellectual property owned by Seller or any Affiliate of Seller.

"Seller Inventory" has the meaning set forth in Schedule 2.1(a)(3).

"Seller Land" has the meaning set forth in Schedule 2.1(a)(1).

"Seller Leases" has the meaning set forth in Schedule 2.1(a)(8).

"Seller Lease Assignment" has the meaning set forth in Section 6.3(a).

"Seller Material Adverse Effect" has the meaning set forth in Section 3.4.

"Seller Permits" has the meaning set forth in Schedule 2.1(a)(9).

"Seller Real Property" has the meaning set forth in Schedule 2.1(a)(1).

"Seller Required Contractual Consents" has the meaning set forth in Section 3.8.

"Seller Retained Names" has the meaning set forth in Schedule 2.1(b)(5).

"Seller Retained Policies" has the meaning set forth in Schedule 2.1(b)(4).

"Seller Transferred Employees" has the meaning set forth in Article 7.

"Seller Warranty Deed" has the meaning set forth in Section 5.5(b).

"Seller Working Capital Statement" has the meaning set forth in Section 2.3(c)(i).

"Taxes" has the meaning set forth in Schedule 2.4(5).

"Third Party Claim" has the meaning set forth in Section 8.5(a).

"Time Period" has the meaning set forth in Schedule 6.11(A).

"Title Company" shall mean either of First American Title Insurance Company or Fidelity National Title Insurance Company.

"Title Policy" means an ALTA owner's policy of title insurance in a form acceptable to Buyer, with respect to any such policy issued for Seller Real Property (or, with respect to any parcel of Seller Real Property that is in a State which does not permit the issuance of such ALTA policy, such form as shall be permitted in such State and acceptable to Buyer) issued by the Title Company with respect to such Seller Real Property and insuring Buyer's indefeasible fee simple ownership of such Seller Real Property as of the date hereof, subject only to the standard exceptions and exclusions from coverage and the Permitted Encumbrances, with respect to any such policy issued for Seller Real Property.

"Unassigned Contract" has the meaning set forth in Section 6.4.

"WARN Act" means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss. ss. 2101-2109.

"Working Capital Adjustment Amount" has the meaning set forth in Section 2.3(c)(i).

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the day and year first above written.

BUYER:

READY MIX USA, LLC

By: Ready Mix USA, Inc.
Its Manager

By: /s/ Marc Bryant Tyson

Marc Bryant Tyson
Its President

SELLER:

RMC MID-ATLANTIC, LLC

By: /s/ Gilberto Perez

Gilberto Perez
Its: Manager

LIST OF SCHEDULES AND EXHIBITS

Schedule 2.1(a)	Seller Assets
Schedule 2.1(a)-1	Seller Business Locations
Schedule 2.1(b)	Retained Seller Assets
Schedule 2.3(d)	Accounts
Schedule 2.4	Assumed Liabilities
Schedule 6.11	Transition Services and Terms
Exhibit 5.5(l)	Seller Assignment and Assumption Agreement
Exhibit 5.5(m)	Ready Mix LLC Amendment
Exhibit 5.5(n)	CEMEX LLC Amendment

Schedule 2.1(a)

Seller Assets

1. Real Property. Subject to the Permitted Encumbrances, the real property owned, or in the case of (vi) below, leased, by Seller and consisting of: (i) the real property described on Schedule 2.1(a)-1 (the "Seller Land"), (ii) all buildings, structures and improvements located on the Seller Land, to the extent owned by Seller, (iii) all fixtures, machinery, apparatus or equipment affixed to the Seller Land, including all of the electrical, heating, plumbing, air conditioning, air compression and all other similar systems located on the Seller Land, to the extent owned by Seller and to the extent that such items constitute fixtures, (iv) all right, title and interest of Seller, reversionary or otherwise, in and to all easements, if any, in or upon the Seller Land and all other rights and appurtenances belonging or in any way pertaining to the Seller Land (including Seller's right, title and interest in and to any mineral rights or water rights relating to the Seller Land), (v) all right, title and interest of Seller in, to or under all strips and gores and any land lying in the bed of any public road, highway or other access way, open or proposed, adjoining the Seller Land and (vi) the Seller Leases (collectively, the "Seller Real Property");

2. Personal Property. Except as described on Schedule 2.1(b), the tangible personal property that is either located on the Seller Real Property or used or intended for use primarily in, or which is being utilized or operated by Seller primarily in the Seller Business as presently conducted, including all off road, non-titled rolling stock, material handling equipment, wheel loaders, track dozers, scrapers, water trucks, haul trucks, conveyor system, aggregate processing equipment/crushers and machinery, storage silos, installed control systems, installed electric motors, conveyors, cement and raw material storage and handling equipment, weigh scales, office furniture, business machines, cement/aggregate testing and laboratory equipment, tools and fixtures;

3. Inventory. Except as described on Schedule 2.1(b), all inventory, including all inventories of products, work in process, finished goods, raw materials, supplies, parts, cement, construction aggregate, coal and fuel, lubricants, machinery and equipment repair parts and components, including those tools, fuel, repair parts, components and other items, and including the supplies of coal, clay, construction aggregate, fly and bottom ash and other raw materials and repair parts (collectively, "Seller Inventory");

4. Prepaid Items. All of Seller's rights and interests relating to prepaid expenses, advance payments, deposits and prepaid items, including prepaid interest and deposits with lessors, suppliers or utilities, which relate primarily to the Seller Business;

5. Accounts Receivable. Except as described on Schedule 2.1(b), Seller's accounts receivable primarily arising out of the conduct of the Seller Business and outstanding as of the Closing Date, including any payments received by Seller or any of its Affiliates with respect thereto on or after the Closing Date, and unpaid interest accrued on any accounts receivable and any security or collateral relating thereto (collectively, "Seller Accounts Receivable");

6. Books, Records and Written Materials. Except as described on Schedule 2.1(b), all of Seller's and its Affiliates' books and records, whether in hard copy or in electronic format (e.g. computer files), including all production data, equipment maintenance data, accounting records, (but

specifically excluding those files related to the Retained Seller Litigation), and any inventory records, sales and sales promotional data and materials, advertising materials, sales training materials, educational support program materials, cost and pricing information, business plans, quality control records and manuals, blueprints, research and development files, records and laboratory books, patent disclosures, correspondence, and any other records and data, in each case (i) used primarily in or necessary for the conduct of the Seller Business or (ii) that are located on the Seller Real Property or are within the possession or control of those Persons employed by Seller to work primarily for the Business, and all books and records relating to Taxes (other than income Taxes) with respect to the Seller Business; provided that nothing in this paragraph 6 shall require Seller to deliver to Buyer or otherwise provide Buyer access to any electronic records that cannot be separated from information relating to the Seller Retained Assets or Seller's other businesses;

7. Catalogs and Advertising Materials. Seller's promotional and advertising materials relating primarily to or necessary for the conduct of the Seller Business as presently conducted, including all catalogs, brochures, plans, customer lists, supplier lists, manuals, handbooks, equipment and parts lists, and dealer and distributor lists;

8. Assumed Contracts. Except as described on Schedule 2.1(b) and subject to Section 6.3(b), all rights and benefits of Seller and its Affiliates in, to or under all Contracts relating primarily to the Seller Business, to which Seller or any of its Affiliates is a party or by which any of the Seller Assets are bound, including (i) all rights of Seller in all purchase and sales orders relating principally to the Business, (ii) all rights of Seller as lessee under all leases of personal property relating primarily to the Seller Business, (iii) all Contracts with suppliers for any products, raw materials, supplies, equipment or parts heretofore sold, or to be sold, by Seller used primarily in the Seller Business as presently conducted, (iv) all rights of Seller either as lessee or lessor under all leases affecting the Seller Real Property (the "Seller Leases"), and (v) all other Contracts entered into between the date of this Agreement and the Closing in accordance with Section 6.1 (all of the foregoing being collectively, the "Seller Assumed Contracts");

9. Permits and Approvals. All licenses, permits, approvals, variances, emission allowances, authorizations, waivers or consents used primarily in or necessary for the conduct of the Seller Business as presently conducted or ownership or operation of the Seller Real Property as currently operated and issued to Seller by any Governmental Authority, to the extent transferable (collectively, "Seller Permits");

10. Claims. Except as described on Schedule 2.1(b), all rights, privileges, claims, demands, causes of action, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims (to the extent transferable), offsets and other claims relating to the Seller Assets or the Seller Business, but not to the extent that they relate to the Retained Seller Assets or the Retained Seller Liabilities; and

11. Goodwill. Any and all goodwill associated principally with the Seller Business.

Schedule 2.1(a)-1

Seller Business Locations

Location	Street Address	City	ST	County	Owned/ Leased
Cartersville	144 Cassville Road	Cartersville	GA	Bartow	Owned
College Park	2194 West Point Avenue	College Park	GA	Fulton	Owned
Covington	160 Cook Road	Covington	GA	Newton	Owned and Leased
Decatur	134 Maple Street	Decatur	GA	DeKalb	Owned
Downtown	1360 Marietta Boulevard	Atlanta	GA	Fulton	Owned
Lawrenceville	383 Maltbie Street (aggregates)	Lawrenceville	GA	Gwinnett	Owned
Lawrenceville	383 Maltbie Street (ready-mix)	Lawrenceville	GA	Gwinnett	Owned
Marietta	1398 Owenby Drive	Marietta	GA	Cobb	Owned
Rome	935 North Second Avenue	Rome	GA	Floyd	Owned
Stockbridge	500 South Lee Street	Stockbridge	GA	Henry	Owned
Douglasville	6611 West Bankhead Highway	Douglasville	GA	Douglas	Owned and Leased
Buford	6711 McEvers Road	Buford	GA	Hall	Owned
Alpharetta	1320 Morrison Pkwy a/k/a Hembree Road	Alpharetta	GA	Fulton	Owned
Armour Drive	340 Armour Drive	Atlanta	GA	Fulton	Leased
Auburn	269 Parks Mill Road	Auburn	GA	Barrow	Leased
Canton	715 Univeter Road	Canton	GA	Cherokee	Leased
Carrollton	369 Central Road	Carrollton	GA	Carroll	Leased
Dawsonville	171 Easy Street	Dawsonville	GA	Dawson	Leased
Fulco	4368 Martin Luther King Drive	Atlanta	GA	Fulton	Leased
Grayson	1125 Ozora Road	Grayson	GA	Gwinnett	Leased
Lilburn	125 Killian Hill Road	Lilburn	GA	Gwinnett	Leased
Madras	252 Elzie Johnson Road	Madras	GA	Coweta	Leased
North Fulton	3561 Peachtree Parkway	Suwanee	GA	Forsyth	Leased
RMC Mid-Atlantic Concrete Products	1979 Lakeside Parkway Ste. 800	Tucker	GA	DeKalb	Leased
Scottdale	3305 E. Ponce de Leon Avenue	Scottdale	GA	DeKalb	Leased
Tyrone	115 Mallory Court	Tyrone	GA	Fayette	Leased
Doraville	6350 New Peachtree Road	Doraville	GA	DeKalb	Leased
Fayetteville	574 Highway 314	Fayetteville	GA	Fayette	Leased

Schedule 2.1(b)

Retained Seller Assets

1. Cash. All cash, bank balances, money market accounts, moneys in possession of banks and other depositories, term or term deposits and similar cash equivalents and cash items of, owned or held by or for the account of Seller;

3. Corporate and Other Records. The corporate books and records, including stock certificates, treasury stock, stock transfer records, corporate seals and minute books of Seller (i) which are not used in or necessary for the conduct of the Seller Business and (ii) which are not located on the Seller Real Property or are not within the possession or control of those Persons employed to work principally for the Seller Business, (iii) employee files for employees other than the Seller Transferred Employees, (iv) Seller's Tax Returns and any tax supporting information related thereto, and (v) any and all records related to pending or completed litigation and claims;

4. Insurance. Any and all policies of insurance, whether or not covering the Seller Assets or the Seller Business, that are or have been maintained or managed through Seller or any of its Affiliates, including general

liability, property, casualty, product liability and workers' compensation insurance (the "Seller Retained Policies"), including any and all amounts recovered by Seller under such Seller Retained Policies;

5. Intellectual Property. All intellectual property of Seller and its Affiliates, whether or not used primarily in or necessary for the conduct of the Seller Business, including Seller's and its Affiliates' patents, trade secrets, copyrights, trademarks, trade names, logos, slogans, internet domain names, licenses and software, including any and all rights (including any common law trademark rights) to the names CEMEX, CEMEX, Inc., RMC, RMC Mid-Atlantic, RMC Mid-Atlantic LLC, RMC USA, RMC Allied Materials, RMC Metromont Materials, RMC Allied Readymix, Inc., Metromont Materials, Inc., RMC-CEMEX, RMC Metromont, RMC Allied Readymix, and Metromont Materials LLC (such names, collectively, the "Seller Retained Names"); and

6. Others. Reimbursement for expenses under the Georgia Underground Storage Tank Trust Fund program.

Schedule 2.3(d)

Accounts

Seller's Account:

Bank Name: Bank of America
Account Name: RMC Industries
Account Number: 3750214635
Bank ABA Number: 111000012
Reference: Sale of Assets to Concrete Joint Venture

Buyer's Account:

Bank Name: Regions Bank
Pelham, Alabama
Account Name: Ready Mix USA, LLC
Account Number: 0509060999
Bank ABA Number: 062005690
Contact Person: John Mark Bentley
(205) 663-0723, Extension 244

Schedule 2.4

Assumed Liabilities

1. Assumed Contracts. Subject to Section 6.4, all liabilities and obligations of Seller arising after the Closing under the Assumed Contracts and any and all obligations by Seller or any of its Affiliates to guarantee or support obligations of the Buyer or any of its Subsidiaries under any of the Assumed Contracts. For the avoidance of doubt, Buyer shall not assume any liabilities or obligations arising out of any breach of or default under such Assumed Contracts by Seller that occurred prior to the Closing;

2. Real Property. Except as set forth in Section 2.2 and Section 8.1, all liabilities and obligations relating to, or occurring or existing in connection with, or arising out of, the ownership and use of the Seller Real Property, arising after the Closing;

3. Product Liability. Claims for product warranty, product liability, refunds, returns, personal injury and property Damage, and all other

liabilities and obligations, relating to products sold or services provided by Buyer after the Closing;

4. Post Closing Liabilities. Any liability, claim or obligation which is based on events or conditions occurring or arising out of the Seller Business as operated by Buyer after the Closing or the ownership, possession, use or sale of the Seller Assets by Buyer after the Closing (but, in each case, only to the extent such liability, claim or obligation is based on events or conditions that occur or arise for the first time after the Closing);

5. Taxes (excluding transfer and income Taxes). All liabilities and obligations related to Taxes (excluding transfer and income Taxes) to the extent due and payable after the Closing;

6. WARN. Any liabilities or obligations of Seller arising under the WARN Act to the Seller employees arising out of a "plant closing" or "mass layoff" (as those terms are defined under the WARN Act) occurring as of or after the Closing.

7. Environmental Liabilities. (a) The Seller Environmental Liabilities (except to the extent that such liabilities are subject to indemnification pursuant to Section 8.1); and (b) any Damages that may be incurred as a result of the presence of Hazardous Materials at the Seller Real Property or property located in the vicinity of the Seller Real Property that results from the ownership, possession, use, occupation, construction and/or improvement to or operation of the Seller Business or Seller Real Property, that exists as of the Closing Date but is not otherwise a Seller Environmental Condition as defined in Section 3.7(a).

Schedule 6.11

Transition Services and Terms

A. Time Period: The transition services shall be provided for One Hundred and Twenty (120) days following the Closing Date (the "Time Period"). Thereafter, Buyer shall have the right, in its sole discretion, to extend the Time Period for up to four (4) additional sixty (60) day periods. Following the expiration of the Time Period set forth in this Section A, and any extension, Buyer shall have no further right to receive any services or use any property described in this Schedule 6.11.

B. Payment for Transition Services. No payment for the transition services is required for the initial Time Period. For any extension of the Time Period required by Buyer, Buyer shall pay Seller Twenty Thousand Dollars ($20,000.00) for each 60-day extension Time Period.

C. Services Schedule:

   a. Seller shall use reasonable efforts, within 30 days of the Closing Date; to identify all software licenses that are part of or support the Seller Assets, and Seller shall use reasonable efforts to determine whether, under the applicable license agreement, the software vendor will consent to the transfer of such software licenses to Buyer. The prior sentence shall not apply to any software license that also are utilized in any manner by other Seller operations and cannot be bifurcated between the Seller Assets and Seller. Provided that Seller uses reasonable efforts under this Section C(a), Seller shall not be liable for any failure to identify and make determination with regard to the software licenses described in this Section C(a).

   b. Seller will provide services and allow Buyer employees the continued use of the Seller's phone systems, WAN data circuits, Command Series,

TracerNet, Baan, Customer Tracking System, Quadrel, TMT-Transman, MyRMC, DriverTime, On-Base, Cognos, Oracle, invoice print method/program, and applications and the related ancillary systems. Seller shall provide to Buyer reasonable access to the above-referenced systems and operations. The access to these systems shall be subject to and limited by preexisting contractual agreements that the seller has with the 3rd party vendors of the above-mentioned systems, provided that in the event Buyer is not allowed access to these systems, and to the extent permissible under such preexisting contractual agreements, Seller shall provide the benefits of these systems during the Time Period.

c. All control data changes required to transition from Seller systems to Buyer systems will be the sole responsibility of Buyer. "Control data" includes, but is not limited to, customer masters, trucks, drivers, mix designs, and product codes. Seller will provide control data transition assistance within accepted business practice, as allowed by time constraints.

d. All communication circuits to the Seller Business Locations will be kept operational for the duration of the Time Period, Seller will be responsible for the support and troubleshooting of the circuits, at the end of the final Time Period all lines will be cancelled. Buyer will be responsible for providing its own communication circuits to the Seller Business Locations.

e. Only the transition services as described above in this Schedule 6.11 will be provided. Without limiting the foregoing, Seller will not provide any financial reporting and any inadvertent errors such as incorrect shipments will result in no liability to Seller.

Exhibit 5.5(l)

Seller Assignment and Assumption Agreement

Exhibit 5.5(m)

Ready Mix LLC Amendment

Exhibit 5.5(n)

Cemex LLC Amendment

Exhibit 6.3(a)

Seller Lease Agreement

Exhibit 8.1

List of Subsidiaries

The following is a list of the significant subsidiaries of CEMEX, S.A. de C.V. as of December 31, 2005, including the name of each subsidiary and its country of incorporation:

Subsidiary	Country
CEMEX Mexico, S.A. De C.V........................	Mexico
CEMEX Concretos, S.A. De C.V.....................	Mexico
CEMEX Espana, S.A................................	Spain
CEMEX Corp.......................................	United States (DE)
CEMEX, Inc.......................................	United States (LA)

Exhibit 12.1

Certification of the Principal Executive Officer of
CEMEX, S.A. 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. 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)) 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) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 7, 2006

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
CEMEX, S.A. de C.V.

Exhibit 12.2

Certification of the Principal Financial Officer of
CEMEX, S.A. 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. 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)) 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) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 7, 2006

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance
CEMEX, S.A. de C.V.

Exhibit 12.3

Certification of the Principal Executive Officer of
CEMEX Mexico, S.A. 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 Mexico, S.A. 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)) 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) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 7, 2006

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
CEMEX Mexico, S.A. de C.V.

Exhibit 12.4

Certification of the Principal Financial Officer of
CEMEX Mexico, S.A. 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 Mexico, S.A. 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)) 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) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 7, 2006

/s/ Hector Medina

Hector Medina
Executive Vice President of
  Planning and Finance
CEMEX Mexico, S.A. de C.V.

Exhibit 12.5

Certification of the Principal Executive Officer of
Empresas Tolteca de Mexico, S.A. 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 Empresas Tolteca de Mexico, S.A. 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)) 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) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 7, 2006

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
Empresas Tolteca de Mexico, S.A.
de C.V.

Exhibit 12.6

Certification of the Principal Financial Officer of
Empresas Tolteca de Mexico, S.A. 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 Empresas Tolteca de Mexico, S.A. 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)) 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) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 7, 2006

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance
Empresas Tolteca de Mexico, S.A.
de C.V.

Exhibit 13.1

Certification of the Principal Executive and Financial Officers of
CEMEX, S.A. 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. de C.V. (the "Company") for the year ended December 31, 2005 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.

/s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title: Chief Executive Officer
Date: June 7, 2006

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of
Planning and Finance
Date: June 7, 2006

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 13.2

Certification of the Principal Executive and Financial Officers of
CEMEX Mexico, S.A. 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 Mexico, S.A. de C.V. (the "Company") for the year ended December 31, 2005 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.

/s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title: Chief Executive Officer
Date: June 7, 2006

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of
Planning and Finance
Date: June 7, 2006

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 13.3

Certification of the Principal Executive and Financial Officers of
Empresas Tolteca de Mexico, S.A. 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 Empresas Tolteca de Mexico, S.A. de C.V. (the "Company") for the year ended December 31, 2005 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.

/s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title: Chief Executive Officer
Date: June 7, 2006

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of Planning and Finance
Date: June 7, 2006

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

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. de C.V., (ii) the Registration Statement on Form S-8 (File No. 333-83962) of CEMEX, S.A. de C.V., (iii) the Registration Statement on Form S-8 (File No. 333-86060) of CEMEX, S.A. de C.V. and (iv) the Registration Statement on Form S-8 (File No. 333-128657) of CEMEX, S.A. de C.V., of our reports dated January 27, 2006 (except for note 25, which is as of May 25, 2006), with respect to the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2004 and 2005, 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, 2005, and the related financial statements schedules, which reports appear in this Annual Report on Form 20-F of CEMEX, S.A. de C.V.

KPMG Cardena Dosal, S.C.

/s/ Leandro Castillo Parada

Leandro Castillo Parada

Monterrey, N.L., Mexico

June 6, 2006